HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Wednesday, February 8, 1984

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TOURISM

CO-ORDINATION OF GOVERNMENT PLANNING URGED

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, once again, I would like to speak out about tourism and the importance of doing everything possible to bolster up this sagging industry. Over the last several years Canada has become less popular as a travel destination for both Canadians and foreigners. In contrast, Mr. Speaker, the percentage of Canadians travelling outside Canada has been growing by 5 per cent yearly.

There are a number of problems affecting our declining tourist industry, the most serious being that of cost. Canada has become over-priced as a tourist destination largely because of excessive taxation by all levels of government on accommodation, gasoline, and spirits.

In addition, government decisions are often made without regard to their detrimental implications on the tourist industry. There is a lack of co-ordination between the various government Departments regarding regulations which end up being detrimental to the tourist industry. More co-operation is needed between all levels of government to co-ordinate and carry out positive plans for the betterment of tourism.

Therefore, I call on the federal Government to take the initiative and the necessary action to raise the tourist industry in Canada to its full potential, which would drastically help to produce much needed additional employment in this time of economic stagnation.

* * *

POLITICAL PARTIES

COMPILATION OF PUBLIC SERVICE LIST ATTRIBUTED TO PROGRESSIVE CONSERVATIVE PARTY

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, as the Lord High Executioner sang in the *Mikado*, "As some day it may happen that a victim must be found, I have a little list; I have a little list." The Official Opposition has revealed that it, too, has a little list. Like the Queen of Hearts in "Alice in Wonderland", the Hon. Member for Calgary Centre (Mr. Andre) and his cohorts scream, "Off with their heads", to more than 3,000 persons now serving the people of Canada in appointed positions within the government structure. Some of these people are even Tories, Mr. Speaker. They will all go, irrespective of the quality of their work or their dedication to the people of Canada.

One has to wonder what other "little lists" the Tories are compiling for the day they want victims to appease the blood lust of their membership. Are there lists of diplomats who must be eliminated? How about specific public servants? Instead of dynamic government from the Tories, the people of Canada may well be awaiting, as Gilbert and Sullivan put it, "... the sensation of a short, sharp shock, from a cheap and chippy chopper on a big black block."

* * *

AUTOMOTIVE INDUSTRY

IMPACT OF SALES TAX

Mr. Joe Reid (St. Catharines): Mr. Speaker, the motor vehicle manufactured in Canada has a favourable major impact on the Canadian economy. Steel, rubber and plastic manufacturers, and a host of related workers, all rely heavily on the continued existence of a Canadian automobile industry. Even after a series of disastrous years for North American car sales, and when imports account for one-third of the Canadian market, the Government's sales tax system continues to discriminate in favour of offshore vehicles. This federal sales tax makes it up to $400 cheaper for a Canadian to buy a Japanese-made car, for instance, rather than one produced at home, supplying jobs to Canadians.

It is a simple matter—if the Government only had the will—to change. The Minister of Finance (Mr. Lalonde) can accept this as a challenge to make this change in his forthcoming budget speech. As it is, the tax on domestic automobiles is levied on the retail value, while the tax on imports is on the smaller duty-paid value. Why discriminate against the North American built car? The Minister of Finance's own federal sales tax review committee reported as long ago as May, 1983, that this was an inequity. The task force set up by the former Minister of Industry, Trade and Commerce refers to it as a blatant inequity.

In view of the size and importance of the Canadian automobile industry, and the lip service given to it by so many Cabinet Ministers, it is difficult to understand the Government's apparent reluctance to correct that which is recognized by all as an obvious inequity.

S.O. 21

[*Translation*]

INDUSTRY

DEVELOPMENT OF HIGH-TECH INDUSTRY—MONTREAL REGION

Mr. Marcel Roy (Laval): Mr. Speaker, I have good news and bad news regarding the development of high-tech industries in the Montreal region. A study prepared by Fantus, a company in Chicago, for the Department of Regional Economic Expansion, to assess the suitability of the Montreal region as a location for high-tech industries, confirmed and showed that Canadian Government subsidies provide a significant advantage over other North American centres such as Boston, Chicago, San Francisco, Los Angeles and New York. The federal Government has invested about $2 billion during the last six months in the high-tech industry for the Montreal area. However—and this is the bad news—the study pointed out in a note from the Vice-President that the advantages of lower installation and operating costs tended to be offset by Quebec legislation that provides for higher taxes for executives, and also by the political uncertainty, certain government regulations such as Bill 17 and compulsory licences.

Mr. Speaker, we hope that these constraints which have had a definite influence on the decision of businesses to invest will be given serious attention. Mr. Lévesque's announcement that the election will be run on Quebec's independence is certainly not going to promote investment, either in the Montreal area or anywhere in the province.

Mr. Speaker, this is a serious matter, because thousands of jobs are involved.

* * *

[*English*]

FISHERIES

PLIGHT OF BRITISH COLUMBIA INDUSTRY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, in British Columbia, where our forest economy is in crisis, the response of the Social Credit Government has been to lay off 500 forestry workers. This is like laying off the fire brigade in the middle of a fire. The Tories now want to get into the act. In Friday's debate on the crisis in the fishing industry in British Columbia, the Tory Member for Capilano (Mr. Huntington) suggested that the Fisheries Department had too many employees. He said: "Perhaps it is time to thin the operation out."

The Hon. Member for Capilano is not the fisheries critic for the Tories, but he is their Treasury Board critic. Last September he suggested that the entire Public Service should be cut back by 20 per cent.

● (1410)

The British Columbia economy is in a tail-spin and public sector lay offs have made matters worse. Some 15.2 per cent of our work force, over 200,000 people, are now officially unemployed. By laying off forestry workers we destroy not only present jobs but future jobs. Now the Hon. Member for Capilano says that is what we need in fisheries. Already such areas as enforcement of habitat regulations are short of personnel. Unless we begin to protect habitat, we will not have any fisheries left.

The Liberal approach to the fisheries crisis is to eliminate fishermen, and the Tories want to eliminate public sector jobs. The people of Canada should know that both Liberals—

Mr. Speaker: I regret to interrupt the Hon. Member but his time has expired.

* * *

FINANCE

FUNDING FOR JOB-CREATION PROGRAMS—PETERBOROUGH SITUATION

Mr. Bill Domm (Peterborough): Mr. Speaker, Liberal MPs received $500,000 each to create jobs in their ridings while Opposition MPs did not. This is a sleazy, porkbarrelling act, so crass in nature as to offend the most hardened citizen. In Peterborough, during 1983, the same period, I collected a list of $460,000 worth of work for two projects submitted by Trent University, six projects from Sir Sandford Fleming College, nine from the volunteer sector, including Planned Parenthood Resource Centre, Women Against Assault, a program for psychiatric patients at the Civic Hospital, the YMCA usage study, job creation for senior citizens, conservation programs, YWCA programs and skills, Native Alliance needs and assessment, to name but a few. This $460,000 in Peterborough would have created 84 permanent jobs, and 1,514 work weeks for some of the projects, and all this for federal funding of only $460,000. Why do Liberal Members of Parliament get $500,000 and Members in Conservative ridings receive zilch?

* * *

[*Translation*]

POLITICAL PARTIES

ALLEGED FINANCIAL SUPPORT FOR ANTI-CLARK CAMPAIGN

Mr. Gaston Gourde (Lévis): Thank you Mr. Speaker. The Leader of the Opposition forgot to answer four questions that were put to him last Monday during the period set aside for Members' statements.

I would therefore ask him again to clarify several facts of national interest. Was the Leader of the Opposition aware of the alleged payment of $25,000 or $250,000 by Mr. Wolf, a non-resident, to an anti-Clark coalition, when the Leader of the Opposition and his friend, Michel Cogger, gave their support to the ex-Leader, the Member for Yellowhead, at the end of 1982? Could he inform the House even if he was not aware of the fact, which I doubt, whether he supports such action by a non-resident?

The Leader of the Opposition ought to know that Section 76 of the Canada Elections Act prohibits anyone residing abroad from soliciting or in any way seeking to urge voters to vote for a candidate or to refrain from doing so—it is against the law. It hardly matters that no election had been called at the time these events took place, since the Progressive Conservative Party and its Leader have created a dangerous precedent that could lead to a general deterioration of our electoral practices. The Leader of the Opposition has a duty to state publicly whether he supports such indefensible behaviour. In addition to ignoring the principles generally adhered to when there is a leadership campaign within a party, he has failed to explain his attitude at the end of 1982 and whether Joe Clark received the Judas kiss at that time, just before the organized rebellion that materialized in Winnipeg in 1983.

* * *

[*English*]

NORTHERN AFFAIRS

COPE LAND CLAIM AGREEMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the foolishness of the Minister of Indian Affairs and Northern Development (Mr. Munro) and his strategy of conducting land claim negotiations under a veil of secrecy, without conferring with interested third parties, has been amply demonstrated by the recently initialed COPE agreement. Apparently no serious attempt was made to reconcile the overlap problem with neighbouring claimants, and the inclusion of a 10 per cent bid differential on both public and private tenders to be based upon the ethnic origin of the bidder has incensed the business community and has wide ranging implications right across Canada.

• (1415)

Despite the Minister's reluctance to listen to reasonable arguments in the past, he ought now to heed the advice of the northern business community and of the Dene-Métis land claimants so that the Inuvialuit settlement might be finalized in an equitable and fair manner without further undue delay.

* * *

NATIONAL REVENUE

TAX ON SPECIALLY EQUIPPED BUSES FOR THE HANDICAPPED

Mr. Neil Young (Beaches): Mr. Speaker, Revenue Canada is trying to collect $70,000 in sales tax and penalties in connection with Metro Toronto's purchase of specially equipped busses for the handicapped. The Government agency has decided that amputees and patients in wheelchairs cannot be defined as handicapped for the purposes of the Excise Tax Act if they are travelling to hospitals for treatment of unrelated illnesses. That ruling is totally contradictory to the position that the Government took as a result of the International Year of Disabled Persons. It is also contradictory to the recommendations that were made in the "Obstacles Report", which was the report of the Special Committee on the Disabled.

Inherent in this ruling, Mr. Speaker, is the erroneous assumption that disabled people are sick. Disabled people are anything but sick, and it is totally unfair for the Government to perpetuate that stereotyping, particularly through such a basic measure as taxation. The members of my Party insist that the Government reverse this ruling by Revenue Canada which is indirectly penalizing disabled people who do not need that further obstacle in their lives.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

CUSTOMS AND EXCISE AUDITORS—PROFITABILITY CONCEPT MENTIONED IN MEMORANDUM

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, my question is for the Minister of National Revenue. Yesterday he assured the House that quotas on auditors were contrary to the policies of his Department. He also assured the House that at no time during his tenure had there been quotas on auditors in the Customs and Excise department. How does the Minister reconcile that statement which he made yesterday with a memorandum from the district manager of the Kitchener-Waterloo office of Customs and Excise dated May 2, 1983, entitled, "Profitability of Cell Audits and Tax Change Per Audit Day", which sets specific quotas for auditors, indicates that these quotas were being set as a result of pressure from headquarters, and says that the key concern will be profitability? It makes no mention of the question of equity and fairness in dealing with the people who are being audited.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I repeat what I said in the House yesterday, and I would invite the Hon. Member to enquire about procedures existing within the Excise Division for planning audit operations.

I may also point out to the Hon. Member that this practice has been in existence for about ten years, and that it is not a new method, although it may be new to him. I thought his short stay at Treasury Board would at least have taught him the basic principles of government management and its application to specific departments. I can also inform him that with this method we are able to set up procedures by which the person-years at our disposal are used in the best interests of holders of excise licenses and of the Government itself.

Mr. Speaker, there are two factors we must bear in mind: the tax changes made at the end of an audit and the "profitability" concept, to quote the expression used in the memoran-

dum. The concept of changes in taxation or tax value is applied both in cases where the changes are in the taxpayer's favour, in other words, when the taxpayer has overestimated the amount payable, and in cases where the amount is later reassessed in the Government's favour. When the "profitability" concept is applied, both aspects are taken into account. After the audit, amounts going back to the taxpayer, because of overpayment, are considered as well as assessments that add funds to the Treasury. I think it is important to realize—

Mr. Speaker: I would ask the Hon. Minister to be brief, if possible.

• (1420)

[*English*]

PER DIEM MONETARY STIPULATION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, the House will note that in that windy answer the Minister did not deal with the question. The question was how he squares the fact that quotas have been imposed, at the insistence of headquarters, on auditors in Customs and Excise, with the statement he made yesterday that they were contrary to government policy and second, that they had not existed in Customs and Excise. The Minister denies that quotas exist.

What is the difference between a quota and a requirement that auditors in the PM-2 category have a change of $330 per day? What is the difference between the two if that is not simply spelling out precisely what the quota is?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, first of all, I would like to point out to the Hon. Member that on the occasion of a review of Excise management practices, the Auditor General approved a practice that has been in existence for ten years and is still being used to set up audit mechanisms within the Department as the most productive approach in order to deal fairly with both licence holders and the Government, since the study is to cover cases where reimbursements are due to taxpayers as well as those where, if I may use that expression, the Government has the advantage.

The Hon. Member ought to realize that to establish and manage this practice and measure the effectiveness of audit procedures, we are acting on the basis of statistics on previous audits, and we are using those statistics to develop an audit method that is the most suitable and the most advantageous, both for the licence holder and the Government.

I may add, Mr. Speaker, that last year, for example, out of a total audit rate of $3, $2 was in the Government's favour and $1 was to the advantage of the licensee.

[*English*]

DEPARTMENT'S POLICY

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, what we have just heard is a defence of the quota system, not a denial that quotas exist.

I want to draw the Minister's attention to this statement in the document: "I draw to your attention that where an audit is not profitable or where it is determined that additional time would not be—

Mr. Speaker: Order, please. The practice of additional supplementaries has been well established in the House, but the question of reading documentation on a second supplementary question is a practice that gives the Chair concern. Would the Hon. Member put his question?

Mr. Beatty: Yes, Mr. Speaker. I want to ask the Minister—I hope I will get a straight answer from him for a change—if there has been a change in the Department's policy where profitability of audits, how much money can be brought in, is now the guiding criterion, rather than justice to make sure that everyone pays his fair share, no more and no less.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member was in the Government for a short time. However, instead of adding to his knowledge, it seems the experience has increased his ignorance.

I would refer him to the Auditor General's Report tabled in the House for the fiscal year ending March 31, 1979, on page 456, and as a Member of Parliament, he should already have read it. On that page, the Auditor General of Canada explains the concept of "profitability" as it applies to Excise audits. The Hon. Member will see that the Auditor General explains the concept in the same way this was done in the memorandum the Hon. Member failed to read properly. He will also see that the Auditor General of Canada confirms this is an effective concept for proper audits of taxpayers' accounts.

I may remind the Hon. Member that while for the year 1982-1983, $95 million went to the Government, after audit, $41 million was returned to taxpayers because they had declared excise taxes in excess.

• (1425)

[*English*]

Mr. Speaker: I might remind Hon. Members about the length of both questions and answers. Apparently minor debates are what are evolving instead of a Question Period. The Chair is in the hands of the House. Sometimes the nature of the question invites a longer response, and the Chair is trying to sharpen this procedure to make it more parliamentary if possible. The Hon. Member for Waterloo.

TAX ON BUSES FOR HANDICAPPED

Mr. Walter McLean (Waterloo): Mr. Speaker, my question is also for the Minister of National Revenue. He is aware, of course, of the report in *The Globe and Mail* this morning which has been alluded to already in a statement by the Hon. Member for Beaches. That story is about the harassment by the Minister's officials, in this case the harassment of Metro Toronto over its specially equipped buses for the handicapped, and an effort to collect some $70,000 in taxes. This is symptomatic of the situation I raised last week, what I am raising again, and what my colleagues have been raising, in regard to the actions of his Department. Mr. Ken Christie spells out the problem. The Minister will agree with me that the officials are obviously out of order. They have erred. Has the Minister already asked that this action been undone? Has he taken action to correct it?

Hon. Pierre Bussières (Minister of National Revenue): The ruling to which the Hon. Member is referring is related to the municipality of Metropolitan Toronto. The buses in question are used for the transportation of handicapped and sick people, and the taxable status is based on a previous decision of the Tariff Board. We have stopped any collection of the money and we have invited the company to appear before the Tariff Board again to obtain a decision on whether or not the our present ruling is in conformity with the previous decision by the Board or whether it should be changed.

Mr. Nielsen: You will be taxing seeing eye dogs next.

TREATMENT OF THE HANDICAPPED

Mr. Walter McLean (Waterloo): Mr. Speaker, no matter how the Minister may respond, it is harassment. The action of Revenue Canada is described as having changed in the last two years. The Minister indicated that there was to be some sympathy, some humanity, in the application of the Tax Act. Where is the humanity on the part of his officials in terms of the handicapped? Will he go after the blind next? Where is the compassion? The Act was intended to protect the very people it is now penalizing. Can the Minister tell me why his officials are so mean spirited in interpreting the Act?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have made it quite clear that the decision of the Department was based on an earlier ruling of an agency called the Tariff Board, which the Hon. Member has undoubtedly heard of.

Given the nature of the transaction, we have decided not to levy the money collected from the Municipality of Metropolitan Toronto and to wait for a Tariff Board ruling after it has reviewed this case.

I would hope that the Hon. Member did not imply in his question that the Department should disregard the law and quasi-judicial agencies such as the Tariff Board. I think that the Department's position is quite clear. The situation stems from an earlier ruling of a quasi-judicial agency, the Tariff Board, which has ruled that it is taxable. However, we do acknowledge that there might be a grey zone and we say "We will not collect the money—Use the bus, keep the money". Should the Tariff Board—a quasi-judicial agency—confirm its ruling, we will take action, and should the Tariff Board rule in your favour, very well, no payment will be sought, and indeed no money has been collected so far. Therefore, no harm has been done to the organization involved or to the others.

• (1430)

[*English*]

REQUEST THAT MINISTER INSTRUCT TARIFF BOARD TO REVERSE DECISION

Mr. Neil Young (Beaches): Mr. Speaker, my supplementary question is directed to the same Minister. The Minister has indicated that he would ask the Tariff Board whether it would reconsider that decision. Would he go even further and instruct the Tariff Board, because there is a difference between the ruling made in Calgary and the one made in Toronto, to reverse the decision that was made, so there is no such discrimination against disabled individuals?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I am convinced that the Hon. Member would be first to blame a Minister who would give such instructions to a quasi-judicial agency such as the Tariff Board.

[*English*]

Mr. Young: As the Minister knows, the Government makes policy, not public servants.

REQUEST THAT MINISTER CHANGE POLICY

Mr. Neil Young (Beaches): Mr. Speaker, will the Minister change the policy, if that indeed is the policy, so that there is no more discrimination against disabled individuals? That is the simple question. The Minister is responsible for policy; change the policy.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would urge the Hon. Member to consider the question more closely. To begin with, he should realize that laws are not arbitrarily administered. First, in this instance, the administration of the acts is based on tariff items which have been approved by Parliament. Second, when there is a case for interpreting the decisions taken by agencies concerning those tariff items—and again I am referring to the Tariff Board—I am sure the Hon. Member would not want the Minister to change the legislation or the rulings of the courts without first introducing in the House the appropriate motion which would have to be subsequently approved by Parliament before he could take any action whatsoever. I think that our

position . . . If only his colleague would leave him alone, perhaps he would understand the situation! The Hon. Member should understand that the Tariff Board has already ruled and that we are not collecting any money because we know there is a possibility of disagreement, that in fact there is disagreement between both parties concerning the interpretation of the Tariff Board ruling. We have asked the transport company involved to appeal its case before the Tariff Board and we will not collect any money until the ruling is out.

* * *

[*English*]

FINANCE

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—LIST OF APPROVED PROJECTS

Hon. David Crombie (Rosedale): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Prime Minister. As he may know, on November 25 at a meeting of the Standing Committee on Labour, Manpower and Immigration, a commitment was made by officials of the Department of Employment and Immigration to make public a list regarding job-creation projects in the Special Employment Initiatives Program. Indeed, it was indicated at the committee that that information would be coming forward in a matter of days. That was in November. The fact of the matter is that the information did not come forward on those specific projects. That is why my colleague, the Hon. Member for St. John's East, in January asked again in the House in written form for a list and information on the projects. The information is still not available.

Why are the Prime Minister and his Government refusing to provide the specific information on those projects so that the list can be made available and the Government can live up to a commitment which it made 2.5 months ago?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member talks about a commitment made in November. I must confess that I was not a member of that committee. I do not know who made the commitment. If it was an official, as I understand from the questioner, then indeed the work should be well advanced on it.

I referred yesterday to a request on the *Order Paper* made less than three weeks ago, if my memory is correct, on which work is being done. The Minister, who is attending the OECD meetings in Paris this week, will be in the House on Monday, and I am sure he will be able to give a precise date on which the list of all job-creation projects, which have gone forward under the various programs put forward by the Minister in his Budget, can be produced.

Mr. Crombie: I hope the Prime Minister will bring it to the Minister's attention. I have been through this route once before in the previous 1982-83 allocation when I asked the Minister and the Government for a specific answer on projects in that program. It is now 15 months later, and I have not received the answer yet. That is why we have concern.

REQUEST THAT INFORMATION BE MADE PUBLIC

Hon. David Crombie (Rosedale): Mr. Speaker, will the Prime Minister remind the Minister that we are talking about funds for unemployed people and that it is very important the information be made public. The public and those people have a right to know. Will he give the House an undertaking that the information which is now available to the officials in that Department will be given the political okay so that it could be made public? Will he give that undertaking?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand that the issue is not whether the moneys are being spent for unemployed people. They are. It was, in the Minister's own words, in his Budget. He was fast-tracking these funds.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Indeed, I understand that one of the complaints of the Opposition members has been that most of these funds have been spent before they had a chance to grab them. If that is the complaint—

Mr. Epp: Greasing the Liberal track.

Mr. Trudeau: Well, it is the complaint I have heard from across the aisle in recent days. Much of the money has been spent. Hon. Members want to know where it has been spent. I am telling them that the list is being compiled. The Minister will be in the House on Monday. He will be able to give a date when it can be produced. However, the issue is not whether the funds are going to the unemployed. They are. The Minister was giving examples of projects in the riding of the Hon. Member for Kingston and the Islands. I could give other examples.

Mr. Munro (Hamilton East): Yukon.

Mr. Trudeau: The moneys are going to create jobs for the unemployed.

Mr. Epp: Somebody has the list. Try John next door.

Mr. Trudeau: Therefore, the issue is in what particular ridings, and is it with the right kind of justification. The Hon. Member can make his judgment when he has the list of total government spending of these funds.

Mr. Clark (Yellowhead): When will that be?

TRADE

ESTABLISHMENT OF PAPER MILL IN MALAYSIA—GOVERNMENT FINANCING

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Minister of International Trade. Charges laid in 1980 against Stadler Hurter Ltd. officials are still pending, including charges against Peter Oberleitner. Stadler Hurter Ltd. is a company which was folded into Klockner-Stadler Hurter Ltd. which was a recipient of financing by the Government —and the Minister's press release indicated this—to the extent of $144 million U.S. with respect to a pulp and paper complex in Malaysia.

In view of the fact that Mr. Oberleitner is the senior vice-president in charge of international finance and continues on with the successor corporation, has the Minister satisfied himself with respect to the reliability of the corporation in terms of this very substantial funding by the federal Government?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I am really not sure what the Hon. Member is getting at. There was a corporation which had some difficulties. It is not a question of folding in, but rather of a new incorporation, and a very new presence by the Klockner people in the corporation that is presently seeking the sale of Canadian goods and services in various parts of the world.

This company, in competition with those of all other competing nations, was successful in achieving a contract for the construction, in South Sabah, Malaysia, of a fine paper mill which will result in the creation of jobs in Canada and the sale of $144 million worth of Canadian goods. It is a pretty darned good deal as far as I am concerned.

The money is not advanced to that company. The money is advanced as a loan to Malaysia which it pays back over the regular course of the loan, providing in the meantime jobs in Canada and the sale of goods over there. I do not know if the Hon. Member would suggest that it would have been better to have allowed Japan to win that contract, or France, or one of our other competitors, with the jobs going to those countries, or whether he feels that as part of an enlightened trade policy we should be prepared to sell machinery as well as raw materials when there are opportunities which otherwise would be lost to other countries.

● (1440)

NEGOTIATION OF FINANCING

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the people at the Bowater mill in Newfoundland, and the 12,000 Canadians not now working in the forest industry in British Columbia, will be interested in the Minister's answer.

I will address my supplementary question to the Prime Minister. Did Senator Jack Austin, who was a director of Klockner-Stadler Hurter until he was appointed to the Cabinet, participate in the negotiation or approval of the financing to this corporation, Klockner-Stadler Hurter Ltd?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I first want to say that the negotiations were conducted through my Department and EDC, and that Senator Austin was not involved, to the best of my knowledge, in any manner, way or form, and I cannot see how he could have been without me knowing.

Second, the Hon. Member touched on an important point when he referred to the workers in Corner Brook in particular, and he mentioned others. There is a very important difference between enlightened trade policy and the position he seems to be taking. I am sure the Leader of the Opposition does not condone that position. The mill in South Sabah is making a product totally different from that of Corner Brook and in no way affects the future of that mill. May I say to the Hon. Member in that regard that if we do not sell the machinery and do not sell the ability to make that plant to Malaysia, then 15 other competitors would have done so. Are we going to deny Canadians the job of making and exporting machinery because of misguided thinking such as the Hon. Member has just shown?

* * *

FISHERIES

HIGH SEAS INTERCEPTION OF CHINOOK AND COHO SALMON

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, in the absence of the Minister of Fisheries and Oceans, who, I appreciate, is meeting with fishermen at this time, I will direct my question to the Secretary of State for External Affairs. The survivors' coalition of the fishermen from British Columbia pointed out in their brief two concerns that they have which involve us internationally.

Is the Minister aware of the high seas Japanese interception of Canadian salmon, in particular the 107,000 chinook salmon and the 1.2 million coho salmon that have been taken by the Japanese fishery on the high seas in large gillnet factory ships? What can he do immediately to stop that interception of Canadian fish so that we can preserve not only the salmon resources but also some jobs for Canadian fishermen who are in dire straits at the moment?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I say to the Hon. Member that he is correct, that the Minister is meeting with the entire delegation of fishermen from British Columbia at this very moment. The question he asks has been raised and acknowledged by the Minister. It is one we are going to look into. As he knows, we do not have jurisdiction as we might have within the 200-mile limit, on the high seas, but this will be raised and explored.

It needs to be said, and I know the Hon. Member appreciates that there is a whole variety of very complex issues and different user groups accessing salmon on the West Coast. It is in that spirit of trying to have co-operative discussion versus confrontation that a meeting is taking place at this moment between the Minister and those fishermen. I hope that the

desire to consult and to find solutions being demonstrated in that room can be repeated in this House, rather than the example we had last Friday of the Opposition carping, with no real serious solutions or suggestions being offered.

CANADA-UNITED STATES NEGOTIATIONS

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, it is interesting to note that 117 fishemen had to come to Ottawa to meet with the Minister of Fisheries and Oceans.

I will direct my supplementary question to the Secretary of State for External Affairs. We have been attempting to get an agreement with the United States on salmon interception on the West Coast since 1971, to no avail. The negotiations are often stalled by very powerful political figures from Alaska, Oregon, and Washington. We have had no leadership from the federal Government in trying to negotiate an agreement acceptable to the people of British Columbia, particularly to the fishermen. Will the Minister insert himself into those negotiations to see that we get an acceptable agreement with the United States to protect our resources and the jobs of Canadian fishermen?

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I say to the Hon. Member that I find it more interesting that 117 fishermen had to come to Ottawa before the Opposition even realized there was a problem on the West Coast.

With respect to the problem of negotiations on the West Coast with the United States on a salmon treaty, it needs to be said and repeated in this House that Canada and the United States reached a treaty arrangement in 1983. It was signed. It was believed that, with good faith and good will, that treaty would be ratified. We have not been able to ratify that agreement.

Canada's position was quite simple. It was either to say to the fishermen of British Columbia, as I hear being suggested, that we backtrack on a treaty that we have already signed with the Americans, or we say the cost to Canada of backing up, of giving away more fish, of allowing an Alaskan lobby to dictate to the United States administration, is not acceptable, and walk away from the table until realistic discussions can occur and the rights of our fishermen can be protected. That is the issue.

* * *

[*Translation*]

INDUSTRY

DEVELOPMENT OF HIGH-TECH INDUSTRY—MONTREAL REGION

Mr. Marcel Roy (Laval): Mr. Speaker, my question is for the Minister of State for Science and Technology.

A report drawn up by the FANTUS company of Chicago showed and confirmed that the Montreal area would have a marked advantage as a development site for high technology companies as compared with cities like Boston, New York, Los Angeles, and others. However, such benefits related to development and operation costs were lessened by some of the policies of the Quebec Government, such as its craving for independence and Bill 17, which both curtail whatever advantages there may be for these industries.

I therefore ask the Minister of State for Science and Technology whether he has contacted his Quebec counterpart to inform him of the contents of this report and of the dangers that separatism creates for the future of high technology in the Montreal area, which would jeopardize thousands of jobs in Quebec.

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, it seems to me that this report merely confirmed what was already a well known fact, namely that the Montreal area, in fact the whole Province of Quebec, is a most important and attractive location for industries. However, there is a need for political stability. I have not yet talked with my counterpart, but I plan to send him a copy of this report, because as I have already said, it does confirm without any doubt the statements we have made in the past following public studies carried out here and in Quebec.

* * *

[*English*]

NORTHERN AFFAIRS

COPE LAND CLAIMS AGREEMENT—CONTRACT PREFERENCE FOR NATIVE GROUP

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. There have been a couple of agreements on land claims one, with the Council of Yukon Indians, and the agreement commonly referred to as COPE. Some excellent negotiations have gone on and the negotiators are to be congratulated. However, there are two major problems. One is the overlap problem which the Minister discussed last week in the House, and the one that is causing a great deal of concern to a number of groups, including the Council of Yukon Indians, the Old Crow band, the Dene, the Metis, and the Canadian Federation of Independent Business. That is the clause where a 10 per cent preferential treatment is given to one group within the signatories to the COPE Agreement. The Minister is aware of this. What does he plan to do regarding this clause?

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, from a pragmatic point of view the clause may have little application because the CYI have indicated in their agreement that they are not prepared to give preference to the COPE constituents within the area of their agreement. The reciprocity is dead, because COPE then will not give it to the CYI. Therefore, the Yukon people do not

have to worry about a proliferation of beneficiaries under the COPE Agreement coming into the Yukon.

● (1450)

As far as the 10 per cent itself is concerned, the first meeting was useful because the business community found out that the interpretation, as verified by Mr. Reisman and the COPE negotiator, was that it only applied to federal contracts, not the wider application that they first reacted toward rather violently.

As I undertook to the Yukon Government and others, I met this morning with Mr. Reisman and Mr. de Leury to see what could be done about examining further alleged detrimental defects as a result of the 10 per cent. We are working on that to see what can be done. I hope to meet with the coalition of businessmen who are concerned about this matter in the North some time within the next seven or eight days. It is too early to predict a solution, except to tell the Hon. Member that we are certainly working on it.

REQUEST THAT FINALIZING OF AGREEMENT BE POSTPONED

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, will the Minister give a commitment today that that agreement will not go ahead until the particular matter regarding the 10 per cent preferential treatment, no matter where it goes to, is cleared up? It is not just businessmen in the North who are concerned, but native peoples, the Dene, the Metis, the Canadian Federation of Business, and the Canadian Construction Association are all very concerned about it.

The Minister's own policy which says, "in all fairness" all of a sudden does not become quite as fair in this particular instance. I think the Minister will agree that it would be damaging to the Inuit themselves if a preferential treatment were given and caused polarization in the North. That is the last thing we need in these agreements.

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, the last comment of the Hon. Member rather surprises me. After all the lectures I have received from the Opposition about adopting a rather patronizing, condescending attitude toward native groups, for the Hon. Member to stand up and say that the COPE negotiators did not know what was good for them when they negotiated this clause, is pretty offensive, I find, and I am sure they will too.

Let me tell the Hon. Member that there are other precedents for this type of preference that have been adopted by northern Governments themselves. It is not a new thing; there have been affirmative action programs and preferences under federal Government procurement policies. There are also possibilities for northern native businessmen through joint ventures to get the benefit of this 10 per cent.

I do not want to argue the merits or demerits of the 10 per cent of the floor of the House of Commons, because obviously the Hon. Member has made up his mind. Frankly, I am not making up my mind and I am not taking this particular issue to the Government until I have had the other meeting with the businessmen. Until we have had those final meetings which I undertook to have, I do not think it would be proper to come down definitely on one side or the other. I do not think that the Hon. Member should either. We should give both sides a chance to explain their points of view.

* * *

NATIONAL REVENUE

SAFEGUARDING OF DEPARTMENTAL PAPERS AND MEMORANDA

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is addressed to the Minister of National Revenue. As the Minister will remember, in his cable on December 22 last year, with respect to the district offices terminating quotas, one item was as follows: "If any of the supervisors have used quotas which include income or recovery targets for the individual auditor, you are to advise the inquirer that the practice was contrary to departmental policy and has ceased and the director will issue a letter to all employees cancelling those targets".

May I have the unqualified assurance of the Minister that none of the yearly records of all the employees have in any way been altered since the appointment of Mr. Farlinger of Woods Gordon? May I also have the assurance that all memoranda indicating the existence of quotas as a matter of practice, are still in place?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, to offer this assurance, I would first have to check with all district offices and get in touch with all division directors in those offices. However, I would like to point out to the Hon. Member that Mr. Farlinger is already preparing his study and has been in touch with many senior officials in the Department. He is anxious to fulfil his mandate, and I am sure he will be able to count on the co-operation of all district office managers and all heads of the various sections in each district office, and that he will have access to all the documents he will need to evaluate existing or previous management practices, depending on what he decides to examine in our district offices and at headquarters in Ottawa.

[*English*]

EMPLOYEES' PERFORMANCE SHEETS

Mr. Chris Speyer (Cambridge): Mr. Speaker, will the Minister undertake to the House to make enquiries about whether any of the performance sheets of employees of Revenue Canada have in any way been altered, or in any way changed, since the appointment of Mr. Farlinger, or even before the appointment, so that they do not disclose the existence of quotas, which in fact did exist? Would he please undertake to the House to make those inquiries?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, as I just pointed out, Mr. Farlinger will be able to draw on the most relevant and most recent documents that describe certain management practices within the Department. I can inform the Hon. Member that I shall make enquiries to find out whether measures inconsistent with the facts were taken and whether such documents might have been withdrawn. However, considering the ease with which the Hon. Member has been able to obtain such documents, I am sure there are thousands more waiting for Mr. Farlinger, who will be able to examine them as he sees fit.

* * *

[*English*]

FINANCE

SASKATCHEWAN IMMEDIATE EMPLOYMENT STIMULATION FUND—ROLE OF SENATOR ARGUE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister in the absence of the Minister of Finance and of the Minister of Employment and Immigration. Yesterday I raised the question of the Immediate Employment Stimulation Program in Saskatchewan, the fact that Senator Hazen Argue is sitting on a $4 million fund, and that he and his office are the sole access to that fund. Public servants are not involved in screening the cases or applications or in analysing the applications. Federal MPs in this Party and in the Conservative Party were not notified about the fund. The fund is for capital works.

In light of all that information, can the Prime Minister tell the House what right the Government has to give the Senator $4 million to spend in an unconditional way in the Province of Saskatchewan without the help of the Public Service, or without notifying Members of Parliament? If he disagrees with that, would he be prepared to table documents in the House proving that departmental officials were involved in all Saskatchewan decisions prior to a decision being made by Senator Hazen Argue?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have many reservations about the premises of the question. I will take careful notice of them, investigate them, and have the Minister advised of the concern of the Hon. Member.

[*Translation*]

Mr. Nystrom: Can the Hon. Minister confirm whether it was his officials who recommended a few weeks ago to the Minister of Employment and Immigration a $300,000 grant for converting a municipal garage into a judo club in Quebec City? The club is known as the *Club de Judo de Giffard* and is in the constituency of Montmorency-Orléans.

[*English*]

Mr. Speaker: Questions should better be placed on the *Order Paper* which relate to an individual situation.

Some Hon. Members: No, no.

Mr. Speaker: The Hon. Member for Yorkton-Melville.

[*Translation*]

Mr. Nystrom: I shall ask my question straightforwardly. Did the officials make a recommendation or was the recommendation made unilaterally by the Hon. Member for Montmorency-Orléans?

[*English*]

Mr. Speaker: Questions relating to individual projects are the kinds of items that should be on the *Order Paper* when they relate to individual situations. The Hon. Member for Restigouche.

* * *

AIR SAFETY

EMPLOYEES SMOKING IN AIRCRAFT COCKPITS

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I should like to address a question to the Minister of Transport. In the last session I raised with the Minister of Transport and his predecessor the serious question of smoking on aircraft. You will recall the disaster that occurred with 23 lives lost in Cincinnati, and recently, if it is possible to accomplish, an employee—

Some Hon. Members: Order, order!

An Hon. Member: Order Paper.

Mr. Speaker: Order, please. The Chair was temporarily distracted and did not hear the Hon. Member. Would the Hon. Member repeat what he said?

Mr. Harquail: Mr. Speaker, my question is a very serious question that is being interfered with by Members of the New Democratic Party who do not care about the safety of people flying on aircraft in Canada. They will pay for this attitude, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Speaker: It is quite impossible for the Chair to hear the Hon. Member's question at this moment.

● (1500)

Mr. Harquail: Mr. Speaker, I have not had the opportunity to be heard because of the howling of the New Democratic Party. I have a serious—

Mr. Speaker: Order, please. Will the Hon. Member please ask his question? The Chair will pay careful attention.

Mr. Harquail: Thank you, Mr. Speaker. My question has to do with whether or not the Minister is disposed to look at the matter of employees of airlines, at least, not smoking in the cabins of aircraft, if not at the broader question of the health

and safety of the Canadian public travelling on the airlines. We should be protecting their safety, not putting them at risk because of a minority of people who wish to smoke during the duration of flights.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I am pleased that the Hon. Member finally had a chance to raise a very serious and important question relating—

Mr. Nowlan: He raised it with you yesterday.

Mr. Axworthy: —to the safety of the air travelling public. I am pleased to report to the Hon. Member that, due to his very effective representations—

Some Hon. Members: Oh, oh!

Mr. Axworthy: —we are now investigating that very important subject.

Mr. Hees: At least Lloyd has a sense of humour. At least he has that. That is all he has.

* * *

NATIONAL REVENUE

SAFEGUARDING OF DEPARTMENTAL DOCUMENTS—REQUEST THAT MINISTER ISSUE INSTRUCTIONS

Hon. Erik Nielsen (Yukon): Mr. Speaker, I have one brief supplementary for the Minister of National Revenue with respect to the matter raised by the Hon. Member for Cambridge. We know that the Minister has it within his power to issue instructions very quickly to change quotas to targets, and targets to objectives. Will the Minister issue instructions immediately to all district taxation offices for which he is responsible, instructing his officers in no uncertain terms that all documents which are related to the matters raised by the Hon. Member for Wellington-Dufferin-Simcoe and the Hon. Member for Cambridge will not be tampered with, are not to be tampered with, are not to be hidden, so that his Wood Gundy commission will be able to examine the original material and not something which may now sit in its place?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, if the House Leader of the Official Opposition had listened to my previous answer, he would have understood that I want Mr. Farlinger to have in his possession all the existing documents which describe our managerial practices in all sections and district offices of the Department.

[*English*]

Mr. Nielsen: Will you issue the instructions? Will you issue the instructions?

[*Translation*]

Mr. Bussières: If the Hon. Member fails to understand what this means, he probably needs a bit more reassurance than common sense requires!

* * *

[*English*]

BUSINESS OF THE HOUSE

Mr. Nielsen: Mr. Speaker, I have the usual Thursday point of order, since the Minister of National Revenue will not issue those instructions—

Mr. Pinard: Wednesday.

Mr. Nielsen: The usual Wednesday question of privilege, sorry.

Some Hon. Members: Oh, oh!

Mr. Nielsen: In view of the nature of tomorrow's debate—and we have had discussions on it—so that all Hon. Members might be as well informed as those on this side of the House, would the Government House Leader outline the order of business for tomorrow, the nature of the debate, and the manner in which it is to be conducted?

Mr. Pinard: Mr. Speaker, there is nothing very special about the rules to be followed tomorrow except, as I indicated last week, the Prime Minister will be the first speaker tomorrow morning, speaking on the main motion.

Since I mentioned that last week, I believe that the Hon. Member is justified in asking if we have come to some kind of an understanding as to the order of debate for the last day of debate on the Speech from the Throne. We have an understanding that following the speech of the Prime Minister—which under the rules is of unlimited duration—the Leader of the Official Opposition, by consent, will be allowed to speak again on his own motion for an unlimited time, of course, under the rules. We welcome this opportunity for the Hon. Member's Leader to express some views and ideas.

The speech of the Leader of the Official Opposition will be followed, by consent, by the speech of the Leader of the New Democratic Party, who also by consent in this case I should say, will have unlimited time.

Following those three speeches, Mr. Speaker—and I understand we will be sitting the normal hours—the other speeches will be limited according to the existing rules. I understand that at the end of the day the question on the main motion will be put.

Essentially, that is the understanding we had at the meeting of House Leaders yesterday. Therefore, it is agreed that the first person to be recognized tomorrow at eleven o'clock, after prayers, will be the Prime Minister of Canada.

Mr. Deans: Mr. Speaker, with regard to the House order, I just want to make it clear that we are, of course, prepared to

give the necessary consent to allow the Leader of the Official Opposition to speak tomorrow. The understanding, as set out by the President of the Privy Council with regard to the unlimited time available to the Leader of the New Democratic Party, is gratefully accepted. We look forward to hearing what the Prime Minister has to say.

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THE LATE HON. JAMES SINCLAIR

TRIBUTES TO FORMER MINISTER OF THE CROWN

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I appreciate your giving me the opportunity to express my own personal feelings of regret and sorrow over the loss to this country of a gentleman who was a tremendous and very effective Member of the House of Commons. I am referring to the Hon. James Sinclair who died yesterday in Vancouver.

May I say about him that our terms paralleled here for a long time. He was first elected in 1940. I was elected in 1942. Both of us lasted until 1958. It was on that occasion that the then Prime Minister, the Right Hon. Mr. Diefenbaker, was calling for an arrangement to avoid Parliament having an election. It happened that there were two Hon. Members who protested and the same words were said by James Sinclair and myself.

What I would most like to say about him is that those of us who knew him in those years, knew that he was a very able Member of Parliament, an able speaker, and was one who could get into debates and arguments and be fair back and forth, both ways. He became in due course a Cabinet Minister under the Right Hon. Mackenzie King and later under the Right Hon. St. Laurent, and his term, as I say, ended in 1958.

James Sinclair was a very effective person about the House of Commons. He also solved a number of problems regarding the rights of Members of Parliament. Hon. Members might be surprised to learn that he made the first arrangements for a certain amount of flying to be included in the travel arrangements of Members of Parliament. He did other things. The few of us who remember those 18 years when that gentleman was here, remember him as a person who was a very able and an effective and honest Member of Parliament.

We are sorry for this loss to the Prime Minister, who is his son-in-law, and also for the loss to his three grandsons. We express our sorrow to them. I believe all of us in Parliament appreciate what this gentleman did in this House of Commons and we join with the country today in paying tribute to James Sinclair and in expressing our sorrow at his loss to us.

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Yukon): Mr. Speaker, on behalf of Her Majesty's Loyal Opposition, I would like to associate this Opposition Party entirely with the remarks made by the hon. gentleman who has been with us very many years himself. It is not difficult for us to associate ourselves entirely with those remarks. When I first entered this Chamber in early 1958, having been elected in late 1957, I was very familiar with the good work of the late James Sinclair. But I had the advantage, as did the Deputy Prime Minister (Mr. MacEachen) for a while in his life, of watching the action from the galleries until I took my seat. I came to admire the late Mr. Sinclair very much from the very brief period of observation I had of him. Like the Hon. Member for Winnipeg North Centre (Mr. Knowles), who has raised this matter, we, too, extend our sympathies to those he leaves behind and we mourn him.

● (1510)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I think it was a good thought for the Hon. Member for Winnipeg North Centre (Mr. Knowles) to draw to our attention the passing of the Hon. Jimmy Sinclair, who served in the House for quite a long time and who, subsequent to his departure from the House in 1958, spent a very successful career in private business. I had the opportunity when I first entered the House to observe Mr. Sinclair as a Minister. He was, as the Hon. Member for Winnipeg North Centre has stated, a brilliant and dynamic personality who participated in debate with a liveliness that is not frequently seen, today certainly, in the House of Commons. Of course, his great talent as a debater and as an analyst seemed to become even more outstanding in the short period he served in the Opposition during that short Parliament from 1957 to 1958, to which the Hon. Member for Yukon (Mr. Nielsen) has referred. I would like to recall those days, as the Hon. Member did, and note as both he and the Hon. Member for Yukon did, his service to Canada and his service to the House of Commons. I particularly join them in expressing the sympathy of this Party to his wife Kathleen, who was a strong support to him not only when he was in politics but later, to his five daughters, his five grandchildren and to his son-in-law.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. SKELLY—NEED FOR CONSULTATIVE FISHERIES MANAGEMENT POLICY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I have the honour to present a number of petitions today. The first one is signed by a number of West Coast fishermen and it indicates that the majority of people involved in and dependent on the fishing industry on Canada's West Coast have lost confidence in the ability of the Department of Fisheries and Oceans to manage effectively and objectively the West Coast fishery resource. Be it therefore resolved that the Government of Canada implement the following consultative process. The Government must provide a consulting committee composed of

elected representatives of various user groups. The Government must commit itself to developing a fisheries management policy based on consensus and consultation with user groups.

Your petitioners humbly pray that the House of Commons will urge the Government to implement an effective policy of consultation and consensus in the development of a fisheries policy rather than continuing its course of unilateral action.

MR. SKELLY—EFFECTS OF GOVERNMENT POLICY ON FISHERIES

Mr. Ray Skelly (Comox-Powell River): The second petition is signed again by a number of fishermen from the West Coast who are vitally concerned about the nature of the industry at this time. Whereas the high cost of fuel, interest rates, mooring and other factors which have driven up the cost of fishing are a direct result of the Government's policy, and whereas fishermen contribute to the welfare of all Canadians by providing a vital food stuff through the harvesting of fish resources, therefore your petitioners humbly pray that the House of Commons will take immediate steps to relieve fishermen from these undue Government costs.

MR. SKELLY—FISH HABITAT PROTECTION

Mr. Ray Skelly (Comox-Powell River): The third petition, Mr. Speaker, relates to one of the most important issues concerning the West Coast fishing industry, that is, habitat protection. Whereas the conflict between resource users in logging, mining land development and fishing are leading to extensive and permanent destruction of critical fish habitat on the West Coast, be it therefore resolved that the federal Government implement the following actions to protect fish habitat: Developing specific legislation to designate areas as inviolable fish habitat area throughout the—

Mr. Speaker: Will the Hon. Member get to the point of the petition, please.

Mr. Skelly: The point is that the fishermen involved wish to have some definite, positive action from the Government in protecting fish habitat rather then the weak approach it has followed. Your petitioners humbly pray that the Government act immediately to provide this support.

MR. SKELLY—EFFECTS ON FISHERMEN OF UNEMPLOYMENT INSURANCE REGULATIONS

Mr. Ray Skelly (Comox-Powell River): The second to last petition deals with a very recent event. It is again signed by a number of fishermen. Whereas the Unemployment Insurance Commission's Board of Referees ruled that special regulations for fishermen were in violation of the Charter of Rights, and whereas such decisions throw into question the Government's authority to set unemployment insurance regulations in fisheries matters, and whereas the regulations at the present cause untold hardships for already financially disadvantaged fishermen, therefore, your petitioners humbly pray that the House of Commons will take steps to introduce and improve amendments to the unemployment insurance legislation to remove this discrimination against fishermen.

Mr. Speaker: The Hon. Member could sign his petitions before bringing them in the House. Will the Hon. Member deal with his last petition?

Mr. Skelly: I would appreciate dealing with the last petition tomorrow, if that is convenient.

Mr. Speaker: Fine.

MR. FLIS—ASSISTANCE FOR POLISH REFUGEE PHYSICIANS

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, I have the honour and duty to present a petition of the undersigned residents of Ontario, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that the undersigned strongly request that steps be taken by the federal and provincial Governments to help Polish refugee doctors obtain licences in as short a possible time by creating more internship positions and by establishing financial assistance for the members of this group during their period of training. And as in duty bound your petitioners will ever pray.

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[*Translation*]

BELL CANADA REORGANIZATION ACT

MEASURE TO ESTABLISH

Hon. Francis Fox (Minister of Communications) moved for leave to introduce Bill C-20, an Act respecting Bell Canada and to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act, the Canadian Film Development Corporation Act and the Radio Act.

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

* * *

• (1520)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 40, 379 and 400.

Order Paper Questions

[*Text*]

COST OF GOVERNMENT TELEPHONE SERVICE

Question No. 40—**Mr. Beatty:**

In 1982, what was the total amount the Government paid for long distance telephone calls not placed through Government operators or on government long distance lines?

Hon. Francis Fox (Minister of Communications): In so far as the Department of Communications is concerned, the reply to the above question is as follows:

Based on information reported by departments on their 1982 information technology and systems plans and to the Government of Canada banking and accounting branch of Supply and Services Canada, it is estimated that, during the 1982/83 fiscal year, $33,500,000 was billed directly by the carriers to departments for long distance telephone calls not placed through government operators or on government long distance lines.

It is estimated that only 9.2 per cent of the calling represented by this $33,500,000 could have been placed on the government intercity network. The remaining 90.8 per cent represents commercial (DDD) calling either from or to locations not served by the network. Examples of this would be calls to the United States and abroad or to Canadian locations where it is not economical to have government circuits.

ECONOMIC COUNCIL OF CANADA

Question No. 379—**Mr. Howie:**

1. In the current fiscal year how many persons are employed in the office of the Economic Council of Canada and what is the total estimated cost of salaries?

2. For each of the two preceding fiscal years what amount was spent for salaries?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): 1. As of January 17, 1984, there were 136 persons employed by the Economic Council of Canada for an estimated salary cost of $5,159,000.

2. Amount spent for salaries:

1981-82—$4,552,901

1982-83—$4,791,923

RIGHTS OF ABORIGINAL PEOPLE

Question No. 400—**Mr. Howie:**

Did the Department of Justice create a special unit to identify and to define the rights of aboriginal people which are to be included in the Constitution of Canada and, if so (a) how many units were created (b) what was the total cost of each unit (c) what was the purpose of the structure (d) on what date will the unit or units complete its/their work?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Department of Justice is concerned: No. The Department of Justice did not create a special unit for this purpose. Rather, the work has been carried out through the Native Affairs Section, which has been in place since February, 1976, with intensive participation by the Deputy Minister, Associate Deputy Minister (Litigation), and the Public Law Section of the Department.

[*English*]

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

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

Some Hon. Members: Agreed.

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MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions for the production of papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. MacLaren that Bill C-14, an Act to amend an Act to amend the Excise Tax Act and the Excise Act and to provide for revenue tax in respect of petroleum and gas, be read the second time and referred to a Committee of the Whole.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to summarize the remarks I placed on the record yesterday concerning this proposed legislation. In our opinion it has some very offensive features. The Bill proposes to reduce the petroleum and gas revenue tax on oil companies. It will provide what appears, by and large, to be a unilateral reduction in that tax without conditions. The fact that the tax will be reduced without condition means that Canadian taxpayers will have to pick up an additional share of the costs of operation in this country. Reducing that tax on the oil companies will mean that there will be less revenue available for the disabled people. Many individuals on each side of the House indicated that there were many worthwhile projects for the disabled. The concern here is how you can reduce taxation of a group which, by and large, has done well throughout recent history and at the same time cut opportunities for disabled people. You just cannot do that. There are many pensioners and individuals along that line who will be affected. This unilateral, unconditional cut in the tax rate of oil companies is going to mean that there is even less revenue available for the

disabled, job creation, pensioners and a host of worthwhile projects.

It would be instructive, Mr. Speaker, to note that we are going to give Imperial Oil a cut in taxes. Over the last three years Imperial Oil earned something in the order of $600 million. Throughout this recession period their earnings dropped to approximately $400 million. In the last year they earned $200 million and change. Many other businesses are experiencing severe problems and going bankrupt. The Seven Sisters, which have always done well in Canada, are continuing to do well. In this Party, Mr. Speaker, we find that offensive. Those companies are doing well off Canada, the Canadian people and their resources. It is our feeling that they do not carry their fair share and that the Government and the Conservative Party are quite prepared to see them do even better at the expenses of many others. We feel that the tax cut will not benefit the smaller Canadian companies. There should be direct programs to provide benefits to those smaller Canadian companies which we want to see active and growing. We are not impressed with a tax cut which provides the majority of its aid and relief to the seven sisters operating in this country. That is wrong and offensive.

The second thing is the absolute blindness in the Government's and the Official Opposition's position. They are prepared to give unconditional tax cuts. The Minister of State for Finance (Mr. MacLaren) said that he wants to improve and increase Imperial Oil's cash flow position. He wants to improve the cash flow position of the seven sisters. We are very concerned about that. We know from the Bertrand Commission that it is those same companies that ripped off $12 billion from the Canadian people between 1958 and 1973. The Bertrand Commission was put in place by the Government to expose an enormous rip-off of the Canadian people. That Commission produced numerous results and recommendations. To date we have not seen one of those recommendations implemented. That is tragic, stupid and offensive. We have got to become very specific in the way we deal with major corporations in this country, which are continuing to profit and whose cash flow picture is better than almost any other company's. We could insist, if we are going to give them a tax cut, that it be tied specifically to their investment in projects that would create employment. There should be no tax relief, benefit or break unless it is tied directly to a specific job-creation project which will improve employment and the viability of communities.

Yesterday the spokesperson for the Official Opposition stood up in the House and told us about the problems of a gas plant in Grande Prairie. There are many examples of areas where we could tie tax cuts to corporations to specific projects. We could make it a condition to get a cash flow improvement at the expense of the taxpayers that it must be tied to a project which will create employment.

The third critical point on this particular break, Mr. Speaker, is that this is a tax break for oil companies. I do not know why the Government continues to have an absolute fixation on protecting banks and oil companies. It certainly does. How Canadian people can tolerate that kind of a situation is beyond me. The present Government and the Official Opposition are interested in granting this tax relief only to oil companies. There is no attempt to see this tax break carried on down the line to the consumers. There is no effort by the Government to create a downstream tax relief program or to see any of these benefits passed on to the consumers.

It is extremely unfortunate, Mr. Speaker, that the Government has not developed a downstream policy. Every time we go to the gas pumps we see that the price of fuel is rising. Yet in the House we are going to authorize a tax cut to give major oil companies maximum benefits and improved cash flows without any guarantee that they will produce job-creation projects or that they will pass any of these benefits on to consumers, small businesses, fishermen or farmers. No one benefits except the oil companies. Mr. Speaker, that is wrong, stupid and offensive.

In our Party we would like to see the reverse happen. We would like to see the Government admit that its National Energy Program has created a tremendous hardship to Canadians and that it has not looked seriously at a downstream policy. There is no attempt to give some relief at the gas pumps.

• (1530)

Let us review what has happened. Whenever there has been agreement to increase the wellhead price, it would appear the oil companies have added a price increase as those costs were passed down the line. Currently there is no accurate method to determine what a justified price is for fuels such as gasoline, heating oil and others. The Government is not interested in what happens at the gas pump because it is more interested in bashing the provinces for it.

In reality it would appear that every time there is a price increase, the oil companies have not only taken a share to the producer off the wellhead price but have also added their own price increase that has gone to the gas pump.

The Government has also been absolutely negligent in its treatment of consumers by its failure to introduce a competition policy in the House. It has not introduced a policy that would protect the small independent gasoline dealers. We have seen the major oil companies attempt to drive them out of business, purchase them, cut off their supplies or launch price wars against them. It is very interesting to note what happens in a gas war. While we watch the major companies attack the independents here in Ottawa in a gas war they are simultaneously driving up their prices on Vancouver Island in order to pay for that gas war against the independents in Ottawa. They are making the people on Vancouver Island pay for these gas wars in other parts of the country. This means that the major companies never lose, no matter what they do.

The Government has failed to protect consumers by not insisting on a long-term pricing policy or a fair competition policy to protect the independent gas dealers. When will we see such a system that will permit a competitive force rather than the kind of tacit agreement with multinationals and major oil

companies? Frankly, I am convinced that there will be no competition legislation in this Parliament. I am sure this session will end before consumers are given any break or we see any improvement to a national energy policy that has collapsed.

Our Party has called upon the Government and the Minister of Energy, Mines and Resources (Mr. Chrétien) to take a number of initiatives in energy. First, the Minister should stop paying so much attention to his own leadership aspirations and spend more time and pay more attention to his Department. We would also like to see the Minister take the initiative of providing a new approach to the national energy policy. Certainly we would like to see a revamped Petroleum Incentives Program. There are many instances in the country where the money that is invested is being pumped into the ocean or used to drill dry holes. Rather, this money could be used to produce immediate benefits for energy security in the country, reduce the costs of energy to Canadians and provide many energy alternatives in this country.

The Minister of Energy, Mines and Resources could authorize a government inquiry into the nuclear fuel cycle immediately. Such an inquiry could look into the problems that have been caused by the dilemma at Key Lake. It could also look into the problem which has been raised repeatedly in the House and the Ontario legislature concerning the apparent failure of the nuclear program in this country and internationally. It seems that Canadians have paid a terrible price for that particular energy initiative.

The Government is proposing to give tax cuts to oil companies when that tax revenue perhaps could be used to fund an inquiry into the nuclear fuel cycle. The other day the Official Opposition complained that the Government was giving our complete nuclear technology to South Korea, which would allow South Korea to function as a competitor on a world-wide basis. It is absolutely insane that Canadian taxpayers would pay to develop a technology, be it positive or negative, and then find that the Government would turn around and sell that technology to a country like South Korea, which will undoubtedly become a competitor for the supply of those products to other nations. It just does not make sense.

The fact of the matter is that the Minister of Energy, Mines and Resources could authorize the expenditure of that tax revenue, which he proposes to return to the oil companies, on the establishment of an inquiry into the entire nuclear fuel cycle. This can be justified since the whole question of the nuclear industry being of any benefit to Canadians is unsettled, especially with respect to the long-term disposal of wastes. The possibility remains that thousands of years from now those wastes may pose a tremendous problem to future generations. It has been said, perhaps tongue in cheek, that one of the major growth industries in this country could be the closing down and mothballing of nuclear power plants.

I challenge anyone in the Government to tell me what harm there would be in gathering information and public opinion about the nuclear fuel cycle through an inquiry. I give credit to the Official Opposition when it was in government in 1979 for at least contemplating the creation of an inquiry into the nuclear industry in this country. However, I certainly have not seen any policy commitments from the new Leader of the Conservative Party who is attempting to come to power without any policies. I am sure a statement about this issue would be welcomed by the whole country. It might even give the tired Government across the way, which seems bereft of ideas, some incentive to begin that inquiry now. It could be a constructive effort made by the Official Opposition for a change.

Mr. Shields: Liberal Party West.

Mr. Fisher: Such dulcet tones!

Mr. Regan: Don't say such things.

Mr. Skelly: One cannot even promote that.

In any event, I will continue to discuss alternative energy opportunities and conservation. An amazing thing happened in the House approximately a month ago during a discussion with the Minister of Energy, Mines and Resources about the Petroleum Incentives Program. The Minister was asked why his Department was taking $50 million out of the Canadian Home Insulation Program so that it could be put into the Petroleum Incentives Program. The Minister stood in the House to say that he would be prepared to inquire into that matter, when in reality that shift of expenditure was already in the Estimates we were to deal with that evening. The Minister was not even sufficiently informed about proposals, which his Department was asking Parliament to authorize, to provide an answer in the House.

That $50 million in the Canadian Home Insulation Program would provide insulation improvements to thousands of Canadian homes. Furthermore, a proper initiative to get that program under way would represent enormous net savings to Canadians in terms of energy. Yet the Minister's Department—I do not believe the Minister was aware of it—was to take that $50 million and pour it down one dry hole. In fact, it probably would have cost more than $50 million. What was the logic behind such a proposal? When there could have been a certain continuing reduction of energy use under the Canadian Home Insulation Program, the Minister was quite prepared to take that $50 million of taxpayer's money from a sure thing and gamble in the offshore or pour it down one dry hole in the hope of producing something positive for Canadians in terms of energy security. That kind of logic is absolutely wrong because it is shortsighted, short-term and will cause Canadians no end of problems in the future.

The other extreme disappointment is the Government's lack of action on alternative energy uses. There is a great deal of interest in the country in trying to develop the soft paths or alternative approaches to energy use. Several months ago there was a great controversy when the Government was attempting to determine what allocation it would make for the development of alternative energy sources, such as solar energy, and the development of other types of energy alternatives. What the Government said is, "We do not have enough money to do it". Instead of doing that—a paltry sum which really means

nothing—the Government proposes to take the money it has available and give it in the form of a tax grant to oil companies to improve their cash flow without the condition that they build an employment development project.

• (1540)

I see you are signalling me to come to the end of my remarks, Mr. Speaker. I have one final point. This money is unconditional to creating any worthwhile projects. It will mean improvement of multinational cash flows. Second, the Government does not intend to pass this along in any way to consumers. There are so many other worthwhile projects in the energy field on which this money could be spent. It could be spent in social fields. The proposal in this Bill is really a tragedy.

Mr. Scott Fennell (Ontario): Mr. Speaker, I would like to take a moment to congratulate you on your appointment and also to congratulate Mr. Deputy Speaker (Mr. Corbin) and the Acting Speaker (Mr. Guilbault). I would like to mention that we hope the former Speaker regains her health quickly so she can take on her new responsibilities and that we miss her in the House.

It is a great pleasure to speak once again on energy. I have done this quite a number of times since I came to Ottawa in 1979. I listened to the rhetoric of the Hon. Member for Comox-Powell River (Mr. Skelly). He talked about the Seven Sisters and that they might be getting a deal that is a little better. If you go back in history you will find it was the Seven Sisters that came to Canada and found oil. Bay Street could not raise the risk capital to find oil in the western Provinces. We have something to thank the Seven Sisters for. I accept the fact that those companies are greedy. They jump in. They are opportunists. But thank God those companies came and brought their expertise to Canada. I think those companies have been ill treated by the National Energy Program. Prior to the National Energy Program those companies were spending in Canada in excess of 100 per cent of their cash flow. Today I understand they are spending less than 50 per cent of their cash flow. I believe they have been an asset to this country. They would have, if given a chance, proceeded with the heavy oil sands and probably in 1985 we would have been producing oil from known reserves, from heavy oil and the oil sands.

The NDP's old complaint is, "Let's nationalize everything." Let me say to the Hon. Member for Comox-Powell River, thank God for the multinationals. In his own Leader's riding is General Motors. I say, thank God for General Motors. General Motors has introduced new technology into Canada and created jobs at a time when many people in Canada have been unemployed.

I am not a multinational basher. We must build up Canadian ownership. But the multinationals have contributed a great deal to our economy.

The Hon. Member for Comox-Powell River and I agree on one thing, namely, changes to the Petroleum Incentives Program. I disagree with how he would change them, but I believe they should be changed. I will be dealing with that point later on in my remarks. It is interesting to note that the Minister of State for Finance (Mr. MacLaren) is the same individual wo at the time of the energy hearings was the Parliamentary Secretary to the Minister of Energy. He is still backing the same loser. At that time, the present Minister of State for Finance gave the same rhetoric that he gave us yesterday. It is the same wonderful bonanza to the oil industry.

I want to correct the record, and I will be quoting some statements made two years ago when the National Energy Program was being discussed in committee. As you know, Mr. Speaker, there were eight weeks of intensive hearings. We tried to change something in the Act. The one important point we changed in the Act, I think, was Subsection 79(1), which in this Bill is Clause 1(1) and refers to the Federal Court. I would like to tell you the importance of that amendment that was brought in by the Conservative Party, Mr. Speaker. Prior to the time of its being introduced with the assistance of the Canadian Bar Association, it appeared that the final voice and decision would rest with the Minister of Energy, Mines and Resources. This frightened us because there was no higher court to which the oil industry could go. We insisted on an appeal to the Federal Court. What this Government is doing is adjusting the Clause. It is a technical adjustment. However, the reason the Federal Court is mentioned is that members of the Conservative Party who sat on this committee fought for that amendment throughout the eight-week period. I think it is very important. The fact that it comes under the same court as income tax appeals, I am not too sure about that after listening to all the rhetoric in the House about the attitude of Revenue Canada.

I recall the original National Energy Program very clearly. There was one thing on which we agreed with the Liberals and that was fairness, self-sufficiency and Canadianization. But first, the NEP was not fair. It was not fair to the West nor to the industrial heartland of Canada, Ontario and Quebec. As far as self-sufficiency is concerned, at the present time we are importing 33 per cent of our oil needs. Prior to the National Energy Program we were importing 25 per cent of our oil needs.

Mr. MacLaren: Those are net figures.

Mr. Fennell: I took the figures out of official documentation which the former Minister of Energy told us was the documentation he used.

Mr. Fisher: How much are we selling?

Mr. Fennell: They can argue over there, but I am using the same documentation the Minister told me he was using.

What we have in this Bill are back-in changes. I want to tell you how they came about, Mr. Speaker. Shortly after the energy hearings we were called to a meeting in Room 229 North by the Assistant Deputy Minister of Energy. After he went through all the changes in what we called "baby NEP", I asked what it amounted to. He answered that it amounted to a gross error in the black box, in other words, the computer printout had to be changed. There was no dramatic change. It

was a necessity. What the Government projected would happen to the price of oil did not happen. Further, the price of oil has gone in the reverse direction from that which the Government intended. What the Government has done by this change in this Bill is to try to say to Canadians, "We are giving some of it back". It is too little too late. As well, it is too late to save that Government. The Government has gone too far to recover.

I have an active interest in victims of violence. The gentleman with whom I have been working asked me to get a copy of the Bill introduced yesterday. I got a copy of it right after it was presented in the House while I was waiting to speak on this Bill. I noticed that the amendments to the Criminal Code are in another omnibus Bill. This reminded me of the days when we had the ringing of the bells. I thought the Government would learn from experience that it is not acceptable in the House of Commons to have an omnibus Bill.

Mr. Malone: An octopus Bill.

Mr. Fennell: We proved that in the energy Bill. The Government had to make major changes from the original Bill that was presented. The Government had to break it up. The Government had to put things in a proper format.

At that time I gave an extended speech. This was prior to the change in rules. My speech was an hour and fifteen minutes long. I will be quoting some statements I made at that time two years ago that are so accurate. I am not often that accurate. But what I said then has happened now. This Bill removed cash flow from the oil industry in western Canada. Now the Government is telling us that through the changes the Government is giving a $2 billion incentive for heavy oil.

I read a very interesting report written by a graduate student of the University of Alberta. This report was contained in the recent list of the Library of Parliament. It pointed out that over five years it will be less than $900 million. Also it anticipated that when it is all in, it will be less than $500 million. this is misleading the public. This is not telling the facts as they are. It indicates that it will give back much more than what will really be given back.

● (1550)

As I indicated in a previous statement, this year BP Resources is showing quite a fantastic growth in profit. I have talked with its officials. They are pleased to be rid of the marketing arm which was dragging it down into a loss position. This Government went out, created COR, collected money from every taxpayer to purchase BP, and it was purchased when the market was at its highest. We know for sure that the Government paid at least $200 million more than it was worth. To date I have found out—and I am having this proven—that it will probably turn out to be more like $500 million in excess of the asset value of BP.

On April 22, 1982, as reported in *Hansard*, I stated:

> This is not Canadianization. Canadianization means looking back to our roots to see how our country began. This country was started by private enterprise and entrepreneurs. This is not Canadianization. It is government intervention and nationalization. Nationalization has not worked in one country in the world and it will not work here. It is a disgrace. The Canadian ownership charge, which I will call a slush fund because that is how the government treats it, does not have a beginning or an end. It will just continue to be another tax grab by the Liberal government.

I knew it then. We knew it then. They have proven it now. We were told that it was to buy BP. We were then told that another half a billion dollars was required to bail out Dome. The Minister rose and said that that would be put into general revenue. That is a tax on every Canadian citizen, every day of the week. I maintain that it should be removed. We were right then. We stated the facts then. They laughed at us, they screamed at us and yelled at us here in the House. They said that it would not be that way. It is that way, and our point has been made.

The one thing to which I really object in the Petroleum Incentive Program is that the Government and the bureaucracy running it—it is the bureaucracy which runs the Government; the Government does not run the bureaucracy any more—have been incapable of picking out the winners and losers. I will not even quote the names of the companies. We all know them. I have said them enough times. They maintain that they are better qualified to decide where the money should be invested. This is taking it right out of the private sector. The Minister of State for Economic and Regional Development (Mr. Johnston) made a statement at the time that it was up to the private sector to make the profits and create the funds and that it was up to the Government to redistribute the wealth. What they have done is to eliminate the wealth. They have tried to pick where they will have winners. They have gone to the frontier on the East Coast. I think it is marvelous that that much development is going on there. They have gone to that part of the country. However, we still do not know how much it will cost to bring that product onshore. Yet we know that by spending funds on heavy oil upgrading and oil sands there is no question of our being self-sufficient by 1990. We do not have a hope in Hades of being self-sufficient between now and the year 2000, and from the year 2000 on we will be on a downward scale.

If the cash flow had been left in the oil companies, they could have built megaprojects without grants, without assistance from the Government, without the Government telling them where to do it. They could have done it on their own. This has been unsuccessful and is unacceptable to my Party. We have fought it. We have been against it and will continue to be against it.

They did some good things in the Bill, but again it is too little, too late. They gave a $250,000 corporate tax credit to small Canadian companies. The reason for that is that those companies could not have survived without it. I have talked with representatives of the oil industry. They could not have survived the period since the inception of the National Energy Program if they had not been given that incentive. It is not a great bonanza to them. It only permitted them to remain in the black as opposed to being in the red.

Another change in the Bill is the rate reduction for resource royalties. Back in 1982 we argued—and I will raise it again—

that under the Constitution the resources rest with the provinces. However, for some unknown reason, the Government has decided that that is not a fact, that the resources rest with the Government of Canada. It has decided that they rest with the Government of Canada, not with the people of Canada. The people of Canada are paying the price, and the Government of Canada is collecting the money. It is allocating those funds as it sees fit. This is unacceptable to us.

They tell us what a bonanza it has been for Canada. I am afraid that out West it is a disaster. The Province of Alberta had no unemployment at the time the National Energy Program came in. Today, droves of people have left and returned to Ontario, Quebec and the Maritimes. Those people are so discouraged that they would never go out West again. They were hurt by the National Energy Program. Not only the West was hurt by the National Energy Program, but the Province of Ontario was hurt as well. There was a ripple effect about which I spoke on April 23, 1982. At that time I indicated the ripple effects which would result, and they have happened. I talked about the building of compressors in Quebec and the building of pipe in Ontario. That whole group of industries went down.

What would it have done to the steel industry if they had proceeded with two or three megaprojects? What would it have done to Ontario? I admit that in my riding at the present time things are pretty good. It has a very low unemployment ratio. The reason for it is that the Americans finally picked the right car to produce at the right time. General Motors is now building a big car which is in great demand in the United States. We are lucky, but not as a result of planning by the Government. It is as a result of the planning of General Motors.

I think it is very important to indicate that the petrochemical industry in Canada is suffering. It is really hurting. The report is out now that we must have a 15 per cent cut in the cost of gas. Instead of making a cut the federal Government, being big boys, decided to give $50 million to Petrosar. To Petrosar that was nothing more than a sop, a band-aid. It does not solve their problem. How many $50 million hand outs are they going to give as opposed to cutting the cost of that gas by 15 per cent?

• (1600)

I will wind this up, Mr. Speaker, but I would like to point out that in Saskatchewan there are billions of cubic metres of gas locked in, and western gas producers would love to be selling that at a much reduced cost. Because of this Government and its taxes, they cannot sell it at a reasonable level to allow the petrochemical industry to survive in Canada.

Mr. Speaker: I believe the rules provide for a ten minute question and answer period. Are there Hon. Members rising to ask questions or make short comments?

Mr. Hovdebo: Mr. Speaker, I wanted to comment on the suggestion of the Hon. Member for Ontario and his support in defence of the Seven Sisters and the multinationals generally. The definition of multinationals is that they are corporations that use your money to buy you. That is exactly what the oil companies have done in Canada. Over the years the industry has taken out of Canada $1.25 for every 25 cents it has put in. That does not include the money they have invested in Canada which they earned in Canada. It is the amount they brought in originally or brought in at various times. They have been using our money to buy us. They continue to do that.

This Bill is a good example of the multinationals, in this case the oil companies, being allowed to buy us out. Under this Bill we give them another one point something per cent which they can use to reinvest. In the process of reinvesting, they continue to increase their ownership of the oil industry in Canada. Will the Hon. Member for Ontario comment on that?

Mr. Fennell: Mr. Speaker, I am delighted to comment on that because there are so many inaccuracies. That gentleman and his Party "represent labour" in eastern Canada. I believe that I do a better job of representing labour. It is the multinationals that have created jobs for Canadians, particularly union jobs.

With regard to the Hon. Member's comment that they take out $1.25 for every 25 cents they put in, that is nonsense. I will use Imperial Oil as an example. Part of Imperial Oil is held by every major pension fund in Canada. It is the future of people's needs in their retirement. Beyond that, they paid a fair return on money the borrowed in Canada. That has been a revenue cash base brought into Canada. It forms part of the tax receipts the Government takes in. The Hon. Member does not understand economics. He should study the Japanese model. They encourage foreign technology coming into their country. They know they must have it to keep their people working. We should be encouraging foreign technology to come in now because we are so far behind. It would create jobs. The critical problem in Canada today is that there are 1.5 million people unemployed. Until we can resolve that problem, we had better encourage every nickel and dime we can get from anywhere in the world to create jobs in Canada.

The Hon. Member had better go back and look at his statistics a little more carefully before talking about the amount that goes in and the amount that goes out. It is inaccurate, not factual and is misleading to the Canadian public.

Mr. Althouse: Mr. Speaker, I wonder if the Hon. Member who just spoke would give us an indication based on the fact that approximately 54 per cent of last year's Canadian production was from old oil, pre-1974 oil and was produced at about 82 per cent of world price, on average. The other 46 per cent of our Canadian oil was produced at world price. How does the Hon. Member propose to deal with the problem of price? His remarks sounded as though he were prepared to go to world price for all oil. Is that what he means? Did he mean what he seemed to be saying? How does he propose to explain to Canadians the extra 9 per cent or 10 per cent that would be required to cover this extra cost so that all oil produced in Canada could be produced at a low price?

Mr. Fennell: Mr. Speaker, we are currently paying more than world price for gasoline and heating oil. What the Hon. Member is saying is inaccurate. It is tax that is going in. On every gallon of gasoline there is 66⅔ cents tax. It has nothing to do with money going back to the oil companies. It is tax. They say that goes into the PIP grants, and the PIP grants go to Nova Scotia and to the Beaufort Sea. It does not go back to the traditional area of oil discovery.

If we went to world price today, the price of gasoline and heating oil would go down. If that were the solution, I would endorse it because it would assist the consumers of this country whom that Party stands up and says it is defending. They are hurting. They are trying to build in more nationalization. They would like us to have more Canadairs and more Eldorado's, which needed $400 million to save it. They would like the taxpayers to keep paying these deficits of Crown corporations. As far as I am concerned, if we went to the world price today I believe the price of gasoline and heating oil would go down.

Mr. Skelly: Mr. Speaker, it was fairly entertaining listening to such complete nonsense. I honestly wonder how the previous speaker could stand up with a straight face and present such malarkey to the House. Obviously he has not read *The State of Competition in the Canadian Petroleum Industry*. It simply is not possible to believe the line that the Hon. Member has put forward. Is he prepared to clarify one small point? He mentioned the Japanese were interested in obtaining foreign technology. Did they, like Canadians and like his Party, want foreign equity investment and control along with the technology?

The Hon. Member's Party appears to be interested in bringing in foreign ownership and control as a mechanism for getting our technology. We in Canada developed an enormous amount of technology that has not been held in this country. In fact, it has left. We pay for research and development which multinationals ship out of the country. Will the Hon. Member admit to the House that he was just joshing us, that in fact it is not good enough to have foreign equity investment and control in place of Canadianization—not nationalization, but Canadianization?

• (1610)

Mr. Fennell: Mr. Speaker, we support Canadianization. I did not talk about control. I would be delighted to have equity in foreign corporations that would bring new technology to this country. I agree that not only has multinational technology left the country but Canadian technology has left as well. That is because we have not given those companies the incentive to stay.

What I stated is fact and can be proven; what the Hon. Member stated is socialist rhetoric. We are on the opposite sides of the fence and will never agree on anything, except that PIP grants should be changed. The way the Hon. Member wants to change them and the way I want to change them is different, however.

I do not agree with his stand that we are totally in favour of foreign control; we are not. We are in favour of Canadianization and putting more money from Canadians into equity in this country and getting rid of foreign control.

Mr. Jack Shields (Athabasca): Mr. Speaker, it is a pleasure to participate in debate on Bill C-14, which tidies up some of the action taken by the Government over the last couple of years.

I should like to comment on the remarks made by the Hon. Member for Comox-Powell River (Mr. Skelly). He spoke about the great disservice that Imperial Oil Ltd, for example, has done to the country and chides it for its investment in places like Cold Lake and Grand Centre and says that it is looking for handouts. I have to remind him that when Imperial Oil was attempting to build a heavy oil plant in Cold Lake and Grand Centre, using brand new technology that had never been tried before on a commercial basis, it was faced with an investment of $12 billion or $13 billion. That investment equalled the total asset base of the company in Canada. The board of directors had to make a decision on whether to go ahead or to withdraw. Under the National Energy Program, the company could not see the prospect of a return on the original investment which would protect the pension funds that are invested in Imperial Oil or the individuals and trust companies that have invested in it.

I find it difficult to entertain for a moment the rhetoric coming from the left-hand corner of the House when it is obvious that Members there do not present the facts because they do not know them.

I should like to touch upon three measures outlined in the Bill because I think they are important. The Bill points out very dramatically the disastrous effect of the slowdown in the energy industry, particularly in western Canada. The Government was trying to take action without admitting it had made a mistake. Slowly, it has been introducing certain measures to try to get things rolling again. Action in the western sedimentary basin came to a stop. Drilling rigs left the area, small service companies lost everything, small entrepreneurs just starting business lost everything, and an incalculable number of jobs were lost in the process. The ripple effect was felt in communities like Grande Prairie, Fort McMurray, Bonnyville, Grand Centre, Cold Lake, Slave Lake and High Prairie—communities in the northern part of the provinces and many in the south.

The Bill will allow corporations an annual credit of up to $250,000 that may be deducted from its petroleum-gas revenue tax liability. That is a good measure, Mr. Speaker, as it gives a company a little more cash flow and will spur investment. There is a small reduction in royalties from 12 per cent to 11 per cent. The Bill also tidies up the enhanced oil recovery program that was introduced by the Government.

I am not going to talk too much about the Bill today, Mr. Speaker, but I want to use it to focus on some things that happened under the National Energy Program. I should like to present to the House some alternatives that I think should be

included before the oil industry can get moving in the way it should to lead us out of recession.

The Minister of Energy, Mines and Resources (Mr. Chrétien) took strong issue with statements made in Calgary by the Leader of this Party. At a Liberal meeting in Ottawa, the Minister took the opportunity to make some scathing comments about it. He also defended very eloquently, as only he can, the National Energy Program, saying what a good thing it was for Canada. Our Leader had said that oil production was declining by 30,000 barrels per year. The Minister quoted the forecast of *Oilweek* that production would increase by 3.4 per cent in 1983 over 1982. That is true, but I want to show how the Minister twists the figures that he is fed by his civil servants. Indeed, this is the way that the Government attacks every problem, instead of facing it squarely.

The Minister neglected to say that the conventional crude oil production in 1983 would be 16 per cent less than in 1979 and that much of the gain in 1983 reflects record output of the two oilsands plants which just about doubled their 1979 production. They are located north of Fort McMurray. The Minister failed to mention that the discovery that started the oil industry in Canada in 1947, the Leduc field, is now dry. He also failed to mention that there is a continual decline of conventional oil reserves in Canada because the emphasis for drilling and exploration has been shifted dramatically by government intervention from the western sedimentary basin to the offshore and the so-called Canada Lands. He quoted *Oilweek* estimates that expenditure in the industry for exploration and development in 1983 was $5.6 billion, and noted that costs would be more than 70 per cent higher than the $3.2 billion spent in 1979. That is also true, but the Minister failed to mention that of the estimated $3.7 billion which will be spent on exploration in 1983, more than $3 billion will be spent on Canada Lands and only $700 million in the established western sedimentary basin.

I speak now of duck hunters, Mr. Speaker. If you want to hunt ducks you do not go to the mountains, you go where the ducks are. We have a government which wants to find oil. We have an established western sedimentary basin. We have the oil sands in place. We have the production capabilities. What we are doing by government policy is to redirect this into the so-called Canada Lands where not one significant find has been made to date, and I am talking about the Beaufort Sea and the Mackenzie Delta.

● (1620)

An Hon. Member: What about the future?

Mr. Shields: An Hon. Member asks about the future. Obviously, he has not listened and will not listen. What I said was that if one is going duck hunting, one goes where the ducks are. There is oil in the western sedimentary basin. It needs to be explored and to be produced at reasonable cost, which will in turn produce jobs. We have two million unemployed in this country. That is the problem. Certainly we have a future. Certainly it does not mean that we do not search in Canada Lands for oil. However, you do not take 75 per cent or 80 per cent of the exploration dollar and move it—by government decree—from the western sedimentary basin and from the oil sands deposit to the Beaufort Sea and to the Canada Lands, where not one significant oil discovery has been made. That is the problem.

We in Canada have now switched to the few extremely high cost wells on Canada Lands away from a healthy industry in the conventional area. That is what we have done by government decree. That is what this Government has done.

On the plus side, there are some 1.5 billion barrels of oil in Hibernia. However, I have an estimate here that the first possible production from Hibernia will be in 1995, a good 11 years away. Canada is now moving out of recession to economic recovery, and it means that these past four years have been literally wasted, because we are going to be bringing in oil and spending Canadian dollars to buy oil offshore. This will amount to billions of dollars, if the recovery takes place in the way we all hope it does.

I would like to point out some of the things said by the Minister of Energy just for a moment, Mr. Speaker, which show that the Minister obviously does not know his own Department and does not understand the energy problem. In one example, he said, "The market for gas will not change unless Mulroney decides to give our gas away". Just moments before that in the same speech, in the same locality, he said, "Mulroney should tell Peter Lougheed to reduce the price he sets for gas. Such action would do more to promote and expand use of gas in Canada than all the rhetoric against the NEP". On the one hand he says the Conservatives want to give our gas away and, on the other hand, he says the Leader of our Party should go to the Premier of Alberta and tell him to sell his gas cheaper and that would solve everything for the gas industry and would do a lot more good than just to talk about the national energy policy. That is the kind of doubletalk we have been getting from this Government for too long. The people of Canada know it and are going to render their judgment come the next election day, mark my words.

The Petroleum Service Association of Canada, which represents service and supply companies and not drilling and service rig contractors, found that member companies had reduced employment in the last three years by 40 per cent—which translates into 20,000 to 30,000 jobs—because of the national energy policy. And that is a service industry which is 98 per cent owned by Canadians. It is not foreign owned. It is owned by Canadians who built up a service industry and it has become renowned the world over. I wonder if Hon. Members of this House of Commons realize that on the outskirts of Edmonton and Calgary there are manufacturing firms which manufacture drilling rigs which are acknowledged in the industry to be of the most superior quality and design in the world. These rigs were being shipped literally all over the world. Members of the New Democratic Party talk about technology. That is technology which we as Canadians developed and we as Canadians are shipping all over the world.

It takes the same number of people to drill a $100 million wildcat well in the frontiers as it does to drill a $500,000 wildcat well in the western sedimentary basin. Therefore, if we are talking about creating jobs and the amount of money we spend on creating jobs, we should consider that we create the same jobs when we wildcat at $500,000 for a well in the western sedimentary basin as we do with a $100 million well offshore, and we have fewer of them because they are so darn expensive.

I would like to point out, Mr. Speaker, what I believe must be done to turn the industry around and allow it to lead us out of the recession. I believe we have to go to market pricing. I heard the New Democratic Party a few moments ago question my colleague, the Hon. Member for Ontario (Mr. Fennell), saying, "How can you justify going to world price?" I will tell you, Mr. Speaker, how I would justify it. I only have to look south of the border to the United States where oil has been at market price for a long time now. It deregulated about 18 months to two years ago. I can now pull up to the pumps in the United States and fill my car with gasoline and I pay 30 cents a gallon less than I pay in Canada.

The problem in Canada today is that we are paying more than world prices, as the Hon. Member for Ontario indicated, and it is because of the *ad valorem* taxes. It is because of the federal taxes, the petroleum-gas revenue tax, and the Canadian-ownership charge—which was supposed to be a temporary tax. Look to the taxes. That is where the problem is. We have a bankrupt Government which spends money like a drunken sailor. That is the problem, not going to market pricing. Market pricing benefits the consumer because it increases the available supply. It encourages people to get out there and get it. They know they will get world price. They know that Government will not interfere with them. It provides competitive prices at the pump or the burner tip. Regulated pricing in Canada includes excessive taxes imposed by the federal Government, and by some of the consuming provinces, which has resulted in consumers paying higher than would be the case under a market pricing system.

Mr. Munro (Esquimalt-Saanich): Fishermen, too.

Mr. Shields: Of course, fishermen and farmers. It reflects all the way through. I believe we must look at investment opportunities for Canadians. We want to Canadianize the industry. I believe we have to encourage Canadians to invest in their own industries. How do we do that? We can do it with the tax system. We can do it with some type of energy registered retirement savings fund, using it in an energy investment way, giving the same kind of tax incentives which are attached to RRSPs which are locked up in insurance and trust companies. We can declare money earned from investment in the oil industry to be non-taxable. There are all sorts of ways to encourage people to invest in the industry.

• (1630)

We have to go to an equitable tax system. I like to think of the PGRT in this way. It is like opening up a hamburger stand, maybe a McDonald's or Dairy Queen. You have a franchise and you must pay the franchisor a percentage of your volume. It does not matter whether you make a profit or not, you have to pay that percentage off the top. That is what the PGRT is. It does not matter a damn whether the company is making any money, the producer must pay that tax at the wellhead. You cannot do that, Mr. Speaker. You have to make it equitable and you have to get rid of that production tax, because all it does is go after the ones who are trying to develop the resource. It hits the young Canadian companies.

The Acting Speaker (Mr. Guilbault): We now have a ten-minute period for questions and comments.

Mr. Skelly: Mr. Speaker, although we agree with the Hon. Member that the tax problem is important, the fact that he can go across the line and fill up at gas pumps in the United States cheaper than he can in Canada is not exactly true. There are some areas in the U.S. where gas is more expensive than in Canada and other places where it is much cheaper.

Would the Hon. Member be prepared to admit that, while the situation in the U.S. is much different in terms of taxation, it is also different in terms of competition? The majors are much more competitive with each other and therefore the market share seems to be more evenly balanced and the price is right down, giving consumers a break. In this country the majors set and control prices. When the product leaves the wellhead, there is a tacked-on piggyback price that the majors manage to hold on to. Through price wars they have disciplined the independents, the majors have then bought them out and they have ghost companies working for them.

Would the Hon. Member get up and honestly state his Party's position on competition policy as it applies to keeping independent petroleum dealers in position so we get fair competition and consumers can get a price break through competition? Why is his Party against that?

Mr. Shields: Mr. Speaker, I do not mind a question but I do resent the Hon. Member attempting to put words in my mouth. My Party stands for competition. That is what we are talking about. When governments come in and start to regulate everything in the way they have done, of course you have a lack of competition. That is the kind of thing he is talking about. He said there is a tacked-on piggyback price. Of course. If he had listened to what I was saying, it does not matter whether the company is making money or not, whether it is a large company or small company, they must pay the petroleum gas revenue tax, the Canadian ownership charge and those ad valorem taxes right at the wellhead. What can they do? As I tried to point out, it is no different from my saying that I will let you use my name to start a business but you have to pay me 5 per cent whether you make money or not. That is what we are talking about. It is a production tax. They do not have a production tax in the U.S.

The Hon. Member said there are places in the U.S. where you can get gas cheaper than you can in Canada, and in other places it cost more. Certainly, I am sure if you go to Alaska you will pay a little bit more than you do in Canada. But the average price across the U.S. compared to the average price across Canada is lower by 30 cents a gallon. Some people tell me it is even more than that, but I worked that out myself. I got the statistics and I know it to be true. The Hon. Member indicates there is a lack of competition. You are going to have a lack of competition if you do not allow Canadians to invest in an equitable way in the oil industry so they can get out and compete. It is basically that.

Mr. Skelly: Mr. Speaker, from my perusal of Conservative policy, as inappropriate as it is, and considering the source, I can understand why even the statistics are out of whack. It is difficult to draw conclusions on the price when you look at the eastern states with areas where the price is higher than in Canada. I am not trying to justify that. I am suggesting that the real problem we have here is that we could have better prices in Canada if the Conservative Party did not oppose the introduction of sound competition legislation to protect independent dealers who can compete with the majors who really have a monopoly position.

How can the Member deny the material in the Bertrand report? Did that commission lie to us, did it give us false information? Why is the Hon. Member against competition? Their former leader said that competition was a back burner issue, and that was quoted in a business magazine. What the Hon. Member is saying is different from what the leaders of his Party are saying. They are against competition until one of them stands up and puts on the record that they are in favour of competition legislation. Talk is cheap, Mr. Speaker. Let us get some policy down in front of the public in writing.

Mr. Shields: Mr. Speaker, it is hardly worth responding to that typical NDP doctrinaire rhetoric. They have aligned themselves so closely to the Liberal Party in western Canada that they are known throughout the western provinces as the Liberal Party West. I can remember the energy spokesman for the NDP saying, when the National Energy Program was introduced, that this Canadian ownership charge is a heck of an idea but do not go after just Petrofina, go after the big ones. Let us buy some of those big ones. They did not care how many people they put out of work, Mr. Speaker. The whole philosophy is that money falls from trees. No one is accountable to anyone. We just buy, take over, and we will tell you little people exactly what you should buy and what you should not buy.

The Conservative Party is for free enterprise. My God, that is one of the basic planks of our Party. Free enterprise and competition. All the National Energy Program did was stifle free enterprise and stifle competition. I think I could talk until I was blue in the face, Mr. Speaker, but the Hon. Member would still stand up with his socialist rhetoric that we are going to buy everything, we are going to control everything and tell the people exactly what they are going to do. I do not buy it and I am sure the electorate do not buy it either.

Mr. McKenzie: I have a few comments and a question for my colleague from Athabasca. I would like to get it on the record and get it straight that in the Thirtieth Parliament all Parties in the House agreed that there had to be a gradual movement toward world prices for oil. That is on the record and the NDP supported it.

I would also like to point out that the Hon. Member is saying we are against independent petroleum dealers. If he would re-read all our speeches during the debates on the NEP, he would see we pointed out time and time again what a disastrous effect it was going to have on the Canadian oil industry. We were not speaking for the multinationals. It was the Canadian oil industry and all the firms that supply equipment to it that were affected. The National Energy Program cost Canada something like 60,000 jobs, most of them in the Province of Ontario. With incentives under the free enterprise system in the Province of Saskatchewan today and with a Conservative Government, there is an oil boom there. We encourage the free enterprise system and competition.

● (1640)

Does the Hon. Member think that some more Petrofina deals and more nationalization will help employment in Canada?

Mr. Shields: Mr. Speaker, I appreciate the question. The Canadian ownership charge is in place and the people in this country and all Members of the House of Commons know that it costs the normal consumer across Canada about $60 a year. This money is accumulating in the federal coffers in Ottawa of the rate of $75 million to $85 million per month. This works out to close to $1 billion per year. At the present time there is $1 billion in that fund. It was designed to buy foreign oil companies.

The Acting Speaker (Mr. Guilbault): Order. The Hon. Member's time has expired.

Mr. Shields: I have not finished the answer.

The Acting Speaker (Mr. Guilbault): This put an end to the question period.

An Hon. Member: What happened to consent?

The Acting Speaker (Mr. Guilbault): Is someone asking for unanimous consent? Do I have consent for the Hon. Member to continue his answer?

Some Hon. Members: Agreed.

Mr. Shields: Mr. Speaker, market analysis by the leading brokerage firms in Canada and the United States clearly point out that Canada, through Petro-Canada, paid $300 million to $500 million more for the company than we would have paid had we bought it on a normal basis. We paid much too much. The people of Canada recognize this and some of the problems

that this caused the Canadian economy. The dollars that were spent on Petrofina left Canada. This contributed to the high interest rates. People then said there was no way they wanted the Government to buy another oil company in this manner. It did not do anything for us. It did not create any jobs, find any more oil, or add to the production levels of oil in the country. All it did was to take over something that was in place. The Government has gotten that message clearly. The Minister of Finance (Mr. Lalonde) indicated that the Government is going to use that Canadian ownership charge to help Canada reach oil self sufficiency. That could mean anything. We will have to wait and see.

Hon. George Hees (Northumberland): Mr. Speaker, in 1980 the federal Government introduced the Canadian ownership charge on gasoline at the pumps for the purpose of raising the money needed to pay for the takeover of Petrofina, which then became Petro-Canada. Nine months ago the takeover was completed. The four cents a gallon which had been added to the price of gasoline at the pumps to finance the takeover was no longer justified and should have been cancelled. The Government did not cancel the ownership charge. It continued to collect $65 million a month from Canadian car and truck owners, for a total of $600 million today. If this money had been left in the hands of the car and truck owners, it would have greatly increased retail sales in this country and many thousands of Canadian workers would have ceased to be unemployed. They would have had jobs producing the extra products which the additional $600 million would have financed.

If the money had been used to reduce the cost of gasoline at the pumps, it would have made Canada a far more attractive place for tourists to visit. Eighty-five per cent of our dollars from foreign tourists comes from Americans visiting Canada. Of these, 74 per cent travel by automobile. Tourism Canada has identified that the growth in Canada's travel trade deficit is directly attributed to the decline of automotive travel from the United States.

In a brief prepared for the Minister of Finance (Mr. Lalonde) by the Canadian Automobile Association this month, figures supplied by Tourism Canada were documented which clearly should be given careful consideration. They report that had Canada maintained the share of the world tourism pie in 1981 which it had enjoyed 10 years previously, Canada would have enjoyed the following. First, an additional $2.2 billion Canadian in receipts; second, 154,000 new jobs created; third, the elimination of the $1.1 billion travel deficit; fourth, the realization of personal income of $3.9 billion; fifth, the collection of an additional $1 billion in taxes; and sixth, $350 billion more in potential reinvestment income would have been available.

It is essential, Mr. Speaker, that immediate action to increase automobile tourism be taken to ensure positive economic recovery for Canada. No matter what legislation is before the House in Bill C-14, the fact remains that in taxation the Government has received an amount of $600 million without a specified purpose.

I have a suggestion to make to the Government regarding where this $600 million should be spent. There is a very important group of people in this country who are in dire financial straits and to whom the Government has a very direct responsibility. These are the people who were born without benefit of maternity grants and grew up without child care allowances. They were fed, clothed and educated without benefit of government grants. They were doctored without health care.

These Canadians have probably contributed more to Canada through minor and two great wars, in peace, and in the 1929 Depression, than any other Canadians in the history of our country. They were not the cause of inflation, nor are they responsible for the national debt. They are the victims. They are no longer able to speak forcefully for themselves and few speak for them. Their below-the-poverty-line incomes are the most vulnerable and first in the line of attack in hard times.

Many of these people retired before 1966 when the Canada Pension Plan was introduced and therefore have no entitlement to either the Canada Pension now or death benefits later. I have written to the Minister of National Health and Welfare (Miss Bégin) repeatedly about the needs of elderly constituents, many of whom are existing on sums which are clearly inadequate for their needs. The Minister replied to me on October 6, 1983 and said:

> Since single guaranteed income supplement recipients are not yet guaranteed an income adequate to meet their basic needs, the Government intends to increase their benefits as soon as resources permit.

The Government promised to help this particular group of Canadians in the Throne Speech of December 7. In the speech it said:

> Legislation will be introduced to increase the supplement for single pensioners providing additional assistance to more than 700,000 Canadians.

It is now almost two months since the Throne Speech, Mr. Speaker. Other legislation has been brought forward but the Government obviously lacks the commitment to these elderly people to produce the required legislation on a priority basis.

● (1650)

What does the Minister mean when she says "when resources permit"? Sixty-five million dollars a month has been coming to the Government for the past nine months with no identified purpose, for a total of $600 million in the Government's cash box. This $600 million should be immediately used for the purpose of bringing the guaranteed income of these needy senior citizens up to and preferably above the poverty level as defined by the National Council on Welfare. The Minister should bring in legislation on a priority basis, as she has promised to do so often and which was again promised in the Throne Speech, so that increases can continue after the fund runs out.

This completely unauthorized tax should be discontinued immediately so that the four cents per gallon can remain in the pockets of car and truck drivers, where it so rightfully belongs. This $65 million in circulation each month will greatly

increase retail sales and create the favourable setting for many thousands of new jobs. With the high unemployment in Canada today, a reduction in the price of gasoline will go a long way to help Canada get moving again.

Mr. Gimaïel: Mr. Speaker, what does the Hon. Member think about some provincial policies on sales tax on fuel, especially in Quebec and Ontario? In Quebec the sales tax at the pump is 30 per cent and I believe it is a 20 per cent sales tax at the pump in Ontario. I am interested in knowing the Hon. Member's opinion about those provincial taxes.

What is the effect of those taxes on the senior citizens of this country who, as the Hon. Member said, are the most affected by those taxes and the high price of some energy sources, especially when those taxes are not particularly meant to help the country become self-sufficient in oil and gas but are meant to bring more money to provincial government assets?

Mr. Hees: Mr. Speaker, as the Hon. Member knows, taxes have to be raised to pay for the many things that Canadians need in the various provinces of Canada. The provincial governments have used taxes on gasoline and oil to help raise the money that all of us very gladly use. In 1980 this four cents a gallon tax was passed by the House. The Opposition agreed to it. As long as it was being used for the purpose for which it was specified, to pay for the takeover of Petrofina, nobody objected.

The Hon. Member must realize that for the last nine months there has been no justification for the continuation of this tax. There has been $600 million taken from the pockets of Canadian car and truck owners that should have remained in their pockets, because the tax was not justified once the purpose for which it had been passed had been eliminated. That is the sum and substance of the argument. We have no objection to proper taxes being raised provincially or federally to pay for useful things. But when the purpose for which the tax was passed by Parliament has expired, there is no justification for that tax to be continued and it should be eliminated.

What I have said is that the $600 million that has been collected by the Government could have been used to increase the pensions which desperately need to be raised for pensioners. That would have been a good and justifiable cause at that time. That is why I have asked for this $600 million to be used in that way.

Mr. Gimaïel: If I understood the Hon. Member correctly, he is saying that this tax would disappear because it is no longer useful for the purpose for which it was passed because the Government has bought Petrofina. At the same time, I understand that provincial taxes—

Mr. Malone: That is their business.

Mr. Gimaïel: I am not speaking about royalties; I am saying that the sales tax that some provinces, Ontario for example, have on gasoline are not humane taxes. They are taxes which create inflation and increase the cost of everything that must be transported throughout the country. They increase the cost of production throughout the country. It is a tax that affects all senior citizens and their needs, especially transportation needs. When the Hon. Member says that the special federal tax would be lifted, it would be mean that those provincial taxes would disappear also.

I would be very happy if the Hon. Member would let the Premier of Ontario, for example, know that the Progressive Conservative Party is against energy taxes that are not imposed to help the Government develop energy needs for the country. We would then see those inhumane taxes, especially provincial sales taxes, disappear from the country because they are very inflationary and inhumane.

Mr. Hees: Mr. Speaker, the Hon. Member is being rather tiresome and obtuse. Taxes are raised by provincial and federal governments for certain specific purposes. Tax proposals come before legislatures and are debated. If they are passed by the majorities of those legislatures they become law and the taxes are levied.

I have no objection to that legislative process going on. It is up to the legislatures provincially and the Parliament of Canada federally to decide whether or not certain taxes are justified and should be levied. As I say, this tax was passed by the House. I do not claim for a moment that we in the Opposition were in favour of this tax. As I remember four years ago, we opposed it. I said that the Parliament of Canada voted in the majority to pass this tax and make it legal. When the majority of Parliament votes for something, that is the law.

That tax was justified for one specific purpose, to buy Petrofina. Once Petrofina was bought there was no more justification for that tax being levied and it should have been cancelled. It is as simple as that.

Mr. Gimaïel: I understand, then, that the Hon. Member and his Party agree with the fact that the provincial governments can impose provincial sales tax on gasoline. That is my question. Does his Party agree with provincial sales taxes on gasoline?

Mr. Hees: Mr. Speaker, I am saying to this very obtuse Member that if a provincial legislature passes by a majority vote a law that a certain tax shall be raised in a certain way and spent in a certain way, that is exactly what is done.

Mr. Gimaïel: Do you agree?

Mr. Hees: I hope I have spoken clearly and simply. I have stated it as clearly and simply as I can. I hope the Hon. Member understands the process.

Mr. Fisher: You are evading the point.

Mr. Skelly: Mr. Speaker, in light of the contribution made by the previous speaker, would he be in a position to elaborate somewhat on the price of fuel from the point of view of competition? It is very difficult to extract any constructive comments from other members of his Party. With the Hon. Member's long experience, and I would say the tremendous contribution he has made, would he venture into making some

comments on his Party's position on competition as a mechanism for setting price in the petroleum industry, particularly on his Party's position on competition legislation that would be designed to protect the smaller players in the industry against predatory practices by the larger players?

• (1700)

Mr. Hees: Mr. Speaker, I am first, last and all the time a free enterpriser. I do not see any better way of setting prices on any commodity than by the free play of the marketplace. If the price of gasoline is set by competition, in my experience, as in my experience with the price of any commodity, if there is free, wide open, unhindered competition in the marketplace, the public gets the best break possible and gets the lowest price possible. All of those competing for the business bring down the price as low as they can to stay in business and enable them to keep supplying the consumer.

The Acting Speaker (Mr. Guilbault): Order, please. This puts an end to the question period. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, if we had had more time to ask a question of the last Member, I might have asked him the following question, which I ask him rhetorically. The Hon. Member said that he is in favour of the free market for the price of gasoline. Does he consider the OPEC oil cartel a free market? The OPEC cartel were setting the prices. I am sorry the Hon. Member is leaving the House.

Mr. Hees: I have no alternative. I am more and more bored every minute.

The Acting Speaker (Mr. Guilbault): Order, please. May I ask Hon. Members to respect decorum. A Member just passed between the Chair and the Member who has the floor. That Member is outside the chamber now. This situation should not be tolerated.

Mr. Waddell: Perhaps the Hon. Member is relying on his senility and not his ability.

Some Hon. Members: Order.

Mr. Fisher: That is pretty juvenile.

Mr. Malone: He just passed in front of the Member for Vancouver-Kingsway (Mr. Waddell), that is all.

Mr. Waddell: Mr. Speaker, I just began to speak—

Mr. Evans: Withdraw.

Mr. Malone: To prove you are senile.

Mr. Waddell: The Hon. Member surely has not had a chance yet to hear anything I have said. I raised a question that pertained to the whole nature of politics in Canada in the last five years. The Conservative Government lost the 1980 election on the whole issue of oil pricing. It was precisely because of the rather ill-informed remark of the last Member who spoke, who I think should know better because he has been around this House for a long time, that Canadians were not prepared to accept the notion of a free market in oil.

If the House bears with me, I will tell you why, Mr. Speaker. The Clark Government fell over a budget that basically had as one of its central pieces the notion of very steep rises in the price of gasoline.

Mr. Malone: Eighteen cents.

Mr. Waddell: The acceptance of this by the Conservative Party was dictated at the time by an Alberta caucus which wanted—and the Alberta people were pushing their own interests which is exactly what they should do—world price for oil. The Canadian people had difficulty seeing that. The reason for that difficulty was that they saw the same oil which had been $3 a barrel in 1970 was suddenly $28 a barrel. To people it was the same oil and to them the resources were not the resources of the oil companies or even the resources of one province or one part of the country; they were resources belonging to all Canada. Thus the Canadian people could not see why the price should go up so steeply to world price which the Conservative Member who spoke before me just advocated; he said that there would be world price for oil.

In effect, that is what a lot of the politics in this country have hinged upon in the last five or six years. Canadians saw that was an artificial price, fixed basically by the Arab countries, the oil exporting countries. Our producers wanted to go along with that because they would get windfalls from it. Governments would get windfalls in their taxes. The federal Government, of course, wanted the windfall as well. This is where, if I might say so, the Clark Government was very weak and was unable to deal with the provincial Premiers, one in Alberta pulling one way and one in Ontario pulling the other. I think that is one reason, when history is written, why that Government fell.

Mr. Malone: Tell us about Laxer.

Mr. Waddell: The Hon. Member says "tell us about Laxer". I am going to deal with Laxer in a minute and, indeed, I will tell him about Laxer.

This Bill—and I want to tie in what I have said with this Bill—reduces the effective rate of tax at the wellhead from 12 per cent to 11 per cent. This is what the PGRT, the petroleum and gas revenue tax amendments, does. It is easy for all these people in the oil and energy industry to throw around these terms, but for the average Canadian it is helpful to think that what we have is basically a pie. That pie is our oil and our gas resources in this country, and we have to split up that pie. That is what all the fights between the provinces and the federal Government have been about. That is what the National Energy Program—

The Acting Speaker (Mr. Guilbault): I am just making a remark once again. I will make it in French this time.

[*Translation*]

An Hon. Member has just passed once again between the Chair and the Hon. Member who has the floor. If he does it once more, I shall call the name of his riding.

[*English*]

Mr. Malone: Ha, ha, just been named!

Some Hon. Members: Oh, oh!

Mr. Waddell: Mr. Speaker, it is impossible to speak in this House. There is talk going on. There is no one interested. I want to make a contribution to this debate. I was energy critic for my party for years. I think I know a little bit about this area. I would ask Members to bear with me and to let me continue.

As I was saying, there is the question of a pie and how to split up that pie. That is what the National Energy Program is about, that and Canadianizing the industry. That is what the fights with Alberta, Saskatchewan and British Columbia are all about. That is what the 1980 election was about. We have forgotten about that so soon, but that really is what we are dealing with.

This Bill is very interesting. It gives more money to the oil industry. The industry says that it wants to improve its cash flow at a time when its profits have gone up 38 per cent over the last year. The industry always says it wants to improve its cash flow. We would all like to improve our cash flow. It means getting more money in your pocket. The industry always uses that phrase.

Let us go back to 1970, Mr. Speaker, and I will tell you why we in the New Democratic Party look at this, hear the industry saying it wants to improve its cash flow and know what that really means. In the early 1970s the president of Imperial Oil and other oil companies said: "There is lots of oil in Canada; we need to export the oil to the United States to improve our cash flow.

Mr. Malone: They are right.

Mr. Waddell: They exported over half of our conventional petroleum reserves.

Mr. Malone: Hear, hear!

Mr. Waddell: The Hon. Member says hear, hear. They exported it at a price of about $3 a barrel. Then what happened? A Minister was misled. He got up in the House of Commons and said we have enough oil for 300 years and enough natural gas for 900.

Mr. Malone: We have and we still have.

• (1710)

Mr. Waddell: The fact was that we exported our cheap conventional oil until the oil companies stood up again, after the first OPEC oil price shock in 1973, and said: "We cannot export. We do not have any more resources. We are really running out. We will run out in eight years". The fact is that we are running out of conventional oil resources in Canada.

Mr. Malone: That is the point, not the first one.

Mr. Waddell: The Hon. Member will get his chance in a minute.

Mr. Malone: You bet.

Mr. Waddell: He should not use his open microphone to heckle my speech. It is not fair. He will get his chance. This is very important. What happened—

Mr. Malone: And false.

Mr. Waddell: Mr. Speaker, I do not do this to him when he is speaking. It is pretty easy to heckle into an open microphone.

Mr. Parent: Mr. Speaker, I rise on a point of order. In all fairness to all Hon. Members who are present in the House, I think we should hear what the Hon. Member of the New Democratic Party has to say, although I do not agree with what he is saying. I suggest with all respect that if the microphone to his right is bothering him, Mr. Speaker, you should order it shut off so that I can hear what he has to say.

The Acting Speaker (Mr. Guilbault): I ask the operator to do so.

An Hon. Member: It cannot be done.

The Acting Speaker (Mr. Guilbault): I believe each Member who has the floor is entitled to speak and have calm so that he can be listened to, even if those who listen do not agree. I ask everyone to listen to the Hon. Member, if not religiously, at least politely.

Mr. Waddell: I thank the Hon. Member opposite. I will try to come to the point a little more quickly. The fact is that we had a tremendous oil price increase in the early 1970s. It began the round of inflation which we suffered. That, plus the further increase in 1978, killed the western economies. That is why there has been so much trouble. That is why there have been questions day after day about high unemployment rates, high inflation rates and so on. That was the beginning of our problems.

For our part in Canada, it was compounded because we were running out of cheap conventional oil.

Mr. Malone: Right.

Mr. Waddell: We had listened to the companies which had told us that we had lots.

Mr. Malone: No.

Mr. Waddell: Suddenly we were importing oil and it was costing Canadian taxpayers billions of dollars to import oil in the last few years. Now we are on a much more even keel, but we were importing oil. That has raised the deficit of the

federal Government, which is another problem. When the oil companies say "Help our cash flow", we know what will happen. There is a pattern in Canada. The pattern is that they say we have to export—and this is what is happening with natural gas—and that they need to increase their cash flow. Then the Government allows them to export, they make money, and then they come back and say: "We do not have enough resources. We need more money to find resources". Then they are given more breaks, more cash flow, with which to find resources. They find the resources and they say: "Now we have the resources, we have to export them".

Mr. Malone: Tell us about the NEP.

Mr. Waddell: Tommy Douglas once said that Canadians were fools to get saddled with an energy shortage in oil and that we were double fools to have a gas shortage in the future.

I want to say what is wrong with the NEP, and I will mention John Laxer as well. My friend wishes me to do that. The problem with the NEP is that it was flawed in a number of ways, one of which we are dealing with in this Bill, The PGRT. It was a difficult task for small oil companies and so on. It was flawed because it shifted exploration with all the tax breaks from Alberta and in the western sedimentary basin in Saskatchewan, where it really should be, to the Beaufort Sea and offshore. It did that because it was a power struggle. It was the federal Government trying to get power in areas which it controlled—the north and offshore. It does not have power in Saskatchewan, Alberta and British Columbia. Part of it was a power struggle.

I spoke out against the NEP and Jim Laxer said that I should have supported it. The NEP was flawed because a good energy policy should have focused on developing the resources of Alberta, Saskatchewan and British Columbia. I believe even my friend to my right will agree with that. He understands that; he is from western Canada. It was flawed because it tried to Canadianize the industry in a very complicated and expensive way by these Petroleum Incentive Program grants. They were going to give away $8 billion from 1982 to 1986 in PIP grants, yet we have trouble obtaining money for post-secondary education and pensions. That was $8 billion to the oil companies to help their cash flow; from 80 cents to 93 cents in some cases, on every dollar.

I say to Jim Laxer and to the House—and I have already said it, as has the Leader of my Party—that we would have done it in a more simple way. We would have spent the money by nationalizing or taking over one of the major oil companies, such as Imperial Oil, and not giving PIP grants. We would have had 50 per cent Canadian ownership by 1990 by doing that alone, and we would have saved money in the process compared with these expensive PIP grants. That was our policy. It was a clear policy. We will stand by that policy anywhere in the country.

Mr. Malone: You're darned right, 50 per cent taxes.

Mr. Waddell: We are seeing a retreat from the NEP. That is what we see in this Bill. We predicted a retreat from the NEP after all the heat came on the Liberals from the industry. It is a powerful industry, aided by Americans who now have a new poodle in Canada. That poodle is called "Brian, Brian Mulroney".

Mr. Taylor: Mr. Speaker, I rise on a point of order. The Hon. Member has no right to use the man's name. We are always cautioned on that. Why does it not apply to everybody?

The Acting Speaker (Mr. Guilbault): It should apply to everybody.

Mr. Waddell: I agree. I will say, then, that the Americans have the Hon. Member for Central Nova (Mr. Mulroney) on a leash and they are taking him out for a walk almost daily, when we listen to his speeches on energy.

As I was saying, we are seeing a retreat from the National Energy Program. We see it in these amendments. Does the Government want higher prices for oil companies? I will tell the House how it can be done. It is simple. We have a regime in which there is a thing called old oil at a controlled price. There is also new oil, which is at world market price or even higher. What does a smart Minister of Energy who wants to acquiese with the oil companies do? All he has to do is call old oil new oil. That is what part of this Bill or part of the taxing statute does. He simply changes the definition of old oil and then it is new oil and it gets world price; or he extends the period, as this section does, for when old oil becomes new oil or when new oil starts to become new oil. It is very simple. That is all he has to do. What we are seeing here is a retreat from the National Energy Program.

Mr. Malone: Hear, hear!

Mr. Waddell: The thrust of the National Energy Program was dead right. The thrust is that we have to Canadianize our industry. The Conservatives were wrong there. They just want us to be a colony of the United States. The energy industry is a vital industry. It should be Canadian-owned. It does not have to be totally public-owned. As I said a minute ago, we would have taken Imperial Oil under public ownership. That is true and I gave reasons for it. It is going to be a mixed industry. We have a mixed economy in Canada, but let us not have it controlled by Gulf, Texaco, Imperial, which is Exxon, and the rest of the Seven Sisters. They will not act in the interests of Canada. That has been well documented and well proven. There are instances where they have not acted in the interests of Canada. Energy is a vital commodity. We have to have some control over it. We have to have a National Energy Program. I agree with that, even as a westerner. I agree that the federal Government has a role to play.

Mr. Malone: You are not a westerner.

Mr. Waddell: I disagree with the way in which the federal Government is playing the role. I want to say something positive about this Bill.

Mr. Malone: Good idea.

Mr. Waddell: It is with respect to the role the Government should be playing. I notice the taxes in the Bill exempt investments and enhanced oil recovery from the PGRT. In other words, there are some breaks in terms of enhanced recovery. Enhanced recovery does not simply mean conventional oil. Wells have to be dug deeper. There have to be different methods. They have to go into things which are not tar sands but are heavier oil and so on. As the Hon. Member to my right might point out if he were asked—

Mr. Malone: Your far right.

Mr. Waddell: —we have a Saudi Arabia of oil in Canada. It is not necessarily off the coast. It is in the heavier oil deposits along the border between Saskatchewan and Alberta. If we develop that area, as we will some day, we will find plenty of oil. However, it will be costly to develop. Unfortunately, we sold out most of our conventional sources at cheap prices. They are gone. We made that mistake. This other oil will be expensive to develop. That is what we should be doing. To the extent that the amendments to the tax helps the enhanced oil recovery, they are good amendments.

• (1720)

I have spoken on two aspects. I do not know whether I dealt with Mr. Laxer completely. Maybe I can summarize what I said. It would not have been right for the New Democrats to have supported the National Energy Program with those kinds of flaws. I do not believe I have said this before, but during the height of the pricing disagreement, the struggle between Premier Lougheed and the federal Government when Alberta was shutting off the tap and there was the problem of national unity, seeing that my Party represents both western and eastern areas I felt it incumbent upon me to try and work out a policy with respect to pricing.

I went to Edmonton and I also went to the Government of Saskatchewan, which was then an NDP Government. I met and worked with them as well as the NDP leader in Edmonton, Grant Notley. We sat down and negotiated an oil deal. It did not matter in the sense that we did not have power, but it mattered in that we started to understand all the difficulties. I say to Premier Lougheed and to the Minister of Finance (Mr. Lalonde) that it was not easy. It was very difficult for them, having to do the real thing. We tried to negotiate a blended price. The Liberal price was a blended price. I agreed with that.

I will wind up with this, Mr. Speaker. We took this pie and we said that if the provinces want world price for their share, they get world price, and if the federal Government wants less than world price for its share, it gets less than world price. We worked out a price. Unfortunately we never had to apply that price. We tried to work out a deal. That was very important in the interest of national unity.

I say to Mr. Laxer and to others that the New Democratic Party, representing both the east and the west, was together on its energy program. That was politically important. I am pleased that we were when I was energy critic, and we still are.

The Acting Speaker (Mr. Guilbault): Order, please.

Mr. Waddell: May I conclude with one sentence?

An Hon. Member: No.

The Acting Speaker (Mr. Guilbault): There is not consent. I heard a "no".

Mr. Skelly: Mr. Speaker, I feel that the presentation by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) was excellent.

Some Hon. Members: Oh, oh!

Mr. Evans: Surprise, surprise!

Mr. Skelly: It was the one important and constructive contribution that has been made in the latter hours of this debate in Parliament.

Mr. Malone: Mirror, mirror on the wall.

Mr. Skelly: After delving in detail into the topics that he discussed, does the Hon. Member have any conclusions that he would like to draw from the presentations? Are there any conclusions that he has?

Mr. Waddell: Mr. Speaker, to be fair to other Members, I will try to conclude in one sentence.

Mr. Malone: Thanks for the fairness.

Mr. Waddell: The other day in my community office a student asked me about the PGRT and the National Energy Program. It goes out and out and out. There is so much to discuss that it is difficult to bring it into something that is understandable. I tried to deal with some of the good aspects of this Bill, some of the difficulties with the PGRT, what it means in the context of the National Energy Program, why we needed the National Energy Program, the flaws in the National Energy Program as I see them and the difficulty of getting an oil price deal. It was more difficult than what the Member thought. I should not have criticized the Hon. Member for Northumberland (Mr. Hees) in the way I did. Sometimes one's tongue runs away. The Hon. Member is a senior member of this House. However, neither should he have left before I had anything to say.

What I wanted to say to him in conclusion, and he can read it in *Hansard*, was that while you can say world price or let the free market fix it, you cannot say that about oil. It is very difficult. That is why we are dealing with a very difficult tax statute here.

Mr. Malone: Mr. Speaker, had the Hon. Member not said what he did about the Hon. Member for Northumberland (Mr. Hees) at the start, he would have had a full speech without any comment from me. Bearing in mind that he spoke in favour of Canadianization, an objective that I believe is the goal of virtually every Party in this House—

Mr. Ferguson: You should tell your Leader that.

Mr. Malone: —as a result of the NEP, can he tell us how many foreign rigs left the Provinces of Alberta and Saskatchewan?

Mr. Evans: And how many foreign rigs came back into Canada last year?

Mr. Waddell: Mr. Speaker, there have been numerous speeches given in this House with respect to rigs leaving Canada. I do not have the statistics on the number of foreign rigs, but I can answer in a general way about rigs leaving Canada. Yes, some rigs left and went to the United States. The fact is that some came back. There was a downturn in the industry as OPEC broke up. This bit about rigs going in and rigs going out is a false means of measurement.

I did acknowledge in my speech that I thought the taxes had hurt the Alberta industry and that there was a downturn in Alberta. I said that in Alberta, and that I thought it was wrong. There was heavy taxation at the beginning that really hurt.

I want to conclude by saying to the Hon. Member that I absolutely disagree with his statement that all Parties agree with Canadianization. He should read the speech of his Leader, the Leader of the Opposition. The Leader of the Opposition is not in favour of Canadianization. He is in favour of Americanization of the oil industry. He is going to open the doors to complete American investment. Once again this will mean up to 70 per cent or 80 per cent control of the industry. That is obvious to me. There is no consensus on Canadianization. The Conservatives do not believe in it. We in the NDP do and I have proposed measures where we could reach it very rapidly.

Mr. Regan: Mr. Speaker, I would like to ask the Hon. Member if he is serious in the opposition that he has expressed to investments in the offshore, investments that have meant so much for the economy of the Provinces of Nova Scotia and Newfoundland. Does he really believe that a policy that merely encouraged continued investment in areas where the reserves had been reasonably defined is adequate, that there should not have been any encouragement for the more expensive search, a necessary search if we are to have reserves for the future in the offshore area? I know that the Conservative Party opposed the grants for the offshore in Nova Scotia. The Leader of the Opposition (Mr. Mulroney) said in Halifax that he was against the grants and therefore in favour of a policy that would shut down oil exploration in the Halifax area. I am rather shocked to find that the NDP also say that it was an error to establish that program for the encouragement of our offshore exploration.

Mr. Waddell: Mr. Speaker, that is a good question, but the fact is that I did not say that, I said we should develop first the oil in the western sedimentary basin. It is a cheaper oil to develop. We know it is there. It is not an easy matter. Then we have to ensure our energy security in the long run, which means going offshore.

Perhaps I can say this because I have the liberty. The Minister is very rarely smug, but he is a bit smug right now. The Members from Nova Scotia and the Premier of Nova Scotia have been giving a bit of a clap-trap to the people of that area. They promised them this pie in the sky development, these poor people who are dying for industrial growth because they have been so misgoverned for a long time. They promised them this great oil bonanza. They have the people hooked on that. They think it is the greatest. I dare tell a little bit about the truth. Maybe it is not as big a bonanza as that.

The fact is that we have to explore offshore. Let us be fair with the people. It is going to cost money to go to Hibernia. It is cheaper to buy oil in Libya and Nigeria but we cannot rely on those places. We have to develop the offshore but it is going to be expensive and long-term and dangerous. Let us be honest with the people of the Maritimes and not say that we are against the development. I say let us go with the more economic development first and then expand.

• (1730)

It seems to me that the Beaufort Sea is a welfare ripoff for Dome Petroleum. We have not seen one barrel of oil from the Beaufort after all these years. We should go to Hibernia. There is gas in Nova Scotia but I do not think there is oil. There is gas in Hibernia and in the western sedimentary basin and that is where we should go.

Mr. Taylor: Mr. Speaker, I want to take the strongest possible exception to the comment to the effect that the Leader of the Official Opposition (Mr. Mulroney) wants to make an American colony. That remark is unworthy of any Hon. Member in the House. We will become a stronger Canada under our Leader. We will let the Americans come in and invest, but under our rules and our guidance, just as was done in Alberta. We would not have an oil supply today if we had taken that attitude and stopped the Americans from finding oil and gas. Two hundred dry holes were drilled before anything was found. Because it was done under our rules and regulations, Canada is a stronger country. That is what the Hon. Leader of the Opposition will do. He will not make this country an American colony by any means and I strongly object to that type of comment, which is completely untrue.

Mr. Waddell: May I reply briefly?

The Acting Speaker (Mr. Guilbault): No, that was not a question. The Hon. Member for Crowfoot (Mr. Malone).

Mr. Malone: Mr. Speaker, first of all I should like the Hon. Member for Vancouver-Kingsway (Mr. Waddell) to tell us what the price of oil is in Libya. In the spirit of Canadianization, would he also tell us how many service industries in the oil park that went bankrupt as a result of the NEP were foreign and how many were Canadian.

Mr. Skelly: Mr. Speaker, I have a point of order. I am reluctant to intervene in a question but there is a point on which clarification by the Chair would be useful. For a Member to stand up and make a comment, especially one so

provocative and outrageous as that made by the Hon. Member for Bow River (Mr. Taylor)—

Mr. Taylor: It was true, that is why.

Mr. Skelly: I wonder whether a person would be denied the opportunity to respond and set the record straight. Is it the intention of the Chair not to allow Members who have spoken to reply?

The Acting Speaker (Mr. Guilbault): I think that is not the question; the question is that the Chair recognizes people as they rise and at the discretion of the Chair. We are now back in debate.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I know there is a period of time allotted for asking questions and answering them, but I think that if there is a point of order on a procedural matter in that time, the time taken for it should be subtracted from the debating period. It seems to me that I still have the opportunity to answer in a brief way the question raised by the Hon. Member for Crowfoot and the other Member.

The Acting Speaker (Mr. Guilbault): No, the time for the question period had expired at the moment the Hon. Member for Comox-Powell River (Mr. Skelly) rose on a point of order. The question period is definitely completed. It may be prolonged by unanimous consent if that is the wish of the House. Do I have unanimous consent to prolong the question period?

Some Hon. Members: No.

The Acting Speaker (Mr. Guilbault): There is not unanimous consent so we are back in debate. The Hon. Member for Crowfoot (Mr. Malone).

Mr. Fisher: Mr. Speaker, I rise on a point of order. It is my understanding that we rotate speakers and I thought we had just heard from the Hon. Member for Crowfoot.

Mr. Evans: We heard all we want to hear.

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I heard from the other side of the House that they had heard all they want to hear. If they would like to go for their supper early, that is fine with me.

There is so much that I would like to talk about at the present time, Mr. Speaker, that I almost do not know where to begin.

Mr. Evans: Try the Bill.

Mr. Malone: Without defending multinationals of any kind, be it General Motors, General Foods or general oil companies, as an Albertan I should like to give some history of what happened in that province.

First of all, Alberta, along with Saskatchewan, felt that it suffered a tremendous injustice in the early part of the century. It was not a province like other provinces. When every other province became a part of Confederation, one fact was known, that the resources belonged to the provinces. As British Columbia, Manitoba and the Atlantic provinces became part of Confederation, they too knew that the resources belonged to them. That was not the case with Saskatchewan and Alberta. For the first 25 years in the history of those provinces, from 1905 to 1930, the bitter fight around the farm kitchen tables was about how they could be like the rest of Canada.

In those days those provinces took in, through taxes, only 30 per cent of what it cost to run the universities, schools and hospitals. The dominion government kept the right of royalty from all the resources. For the first 25 years in the history of those two prairie provinces, they struggled to become equal with the others. It was in the period following 1930 that cap in hand, time after time, they came to the federal Government of Canada, to James Street in Montreal, to Bay Street in Toronto, pleading for money.

The oil sands are not something new. In the late 1700s the trappers who moved through the Northwest Territories knew that oil was seeping into the tarsands. In their journals they wrote about the oil that was leaking through. Yet in the early history of the provinces when oil came to this country from elsewhere, they did not receive a penny from central Canada. They were the poorest of the "have-not" provinces—dirt poor, never able to be out of debt, until the 1940s. Before that they always ran a deficit. Then Imperial Oil came along and found Leduc No. I. That was the first bright day in the history of the Province of Alberta.

Today, the NDP talks about the multinational oil companies, spewing hydrogensulphide out of their mouths as they say it, reeking with what we think of as "H_2S" making us believe that these companies are so foul and so wrong. I dare any Member of Parliament or Canadian to go into a supermarket and buy any liquid as cheaply as gasoline. You cannot buy Coca-Cola as cheaply as gasoline, you cannot buy peroxide as cheaply as gasoline and you cannot even buy distilled water for your iron as cheaply as gasoline.

You do not have to drill 80 or 90 dry Coke holes before you get Coca-Cola. You do not have to find a dozen producing Coke holes before you can make Coca-Cola into a Coca-Cola field and you do not have to ship it off to some refinery to crack it, break it down and distribute it to the stations. I am not trying to say that Coca-Cola is just as important as gasoline; I recognize the nonsense of that part of my argument.

Mr. Hovdebo: It is also produced by multinationals.

Mr. Malone: Good morning! I woke up an NDPer so I am okay after all!

The truth of the matter is that there is efficiency in the oil industry. When my friends to my left say that these are foul multinational oil companies, I wonder why they never attack any other multinational industry—the Royal Bank of Canada or the multinational automobile industry. That is because the Leader of the New Democratic Party (Mr. Broadbent) comes

from the home of the multinational automobile industry. But he does not mind attacking the oil industry.

● (1740)

We live in a multinational world, Sir. The greatest exporter of oil supply materials in the world is based in Calgary. We have been exporting technology from the oil industry which is bought in Houston and Denver. There are millions of dollars of Canadian outflow of great technology. However, the New Democratic Party would not want to even live in that multinational world because it thinks that the multinationals only attack us. It is time that we, as Canadians, woke up and realized we had better get into the world of the multinational, because if we do not, they will cut us off and throw us away.

What is it the NDP cower from, that it so fears, that it does not want to get into the world at large? Does that Party think that if we open the doors, that we Canadians are so weak we cannot compete? The truth of the matter is, Sir, that we have some of the best educated people and the greatest volume of resource of any nation of the world. If we cannot compete with the doors open, without all of these protections of nationalizing, my goodness, what a slam that is against the people of Canada.

What is this great nationalization monument which the New Democratic Party would like to throw at us? That Party praises PetroCan. It thinks PetroCan is the greatest thing in the universe. In downtown Calgary the two tallest buildings, Sir, are PetroCan buildings. They are monuments, Sir, to nationalization. They are 500 acres of marble, cut in Finland and polished in Italy. It was shipped to the East Coast of Canada and then shipped by rail to Calgary. The tallest buildings in Canada are now in Calgary. They are tributes to nationalization. We cannot run away from Petro-Can. It does not matter which station we use, which independent, every time that attendant squeezes the pump we are paying tax to build those two buildings. That is a pretty good system.

I am a farmer. I could farm very well if all the Canadian people would just take four cents of the price of every litre of gas—or gallon of gas, I am sorry—and give it to me. It would be very simple to farm, but that is unaccountable and irresponsible. I say thank goodness that Bill C-14 is before the House now because at least it is a recognition that the Government has committed hara-kiri in what it calls the "new energy program".

I would like to say a few words about the advantage of having a strong western Canada because it implies an impact and spinoff to central Canada. There is an unfortunate myth that if we did not nationalize the oil industry, what would happen is that western Canada would become too strong.

I will tell you, Mr. Speaker, that one of the very important pieces of research was done by J. C. Underhill of the Alberta Chamber of Commerce—

Mr. Skelly: That is the Canadian intelligence service, is it?

Mr. Malone: The Hon. Member for Comox-Powell River (Mr. Skelly) thinks the chamber of commerce, those small businessmen who produce jobs in the towns and villages in our constituencies, even in his own riding, is the Canadian intelligence service, that there is some underground movement. I can understand why the New Democratic Party would think that.

I would like to say a few words about what the production of oil and gas in western Canada would have meant to central Canada. In the 25-year lifetime of one plant—and I am talking about a tar sands plant—we could expect a cost of some $60 billion to $65 billion to sustaining investment, the majority replacement for wells running into some 20 billions of dollars. If you take the multiplier effect of CPA to that, you would come up with $290 billion working through the Canadian economy, if those tar sands plants which were on stream prior to the last election would have continued to stay on stream.

What that would have meant is an enormous impact on central Canada. First of all, the Canadian debt would not have been nearly so severe. If we take a look at today's situation in light of our tremendous unemployment, the estimated impact of the oil sands plant on the income of Ontario households would be $108 billion. It would do that in the following way: iron and steel production, $800 million; metal fabrication and machinery, $370 million; transportation equipment, $325 million; manufacturing and processing, $740 million; in financing, $370 million; and in trades and services, $750 million. In short, Sir, as the oil industry of western Canada is enhanced, the manufacturing base of Ontario and Quebec is also enhanced.

We have no steel in western Canada. We cannot make our own pipelines. We cannot do the manufacturing and fabrication of products. That is what central Canada does. But whether it is east, north or west, when the regions get richer, the centre gets richer, because we are a country which is interlocked and interdependent one on the other. The truth of the matter is that a great deal of unemployment today all over Canada is a result of the NEP which cut down the potential which was making this country work.

Before the National Energy Program the strongest industry in the whole country was the oil industry. It was the one industry which was the engine which was working. The present Government killed the engine and started the trend of following the NEP, heading over the cliff to the disaster of high unemployment.

The Hon. Member for Vancouver Kingsway (Mr. Waddell) talked about Canadianization. I will give some statistics of May 21, 1980, before the NEP. At that time, Sir, we had in this country operating 324 oil rigs. We had 37 rigs moving. We had 12 rigs rigging and 46 rigs down. The May 18, 1983 statistics show 51 rigs are drilling, 17 rigs are moving and 388 rigs are just sitting around. That is what the National Energy Program did.

We import today, Sir, something like 200 million barrels of oil per day. That is down considerably from the 500 million barrels of about four or five years ago. However, the fact is that when we buy that oil and bring it into Canada, we are a

part of the Mexico works program. We are creating employment in other countries. We trade, and naturally we will trade with other countries, I can appreciate that. We have to. However, I do not understand for one moment why, in a country which has a resource, we know the potential is there and the volumes are there, we cannot put in place the infrastructure to feed Canada first from our own feedstocks. But not this Government. It prefers to go to some other country. It prefers to take tax money out of all of our people and send that money off to other countries. It prefers to help build up employment in other countries at the expense of its own because there is some unfortunate mythical east-west fight where the Government could not stand to see the oil industry thrive in western Canada. It could not stand success. It thought somehow if it killed the oil industry, if it nationalized it, somehow it was going to be good for central Canada. The fact is, Sir, that one oil company which used between 500 and 600 half-ton trucks every year bought zero a year ago. Does that not have an impact on Ontario, the automotive centre? Does that not have an impact on Sudbury which mines iron? All of a sudden industries basically collapse and fold. The oil industry was the only successful engine in the whole of the country at the time when this Government brought in the National Energy Program, and that hurt every province, not just western Canada.

• (1750)

I want to speak for a moment about those rigs which moved out of Canada, not only to make the claim that they were Canadian, which they were; not only to say the service industry was Canadian, which it was; but also because I think many people who read *Hansard*, listen to us on TV, and even Members on the other side, do not really know what we are talking about when we say a "rig". I think they conjure up in their mind this derrick standing there and a few people standing around it.

About 16 trucks are required to move a rig, Mr. Speaker. It is not just the rig; it is the compressors and a whole battery of equipment which go with it. To move a rig from Alberta to Texas costs some $500,000. What happened in Canada? In 1980 there were 324 rigs drilling. In 1983 there were 51. The Government killed the industry.

There was all this talk of self-sufficiency but what did the Government do? It created PetroCan. Do you know what Government Members cannot do, Mr. Speaker? They cannot hold up one quart, cup or even teaspoon of oil that that company ever found. It has not found any oil. All it managed to do was build twin office towers in Calgary, take over other companies to run them as they had been run previously, but it has not found a single drop of oil. The Government has not enhanced the oil industry in this country, it has not made us more self-sufficient. What it did was destroy our economic base. That program alone cannot be blamed for unemployment in this country, but it certainly can be blamed for a large measure of unemployment. It had a very significant impact.

Had the two tar sands projects gone ahead, Mr. Speaker, as originally intended prior to the re-election of this Government in 1980, the impact on Ontario alone was some $800 million for metal fabrication, $370 million for transportation equipment, $325 million for manufacturing and processing, $740 million for financing, and $370 million for trade and services. The numbers go on and on. The Government tried to destroy not just the oil industry but it tried to destroy western power. This Government believed that somehow there was just too much power out west.

The truth is that we were Canadianizing the oil industry faster before the NEP than we are after. The service industry was Canadian and it has been driven out. The rigs were Canadian and they have been largely driven away. We did not cause the multinationals to go into bankruptcy, just Canadian companies. I dare the Liberals to go into Nisku and give a speech on oil. I dare Liberals to go into Brooks, Alberta and try and defend the NEP. They would come out of the riding on a long pole because the people are bitter and angry. I dare them to go into Coronation, Alberta and defend the NEP. The Liberals hurt those people, put them out of work and made it so that they could not buy the manufactured products of central Canada.

I do not know why they are afraid of a regional person making money because every time that happens he does exactly what you do, Mr. Speaker; he spends it. If he buys a refrigerator and it is Canadian, it is made in central Canada. If he buys carpeting and it is Canadian, it is made in central Canada. If he buys an automobile and it is Canadian, it is made in central Canada. If he buys a toaster and it is Canadian, it is made in central Canada. If you make Prince Edward Island wealthy, you make central Canada that much more wealthy. If you make western Canada wealthy, you make central Canada that much more wealthy. Surely we must come to the point where we quit fighting one with the other and realize that this great country is interdependent; as one gets better, we all get better. We do not need to kill an industry somewhere in the name of preserving power elsewhere. The then Minister of Energy, now the Minister of Finance (Mr. Lalonde), said that we needed the NEP because otherwise Alberta would get rich beyond your wildest imagination. He said that in a speech from the Chateau Lacombe in Edmonton. That should not be the fear because we are all Canadians and we ought to benefit together.

Mr. de Corneille: Mr. Speaker, I am surprised that the Hon. Member's message is to leave the impression that policies are created in order to pit one region against another. That is a most unfortunate suggestion. One of the things that concerns me about the specifics, although within the context I think it is most shameful to undertake to pit one region against another in that way, is that the Hon. Member has been very selective in his information and his memory. He has not brought to our attention the comparable problem faced by the oil and gas industry in the United States. His selectivity of statistics brings us information about the problems of oil rigs in Canada and that they moved to the States, but how much does he tell

us about what happened to those rigs when they got to the U.S.? How many did not get into operation? The U.S. has had exactly the same problem with a gas bubble, problems with rigs and with an industry suffering very greatly.

Those are my comments, thank you.

Mr. Skelly: Could the Hon. Member for Crowfoot (Mr. Malone) give us an indication of why his Party is opposed to enhancing Canadianization? He indicated almost total opposition to Canadianizing the industry. Why is his Party against establishing competition in the industry so that Canadian consumers would benefit? He knows that the Seven Sisters, the ones he claims built Canada, will ultimately drive the small entrepreneur out of business. Those people are in a position to make a better deal for consumers. They are really the backbone of the free enterprise system. Why did his Party cause such harm to the industry by supporting the high interest rate policy? I recall the Hon. Member for Etobicoke Centre (Mr. Wilson) saying that they could see no alternatives to high interest rates. We are prepared to admit that probably one of the worst governments this country has seen since Confederation is this Liberal Government. I am sure the Hon. Member agrees. The only thing that would be worse is the Conservative Government which is likely to follow.

Can the Hon. Member indicate why his Party is against competition, against free enterprise and for high interest rates?

Mr. Malone: Mr. Speaker, the Hon. Member for Comox-Powell River's imagination is made out of latex. There was so much false innuendo in his comments and questions that they do not deserve an answer from me or anyone else. The public knows very well the history of our two Parties and the Party opposite. We do not need him poking holes in the air with his finger or casting aspersions. I would not lend any credence to such statements because they simply do not deserve it, Sir.

[*Translation*]

The Acting Speaker (Mr. Guilbault): It being 6 p.m., the House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 9, 1984

The House met at 11 a.m.

• (1105)

[*English*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Monday, February 6, consideration of the motion of Mr. Jack Burghardt for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, when the first atomic bomb exploded in a New Mexico desert in 1945, life itself changed. Man gave himself the power of his own destruction. Never again would children be free from fear of the bomb. Never again would we parents be able to reassure them, nor to calm our own anxieties. A nuclear war would make no distinction between the sides of this House in which we sit, between right and wrong, between rich or poor, between east or west, north or south.

Nuclear weapons exist. They probably always will. And they work, with horrible efficiency. They threaten the very future of our species. We have no choice but to manage that risk. Never again can we put the task out of our minds; nor trivialize it; nor make it routine.

Nor dare we lose heart. Managing the threat of nuclear war is the primordial duty of both East and West. But Canadians are concerned that the superpowers may have become diverted from this elemental responsibility, that they may be too caught up in ideological competition, in endless measurements of parity, in trials of strength and will. Canadians also know it would be foolhardy to expect that animosity between East and West will somehow disappear this side of the point of no return. The experts would have us believe that the issues of nuclear war have become too complex for all but themselves. We are asked to entrust our fate to a handful of high priests of nuclear strategy and to the scientists who have taken us from atom bombs to thermonuclear warheads, from missiles with one warhead to missiles with ten or more, from weapons that deter to weapons that threaten the existence of us all.

Canadians, and people everywhere, believe their security has been diminished, not enhanced, by a generation of work spent on perfecting the theories and instruments of human annihilation. But technological push too often finds a sympathetic political pull. It is leaders who decide on defence budgets and research budgets. It is leaders who must direct. It is leaders who must assert their will for peace or science will devise ever more lethal weapons systems. Canadian security is at stake; and Canada has earned the right to be heard, in peacetime and in war.

Thousands of Canadians fought and died in World Wars I and II that Canada had no hand in starting. We helped to shape the post-war world—at Bretton Woods where the World Bank was launched; and at Dumbarton Oaks and San Francisco, where the United Nations organization was born. We advocated universal membership in the international community—when it was not always popular to do so, as Prime Minister Diefenbaker demonstrated with respect to Cuba; as Prime Ministers St. Laurent and Pearson demonstrated in helping newly independent states gain admission to the UN; and as our Government demonstrated in recognizing the People's Republic of China and its right to a seat on the UN Security Council.

Canada emerged from World War II as one of the very few nations with both technology and resources to build nuclear weapons. But we had seen the terrible nature of these weapons and their work. Successive governments, therefore, renounced this nuclear option, and applied Canadian skills to the peaceful uses of nuclear energy. In place of a national nuclear force, we joined with others in systems of collective security—in the UN, in NATO and in NORAD. Canada is a steadfast member of each of these three organizations. In the UN, we took the lead in peace-making and peace-keeping in the Middle East, Asia and Africa. In NATO, Canada is one of the few countries to maintain Alliance forces permanently outside its borders. In NORAD, we contribute an element of priceless value: the airspace above our vast land. The United States can design its own defences knowing that for 4,000 kilometres north of them, the land is occupied by a stable ally.

We take our commitments seriously. We have replaced our maritime patrol planes with the most advanced aircraft of their kind in the world. We have equipped our armoured units with the high-performance Leopard tank. We are phasing in sophisticated tactical and interceptor aircraft. We have launched a program to acquire new frigates. All of this is the most modern equipment available, all of it tasked to defensive purposes.

• (1110)

We decided in 1969 that it was no longer appropriate for the Canadian Armed Forces to be equipped with nuclear weapons. We announced our intention to phase these systems out in a manner fully consistent with our commitments to our allies and as quickly as equipment replacement permitted. By 1970 we had divested ourselves of the surface-to-surface Honest John rockets in Europe. By 1972 we had completed the conversion of Canadian aircraft in Europe from a nuclear

strike to a conventional attack role. Also by 1972 the Bomarc ground-to-air missiles based in Canada had been returned to the United States. We subsequently decided to replace the nuclear-equipped Genie Canada-based CF-101s with state-of-the-art CF-18 interceptors. These CF-18s will carry out our air defence role more effectively with conventional armaments than the CF-101 could do with nuclear weaponry. This means that later this year we shall have rid ourselves of the last vestiges of nuclear weapons.

We have done more than look to our defences, Mr. Speaker. We have addressed the causes of insecurity and instability, particularly in the Third World. East-West and North-South are the four points of the political compass of our modern age. The problems of the South cannot be solved in the absence of progress on global security. Massive military expenditures are distorting economic policies and diverting resources away from global economic development. This in turn is worsening Third World instabilities that ensnare East and West and add to the insecurity of us all. Canadians, therefore, have earned the right to speak. They are telling us, the Members of this House, as people everywhere are telling their own leaders, that the danger is too near. They want their leaders to act, to accept their political responsibility, to work to reduce the nuclear threat.

Last fall I spoke of an ominous rhythm of crisis. I drew attention to the confluence of three potentially disastrous trends: the resort to force to settle disputes; the risk of the proliferation of nuclear weapons; and the worsening state of East-West relations. I decided to practise what all seven leaders of the industrialized democracies had proclaimed last summer at Williamsburg: "... to devote our full political resources to reducing the threat of war". I decided to use Canada's influence to call international attention to the danger, to try to inject high-level political energy into East-West relations, to turn the trend line of crisis, to work at the crossroads of common interest between the two sides.

• (1115)

I proposed that the megaphones be put away, that an armistice be declared in the war of ideology and recrimination, that an end be made to manichaeism on both sides, that we exercise leadership and apply statecraft in East-West relations wich is the most important strategic relationship that we have.

Since last fall I have taken that message to Paris, The Hague, Brussels and Rome; to the Vatican, to Bonn, to London and to Zurich. I presented it in Tokyo and Dacca and to the Commonwealth Heads of Government meeting in New Delhi; to Peking, to Washington and to the United Nations. I met with leaders in Prague, East Berlin and Bucharest, to ensure that our message was heard in the highest councils of the Warsaw Pact.

At each step along the way my message was straightforward. Canada was not looking for a seat at the superpower table. But our lives and our future were on that table, as were those of nine-tenths of the world's population living outside the United States and the Soviet Union. We all had a right and a responsibility to involve ourselves, to press those at the table to remember their own humanity.

We proposed giving political impetus to the Stockholm Conference on measures to build confidence and reduce the risk of war in Europe. As many other East-West contacts collapsed, that conference took on importance even beyond its status as the only forum serving the Helsinki process of detente.

We insisted that both sides invest political efforts to stimulate the talks in Vienna on mutual and balanced force reductions. These MBFR talks are the key to achieving parity of conventional forces in central Europe and to raising the nuclear threshold, thereby diminishing reliance on early first use of nuclear weapons.

If I may make an aside, I want to insist that the MBFR talks are concerned with force reductions. They are not seeking equilibrium at a higher level; they are seeking equilibrium at a lower level. I have explained it many times so I cannot understand for the life of me why raising the nuclear threshold by balancing conventional forces is always interpreted by my critics as balancing at a higher level. Surely the purpose of MBFR reductions is to seek a balance at a lower level and therefore to raise the nuclear threshold that way.

Some Hon. Members: Hear, hear!

Mr. Trudeau: We also proposed meetings as soon as possible of the five nuclear powers so that a forum might be established wherein to negotiate global limits and, eventually, reductions to their nuclear arsenals.

We urged action to reinforce the Non-Proliferation Treaty. Preventing the spread of nuclear weapons is in the interest of superpower, middle-power and micro-state alike. Yet as long as the five nuclear powers show little sign of initiating the reductions called for in the Non-Proliferation Treaty, we run the grave risk of seeing nuclear weapons spread to new regions and old rivalries.

Above all, at each step along the way I have urged political leaders to commit themselves personally; to put peace at the top of their agenda; to exercise the political leadership that the current dangerous situation demanded; to restart the dialogue between East and West. I told President Reagan that the signals he was sending of American strength were being received in the East but that a message of peace was not getting through. I told leaders of Eastern Europe that the harsh rhetoric of their declarations had guaranteed rejection of the Warsaw Pact's more positive proposals, and there were some. Misperception and mistrust on both sides run deep but I believe we are beginning to see the signs of progress.

In Goa in November, 42 Commonwealth leaders strongly endorsed our efforts to restore political East-West dialogue and to promote negotiations among the nuclear weapons states.

In Brussels in December, NATO foreign ministers reached a consensus on several points I had argued strenuously during the past few years, particularly in a few NATO summits that

were held. They made a declaration which offered the East a balance and a constructive relationship. They made it clear that the West did not aspire to strategic superiority and the West respected the Soviet Union's legitimate security interests. These are statements out of Brussels in December, a meeting attended by the Canadian Secretary of State for External Affairs and Deputy Prime Minister (Mr. MacEachen), a meeting where he played an important role getting these points accepted.

● (1120)

Some Hon. Members: Hear, hear!

Mr. Trudeau: In accordance with our initiative, East and West have now agreed to resume the MBFR talks in Vienna on March 16, and they have agreed that foreign ministers should play a more active role in stimulating progress at those talks.

At our insistence, NATO foreign ministers participated early last month in the opening of the Stockholm Conference to underline the importance they attached to high-level political dialogue. The Warsaw Pact foreign ministers responded to this Western move and also went to Stockholm. Of special significance was the presence in Stockholm—and it would not have happened otherwise—of U.S. Secretary of State Shultz and Soviet Foreign Minister Gromyko, who met for over five hours. Both also met with my colleague the Deputy Prime Minister and Secretary of State for External Affairs.

Broad political contact was thus re-established between the countries of East and West for the first time since the acrimonious conclusion of the Madrid Conference last September, in the shadow of the Korean airliner tragedy.

Even Prime Minister Thatcher has taken steps to improve contacts between East and West. Her visit to Budapest last week is a further signal of momentum in East-West dialogue—a determination to seek out areas of understanding between members of opposing alliances, and to promote a reassuring clarity about intentions.

In contrast to earlier statements, President Reagan twice last month signalled a constructive tone in American policy toward the U.S.S.R. The response from Moscow has been mixed—elements of tough rhetoric together with signs of a cautious readiness to reopen lines of communication.

I have, Mr. Speaker, just returned from consultations with the leaders of Czechoslovakia, the German Democratic Republic and Romania. Those countries represent a middle-European geography, and a middle-power psychology, with long experience of East-West tensions.

Obviously they are closely allied to the Soviet Union. But their leadership, their influence and their identity are, in present circumstances, significant. I found, for example, a very positive response to my suggestion that the middle powers of each alliance could play a constructive part in reviving habits of consultation at the highest levels of East-West politics.

I gave them our Western perspective on the decline of détente, and on the importance of its renewal, and I listened to their own. We talked about the mixture of signals between East and West, and about the need to go beyond an improvement in rhetoric toward acts and gestures to restore confidence and reduce tensions.

I return with several conclusions from my talks in Eastern Europe.

First, I was struck by the contrast between the cordial, reasonable, and non-ideological private talks, and the occasional blast of Warsaw Pact fundamentalism to which we were subjected in public. I believe this disparity underlines the importance of personal contact and private dialogue. To without that dialogue, both sides risk remaining prisoners of their own polemic.

Some Hon. Members: Hear, hear!

● (1125)

Mr. Trudeau: Second, because we were able in our private talks to strip away much of the invective surrounding key issues, I believe we were able to begin a process of exposing areas of common interest. That process will take time, but I dare hope that a new level of maturity in East-West relations is within our grasp.

Third, if we are to reach that level of maturity, we shall have to grapple with difficult problems of misperception on both sides—blind spots and distortions, subjective errors of analysis or of judgment.

Few of my interlocutors, for example, seemed genuinely able to perceive, let alone concede, the gravity of the threat posed to western countries by the deployment of Soviet SS-20s. And for our part, I wondered whether we in the West had not significantly underestimated the full impact on the East of the combination of INF deployment with the harsh rhetoric of recent years.

It will be uphill work to gain a more accurate perception of each other and to gauge more accurately the consequences of our various words and deeds. From a confrontational deadlock, where INF deployment must continue and negotiations must be restored, only the "third rail" of political confidence and communication can ensure an early and constructive outcome.

In reflecting on these conclusions, and on the substance of my talks in Eastern and Western capitals alike, it is clear to me that areas of common interest are beginning to emerge. Let me suggest ten principles of a common bond between East and West:

(1) Both sides agree that a nuclear war cannot be won.

(2) Both sides agree that a nuclear war must never be fought.

(3) Both sides wish to be free of the risk of accidental war or of surprise attack.

(4) Both sides recognize the dangers inherent in destabilizing weapons.

(5) Both sides understand the need for improved techniques of crisis management.

(6) Both sides are conscious of the awesome consequences of being the first to use force against the other.

(7) Both sides have an interest in increasing security while reducing the cost.

(8) Both sides have an interest in avoiding the spread of nuclear weapons to other countries, so-called horizontal proliferation.

(9) Both sides have come to a guarded recognition of each other's legitimate security interests.

(10) Both sides realize that their security strategies cannot be based on the assumed political or economic collapse of the other side.

As decalogues go, this may seem modest. But I wonder, in this period when there are positive signs of emergence from a time of crisis, whether there is not sound purpose in going back to basics, beginning again with a commitment to principles which can be shared, finding a place to start—surveying a little common ground on which to stand. Therefore, we intend to draw on these ten principles to develop elements of a common purpose among the leaders of both East and West.

I shall be writing to President Reagan and to President Andropov, to leaders of both alliances, and to other statesmen, to propose that these are principles upon which both sides can and should build, because there are points of agreement as well as disagreement. There is a way around the impasse of recent months. There are signs of promise and I believe that the trend line of crisis has turned.

As we look back on our work over the past four months and look to the months ahead, I am encouraged that we are beginning to see results. We sought to catalyse a dialogue between East and West, and that is happening. We sought to persuade both sides to tone down their rhetoric, and that has begun to happen.

● (1130)

I sought to associate myself with like-minded leaders in several countries of the world. Many of them have begun, or continued, to make their own contribution to a reduction of tensions, to put forward their own proposals for arms control. My colleague the Deputy Prime Minister and Secretary of State for External Affairs and I have pursued the Canadian initiative in multilateral institutions, in bilateral relations, at special conferences and in dialogue with groups and individuals.

We have injected political energy into East-West relations; but political energy is not, by itself, enough. It must be nourished by imagination, fortified by persistence, and confirmed by action; by imagination to find new ideas, which break old deadlocks and address emerging dangers; by persistence to negotiate new agreements and to meet the challenge of technology; by action in the form even of small steps as evidence of good faith; by action on specific tasks, such as developing the means to verify arms control agreements, or in regularly scheduled consultations between East and West.

[*Translation*]

In the months ahead Canada will build on the progress so far achieved, to ensure that our ideas are further developed and implemented. We have no monopoly of proposals, nor do we expect them to gain acceptance overnight. What counts is that some, though by no means all, of the key East-West indicators show that their downward course has been arrested. My own personal contribution, though necessarily less intensive than in recent months, will definitely continue. After all, Mr. Speaker, sixteen countries plus the United Nations in three months is a pace that would be hard to sustain year-round, but I intend to go to Moscow, whenever circumstances permit. Our initiative will also be taken forward by my Cabinet colleagues, by our ambassadors abroad and by all Canadians who share our purposes.

Canada will play its part in the councils of the West, in bilateral talks, at multilateral meetings and conferences, in contacts with the Soviet Union and its allies.

We shall work vigorously for progress in the Stockholm Conference and the MBFR talks. If these talks bog down, Canada will endeavour to ensure that political leaders again take a personal hand in energizing them. Once the MBFR negotiations resume in March, it will be imperative that NATO respond to the proposal made last summer by the Warsaw Pact.

Following further consultations with our NATO allies, we shall in the course of the current session of the Geneva Conference on Disarmament, circulate three proposals to gear down the momentum of new technology. We will thus give additional substance to the strategy of suffocation which I put forward in 1978. These proposals are: a ban on high-altitude anti-satellite systems; restrictions on the mobility of ICBMs; and improvements in the verifiability of future strategic weapons.

In the months leading up to next year's review of the Non-Proliferation Treaty, we shall continue to press both sides to keep the NPT bargain, for security is indivisible. If countries which do not now have nuclear weapons acquire them, then everyone's security is diminished.

The basis of the NPT bargain was that the nuclear powers would reduce their armaments in return for the non-nuclear powers not building their own, and that both would co-operate in sharing the benefits of the peaceful uses of nuclear energy. Thus, the current nuclear weapons states bear an immense responsibility in preventing the spread of nuclear weapons.

Consequently, we must also continue to press our proposal for a conference of the five nuclear weapons states. It is a concept whose logic is compelling. Those five nuclear powers are at the same time the permanent members of the Security Council. They have responsibilities as well as vetoes. That is why I asked the UN Secretary General, Mr. Perez du Cuellar, to explore and to promote confidential meetings of their

representatives in New York. In my talks with Premier Zhao in January, I found that the Chinese had, since my visit to Peking, begun to express a readiness to consider such contacts in New York without the pre-conditions they had raised before.

The idea will take hold slowly, to be sure, as new ideas do. But I believe that it will take hold. For example: accidents, miscalculation, crisis, systems failure—these are nuclear perils which all of the five powers must cope with, and which they have the responsibility to manage co-operatively. I suggest, therefore, that an early focus of five-power consultations should be crisis management, particularly the handling of nuclear weapons incidents, and the improvements of crisis communications. Among the five nuclear weapons states, the two super-powers have by far the largest arsenals. They bear a corresponding responsibility to apply the same genius to reducing their arms as they did to developing them. They must not let their views of each other's morality and legitimacy prevent an early resumption of arms control talks. It is vital that they resume negotiations on limiting and reducing intermediate range and strategic nuclear weapons.

This past decade the superpowers have not ratified a single significant arms control agreement. In the preceding decade they had ratified a dozen. Gestures are needed to lift the clouds of suspicion. A useful step would be for both sides to ratify an agreement which they observe already: the Threshold Test Ban Treaty.

Mr. Speaker, I have been giving considerable attention so far to five-power relationships, to the bilateral environment of the super-powers, to multilateral talks and conferences.

Much of our own contribution to this work is enhanced by the consultative process open to us in NATO. NATO is a significant forum for Canada, whether in terms of national policy, of collective security, or of basic approaches to East-West relations. When NATO was formed in 1949, Canada insisted that it be a political alliance, as well as a military one, and Canada continues on that basis loyally to maintain our long-standing commitment to NATO and to its policies. But all institutions tend, by their very nature, towards inertia unless their members give them energy and a renewed sense of direction.

Thus I was gratified that NATO ministers decided at their December meeting to commission a full review of the steps NATO can take to improve East-West relations. Canada had been urging such an approach at successive NATO summits.

● (1140)

The last such review, in 1967, took place at the initiative of Pierre Harmel, Foreign Minister of Belgium. Then, as now, there was a sense that things ought to change. There was a need for the Alliance to have a vision of the future, and a political strategy to achieve it. The document which resulted, known as "The Future Tasks of the Alliance", was a landmark in NATO thinking. It came to terms, as in this period we must come to terms, with the need for a broad policy which governs, and gives purpose to, our military security.

The Harmel Report's most profound conclusions were:

1. Military security and a policy of détente were not contradictory but complementary;

2. Work towards a balanced reduction of military forces should be intensified, as well as efforts to overcome instability and insecurity;

3. The world had changed since the formation of NATO in 1949, and that there was a need to look ahead—to gain sightlines on the future and to work along them; and

4. Each member of the Alliance had a contribution to make, not in subordination to, but in consultation with, the other members of the Alliance.

Mr. Speaker, despite frequent setbacks, the results of that policy are impressive, especially when viewed from today's perspective: the inter-German settlements of the late sixties; the bilateral promotion of ties with the USSR by many Western countries, including my own visit in 1971; elements of rapprochement in the superpower relationship—and the Helsinki Final Act of 1975.

We need to approach the coming period with the same spirit of enquiry, the same creative diplomacy, the same forward-looking vision.

The world has changed since 1967. We sense the shifts of power and psychology. East-West relations are far more complex than they were 17 years ago. There are competing trends of autarky, interaction, and interdependence, unforeseeable at that time.

It is essential that this new review chart a course for the Alliance to the end of this century. Canada will make its own contribution to the work, and abide by the results. I congratulate the current Belgian Foreign Minister, Leo Tindemans, for his part in launching the review. I welcome the incoming Secretary General, Lord Carrington—a man whose own ideas on East-West relations will inspire us with creativity and guide us with common-sense.

Mr. Speaker, NATO is an alliance of democracies. Open discussion and independent action are as important for us as they were for Harmel.

An alliance which fails to defend democracy in its councils will surely fail in its defence of democracy in the field. NATO summit meetings have a particular importance, and should be the senior level of responsible Alliance leadership and authentic debate. Prime Minister Thatcher and I discussed this point during her visit here last September. In my remarks after dinner in Toronto, I suggested that:

"—Canadians look upon NATO as the cornerstone of our defence policy. We do not wish to be silent partners, however. It is a political alliance, after all, and politicians like to discuss and even argue the issues. If we disagree from time to

time, and expend great effort in trying to resolve our differences, that is not a sign of weakness in the Alliance, but a sign of the strength which pervades a free association of independent countries".

Just as NATO's last policy framework emerged from the intellectual ferment and military turbulence of the 1960s, so should the next review take into account, if only as background, the full range of ideas now current about international security and the effects of nuclear arms. Many of these ideas are uncomfortable, incompatible, and awkward to entertain, but they are there, Mr. Speaker, and no conspiracy of silence will make them go away. Neither the Alliance, nor its member democracies, are built on blind faith. National support for defence policies—and for defence expenditures—cannot be sustained by political or strategic liturgy alone. Bridging the gap between accepted wisdom and public anxiety surely means an open examination of the intellectual territory now occupied by many critics—critics of every persuasion, I might add—of contemporary concepts and doctrines. I believe the new NATO review should reflect what I have been calling the need to bring statecraft and high politics to every level of the East-West system, and I suggest that the review will also have to cope, as Harmel did, with differences of perception among Alliance members, with European and North American perspectives, inconsistencies and ambiguities, and with inchoate doubts and aspirations on each side of the Atlantic.

[*English*]

Canadians know the gravity of these issues. They know that Canada's power is limited and that we cannot force others to listen to us. But they also know that Canada has a role to play. That is why the Government is creating a defence and arms control institute: to help Canada and Canadians more fully contribute to advancing the debate on peace and security, and to shaping that debate.

Throughout my own personal efforts to subject the science of war to the art of politics, I have been sustained by the support of many Canadians and encouraged by their good wishes. I wish to thank them now, Mr. Speaker.

[*Translation*]

And in French, I also wish to thank the many people who wrote to me in French to give me words of encouragement and advice, and offer their prayers, and I wish to thank them very, very much for having wanted to take part in this action with us, with the Government and with Parliament.

Some Hon. Members: Hear, hear!

• (1150)

[*English*]

I wish to assure those Canadians, as well as this House, that the work we have started will continue. The Government of Canada is committed to these purposes and will carry them forward.

However, we can carry them only so far without the collaboration of those who own and control nuclear weapons, because it is the nuclear powers, and above all the superpowers, who bear the greatest responsibility. Let it be said of them in the future that this was the time when their political judgment controlled their technological genius, when their best interests served the common good. Let history survive that it may judge them generously.

Let it be said of other nations that they saw their own responsibility to work to reduce the threat of annihilation, to forgo nuclear weapons and to serve the purpose of durable peace.

And let it be said of Canada and of Canadians that we saw the crisis; that we did act; that we took risks; that we were loyal to our friends and open with our adversaries; that we lived up to our ideals; and that we have done what we could to lift the shadow of war.

Some Hon. Members: Hear, hear!

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, we meet to discuss the momentous issue of peace at a time when humanity is faced with the alternatives of seeking a process to reduce international tension or creeping to the brink of nuclear devastation. There is no doubt that the world today is subjected to strains and tensions perhaps without precedent in modern history. Indeed, Mr. Speaker, it is somewhat curious and saddening that, while men and women meet in the spirit of amity at the Winter Olympics, some of their own political leaders ignore the majestic example set by our youth and speak instead of the imperatives of conflict which can only decimate that same generation.

Perhaps there is a lesson for all of us in the page of history which shows how, in earlier generations, war became inevitable only because so many persisted in the view that it necessarily must bo so. We must never succumb to the easy temptation to believe that war cannot be avoided, because we are at that point in our history where we will not survive a nuclear confrontation. Nor can we afford a conventional war which might lead to the ultimate countdown. There should be no illusions in that regard. A nuclear countdown at any time in the future means a countdown for all humanity. There are no exceptions and there are no safe havens.

We are here, as Canadians, to rededicate ourselves to the wearying road of compromise and negotiation in the search for a durable peace. We are here because we want to be, and we are here because we must.

[*Translation*]

We all dream for the day when nuclear weapons are banished from the earth. But nuclear weapons cannot be disinvented. They are a terrifying reality which political leadership must seek to constrain. Yet a failure to incorporate a credible nuclear component within NATO's overall strategy would be an invitation to nuclear blackmail with consequences too terrible to contemplate, as the Right Hon. Prime Minister (Mr. Trudeau) mentioned earlier.

So in this sense the real question before us is how can we best achieve policies which reduce the recourse to nuclear weapons in Europe and elsewhere.

Mr. Speaker, my party and I approach this most important question through three fundamental principles.

First, Canada's foreign policy should, in fact it should always, but especially on matters of grave importance internationally, rest on a bi-partisan search for consensus.

Second, the cornerstone of our security is NATO solidarity, and third, only through the strengthening of the non-nuclear deterrent can we reduce the present reliance on nuclear weapons.

[*English*]

If I may elaborate, Mr. Speaker, the Prime Minister (Mr. Trudeau) has spoken eloquently and well of the need for reducing East-West tension. We share this view. As I indicated last November 14 and many times since in the House, my Party and I have consistently wished him, as Prime Minister of Canada, well in all of his initiatives. The maintenance of peace is critical to every hope we have for Canada and to every dream we have for Canadians. We support the objectives of the Prime Minister's initiatives and welcome his report to Parliament on this important manner which has so preoccupied—and understandably so—his attention in recent months.

Until now—and I say this much more in sorrow than in anger—Parliament has had to glean its information from a political platform in Montreal where the Prime Minister elaborated on some proposals, and from the reception halls of Eastern Europe where some blanks were filled in. We regret this disregard for Parliament. We regret that the Prime Minister, embarking on an honourable initiative, failed to equip himself in a way which would have given his initiative enormous additional credibility.

The missing dimension, if I may, Mr. Speaker, in the Prime Minister's approach has been a formal endorsation of his proposals and the inclusion of, perhaps, yet others equally valuable by all Members of this House of Commons, who deserve to be consulted on a regular and ongoing basis about such matters.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In my speech of December 4, I urged the Prime Minister to introduce such a resolution and I am sure that, had he done so, it would have gained the unanimous approval of every Member of this House of Commons. I assure him that if he chose to do so today, our endorsement of his proposals and initiatives would be no less enthusiastic. With such an endorsement—and I think it is important, Mr. Speaker—the Prime Minister could quite properly have dismissed as unworthy any suggestion about any partisan implication in such an approach. With such a mandate, the Prime Minister could have properly claimed the support of all Canadians from all Parties, in all regions of this country, for a worth while initiative.

I call upon the Prime Minister again. He indicated that it was his intention to undertake further trips. I wish him well in that, and I call upon the Prime Minister again to bring forward an appropriate resolution so that Members from all corners of this House may consider it and give him the kind of overwhelming endorsement which will help him along his way.

• (1200)

It seems to me, Mr. Speaker, that such formal support of all Members for a peace initiative has other practical and positive consequences. As a reflection of the unanimous support of this House, all-Party, non-partisan delegations to disarmament conferences can and should, in the interests of Canada, provide dramatic and visual proof of the resolve of this House to sustain the Prime Minister in his initiatives.

Another practical extension of this formal, all-Party support should be a reference to the Standing Committee on External Affairs and National Defence to study existing areas of conflict which themselves may give rise to the utilization of nuclear weapons so feared by the Prime Minister, indeed by all thinking Canadians. While we may be preoccupied with nuclear catastrophe, as indeed we must, we should always remember that some four million soldiers are presently engaged in more than 35 armed conflicts. A quarter of the world's nations are currently caught up in such conflicts which have already claimed over five million lives.

[*Translation*]

Mr. Speaker, as the Right Hon. Member for Yellowhead (Mr. Clark) warned in reply to the throne speech on April 15, 1980 this decade "seems certain to be a period of virtually continuous regional instability" while, at the same time "relations between the superpowers are deteriorating." The events in Lebanon, South-East Asia and Central America underline the urgency to focus parliamentary attention on ways in which Canada can be a positive influence for conflict resolution. A call for the resumption of the INF disarmament talks in Geneva would be stronger if endorsed by this House. So would be the Prime Minister's (Mr. Trudeau) call, which he repeated today, for meetings of the world's five nuclear powers.

Nuclear non-proliferation has preoccupied Canadians for many years. I cannot help but recall the initiative taken by the then Secretary of State for External Affairs, Howard Green, who was a member of the government of the Right Hon. John Diefenbaker, at the first session of the U.N. committee on disarmament in 1962 where he proposed the specific text of the draft declaration intended to ban nuclear weapons from outer space forever. With Parliament's encouragement, Canada could resume with renewed vigour this long-standing and leading role in promoting nuclear non-proliferation among those countries which now possess nuclear technology and those, Mr. Speaker, which have the potential of developing non-peaceful uses of such technology.

[*English*]

I have not been a Member long, Mr. Speaker, but I am convinced that we need to restore this Chamber as an instrument for seeking national consensus on the challenge we face in foreign affairs.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Not everything need be defined in narrow partisan or adversarial politics. Indeed, in a very real sense, this Chamber and its instruments should be the centre for the promotion of arms control and disarmament programs here in Canada. New initiatives could be more ennobling and fewer still could bring more comfort to Canadians who regard this Chamber sometimes with bewilderment. This is an excellent occasion for the Prime Minister to initiate a process which will bring honour to this place and honour to those who serve it.

While I welcome with generosity the Prime Minister's support for a centre for disarmament, the same motive which caused him to introduce it in the first place, I would ask him to consider sending his proposals to a committee of this House. In that way interested groups and individuals throughout Canada may be heard. Indeed, the committee might recommend that such a disarmament centre report directly to Parliament, and that might be all to the good.

Canada has for many years taken pride in its ability to play the role of honest broker in world affairs. This is a valid and important role for Canada. The Prime Minister's initiative is, in my judgment, intended to be in this tradition, and for that reason I salute him today for this as I have had the occasion of doing elsewhere.

It is with some concern and absolutely no sense of partisanship, Mr. Speaker, that I note an apparent confusion, inadvertent or otherwise, in the Prime Minister's statements between, on the one hand, the role of an alliance member, and on the other some neutralist observer of international affairs. That confusion arises, I believe, from the Prime Minister's apparent willingness, without malice, to understate the value of some very important principles in the hope of making progress with his proposals for peace.

I tell you clearly, Mr. Speaker, we are a western nation, a member of NATO. We are committed to the ideals of individual and collective freedom. We are children of liberty and on these principles we cannot and shall not compromise.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I tell you, Mr. Speaker, that we as Canadians are prepared to accept neither the inexorable Finlandization of Europe, nor a neutralist Canada. We in the Western Alliance are prepared to defend ourselves against attempts to oppose alien and odious systems on us through the use of force or threats of force. There is nothing, Mr. Speaker, absolutely nothing, that is bellicose in a suggestion that we view Soviet intentions realistically. Soviet policy in Europe has been animated by two clear aims: the preservation of Soviet dominance in Eastern Europe, and the weakening of the Western Alliance, especially the links between the United States and Europe. Political leadership on all sides of the House—it involves all of us—must be ever vigilant to avoid becoming a pawn in this Soviet strategy. That is why NATO should quite properly be the forum for our initiatives.

In Toronto last December, prior to the departure of the Secretary of State for External Affairs (Mr. MacEachen) for Brussels, I asked him to urge further consideration of the existing non-first-strike policy within the private councils of NATO foreign ministers. I recognize the sensitive nature of my urgings and I want to return to the substance of that in a moment. The forum of private NATO ministerial meetings is equally important. That is the forum in which to discuss fundamental NATO policy or any proposed changes thereto.

• (1210)

The Prime Minister, commenting on my Toronto remarks in the House last December 9, chided me for going as far as I did, saying it would be better if I reserved this kind of discussion for the NATO forum, which, he went on to say, "we are doing". I was, therefore, disturbed by two aspects of the Prime Minister's recent tour of Warsaw Pact capitals.

[*Translation*]

First, while discussion within the councils of the Alliance is one thing, it is quite another matter to publicly—in the course of this tour of Warsaw pact countries—call into question the determination of NATO allies to carry out existing policies of the Alliance. There is a difference. As former French Prime Minister Barre pointed out, to do so is to undermine the foundation of security in Europe and the credibility on which collective security rests. Second, I was astonished to learn that the Prime Minister and Chairman Honecker of East Germany had agreed to establish a committee of officials and ministers "to work together to sort of identify the areas where we can agree."

Such consultation, without first communicating with this House, without prior communication, as far as I know, with our allies, outside the Alliance framework, can only lead to confusion and potential miscalculation.

The cornerstone of our security, Mr. Speaker, is NATO solidarity. But the Prime Minister's attitude as expressed last week in Davos and Eastern Europe is part of a pattern which, if I may say so, has characterized his Government's approach to defence and the Alliance.

[*English*]

In April, 1969 the Prime Minister unilaterally cut our NATO commitment very substantially saying that Canada had no foreign policy of any importance except that which flowed from NATO, and that this is a false perspective for any country. Under the Government defence spending as a percentage of GNP has been cut by 38 per cent. This is germane to the proposition. The policy of wilful neglect of our contribution to the collective security of the alliance has led to a situation in which Canada spends less per capita on defence

than any other NATO ally, with the exception of Luxembourg. We daily send our courageous military personnel out in obsolete equipment and ask them to carry out dangerous assignments. Canadians everywhere value the dedication and devotion of our Armed Forces and do not expect them, nor shall we ask them, to risk their lives in this type of equipment.

I say with sadness that this pattern of neglect, over 15 years, of the conventional deterrent has damaged our reputation for reliability among our allies. It has commensurately diminished our influence in the same councils. Mr. Speaker, I take no pleasure in setting out these facts and Canadians take no pride in acknowledging their accuracy. Some things must be said and these are among them today.

Such neglect of the conventional deterrent has contributed to an over-reliance on nuclear weapons. This is the tragedy. There is the genesis of the problem set out here today. You cannot have it both ways. You cannot echo support for NATO and consistently neglect, over a decade and a half, support for our Armed Forces. Our alliance commitments in the conventional area can and must be honoured. We cannot continue to flail at the nuclear umbrella and not be prepared to enhance the conventional deterrent. A determined effort must be made to reduce our present dependence on a possible early use of nuclear weapons by substantially improving the conventional component of our defence.

[*Translation*]

Mr. Speaker, while we cannot—at least in the foreseeable future—hope to escape from using nuclear weapons to deter aggression, we must make an energetic attempt to reduce NATO's present dependence on the early use of nuclear weapons, even as a deterrent. Efforts to improve the non-nuclear deterrent—and my words are almost identical to those used by the Prime Minister—as any right-thinking person will realize, are most urgently required and should be a task of high political priority in Canada and all other NATO countries. If we are not to sell our most cherished values short, we must accept the requirement of effective conventional forces. General Bernard Rogers, the present Supreme Allied Commander in Europe, stated in the summer of 1982, that major improvements in NATO's conventional forces were feasible at a modest price. These improvements, he said, would permit a shift from the present strategy requiring the early use of nuclear weapons to a strategy of "no early use of nuclear weapons." General Rogers estimated the cost to be approximately 1 per cent greater than the 3 per cent annual real increase which NATO agreed to in 1978. Rogers further pointed out that this 1 per cent annual increase in real terms is slightly more than $10 (U.S.) per man, woman and child throughout NATO.

[*English*]

A further report analysing these possibilities for moving away from NATO's present nuclear reliance was conducted by the prestigious European security study. Their report concludes that NATO's conventional forces could be strengthened substantially at a total cost similar to that of the MX missile. Only after conventional defence improvements are in place could NATO ministers consider setting in motion a series of plans and programs which could ultimately reduce, as reduce they must, the recourse to nuclear weapons at any time or under any circumstances.

The enhanced Western conventional deterrent I have described should be designed to prevent the Warsaw Pact from achieving a rapid strategic success. As a result, arms control could be used as a means to introduce incentives which would help move nuclear forces away from provocative and destabilizing postures. We stand ready, Mr. Speaker, to accept this policy. We genuinely believe that the overwhelming majority of Canadians are prepared to accept this approach. A new Government will encourage this kind of action. Only by so doing can we help to eliminate, as we must, the threat of nuclear escalation.

• (1220)

It is my belief and that of my colleagues that minimizing the recourse to such weapons is a major step toward nuclear disarmament and security. But all of this is possible only through a consistent application of the three fundamental principles to which I referred; namely, that Canada's foreign policy should rest on a bipartisan search for consensus. This is a noble obligation of the Government and I again urge the Prime Minister never to forget that all Members of Parliament are interested in this process and ready at all times to contribute to the initiative. The second cornerstone of our security is the NATO framework; and finally, only through the strengthening of the non nuclear deterrent can we reduce the present reliance on nuclear weapons.

I urge the Government, I urge the Prime Minister and indeed all of us in the House to revitalize, among other things, public support for alliance security, because only through such support can the political cohesion of the alliance be maintained.

This does not in any way preclude initiatives by member nations that are consistent with the broad, general thrust of the political objectives of the alliance. It does not in any way preclude the kind of ongoing dialogue between governments that might, however modestly, make for a better day in the area of the search for a durable peace. But only through such support can the political cohesion and the integrity of this alliance be maintained, thereby leading, in my judgment, to the consideration, and hopefully the adoption, of those measures which lead to substantial reduction of nuclear weapons in Europe and throughout the world. We must walk the road to peace together.

I suppose I am like everyone in the Chamber and most people across Canada. I have three young children at home to whom I want to leave a world free of the threat of nuclear war. This would be the greatest gift that we could give to the children of mankind. But to succeed in this dream we must strive with greater resolve. We must negotiate with greater

sensitivity. We must speak with a softer voice but one that carries a more substantial message.

The challenge is overwhelming. It is at times frightening in itself. But as Browning so eloquently said, "Ah, but a man's reach should exceed his grasp, or what's a heaven for?"

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in discussing disarmament today and nuclear disarmament in particular, we are participating in some small way hopefully in the resolution of an issue that has engaged the fears and apprehensions and hopes of all of humanity for many of the most recent months.

Both the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Mulroney) have made reference to the role that politicians have played or ought to be playing in the resolution of this profoundly important matter. I want to begin my comments today by saying that we in the House should be giving thanks to those to whom it belongs above all others. That is, we should be thanking the ordinary people of this country, men, women and children, who began not last fall or indeed last spring, but some two years ago outside of the House of Commons, to put the profoundly important question of nuclear disarmament on the political agenda of Canada.

I want to pay tribute to all those citizens who make up some 500 groups in our country, such as volunteer groups of medical practitioners, unskilled workers, veterans, both men and women, who took it upon themselves long ago, along with other groups in the world, to educate all politicians in order that we may exercise our responsibilities in dealing with the political policy-making role which must eventually be the means of resolving the problem.

In saying this, I want to pay particular tribute to members of my own caucus. I want to say to the Prime Minister that, like the Leader of the Opposition, I and my colleagues share completely in the stated goals that he established last fall before he embarked on his travels outside of our country. But I remind him and the people of our country that it was almost two years ago that the New Democratic Party put the same subject matter before the House of Commons, not simply for a debate but for a vote. Peace has been an issue of central concern to us not in recent days, weeks or months, but for years.

The Prime Minister, in travelling abroad, took with him four key proposals. There was the suggestion for a five-power nuclear conference. There was the suggestion that an effort be made to broaden the Non-Proliferation Treaty. Third, there was an attempt to get agreement on the notion that a balance of conventional forces in Europe be achieved at a lower level, not a higher level. Finally, there was the proposal that an agreement be reached on the banning of testing of anti-satellite weapons.

Although news reports would indicate that the Prime Minister failed to obtain substantial agreement on the specifics of these ideas, it would be a serious mistake for us to suggest, in light of this, that the initiative taken by the Prime Minister was in any sense a failure itself. In my view, it is an important initiative not only for Canadians but for others in the world who are looking for a way out of the impasse of nuclear disarmament. It will have only been a failure, from our point of view, if we do not follow up with the appropriate steps which I believe flow from the matters that were raised in that important trip outside our country.

It is obvious that one of the results of the Prime Minister's trip was to force into the open a debate about some of the basic assumptions behind nuclear escalation. Such a debate in Canada, if it is both honest and thorough, can lead to a change in policy if certain assumptions are seen to be clearly erroneous.

• (1230)

To refuse to do this would mean that the initiative taken by the Prime Minister was at best wasted and at worst mischievous. The Government must now assume that the political focus in Canada does continue to include major efforts to bring about disarmament, particularly nuclear disarmament. To this end the Government must ensure consistency in terms of its stated principles, on the one hand, and its actions here in Canada and abroad on the other.

I believe this can best be done by systematically pursuing for Canada an anti-nuclear weapons position in every conceivable aspect of our domestic, foreign and defence policies. I believe this can and should be done. I also believe that if we do this systematically here at home, we can influence other nations. Our motto, if I could suggest one, should be this. If we desire a non-nuclear world abroad, we must first achieve a completely non-nuclear Canada at home.

[*Translation*]

Mr. Speaker, Canada must make sure that the disarmament debate remains one of our main political concerns. We must do our utmost to foster disarmament, especially nuclear disarmament. To reach that goal, our principles must logically be translated into positive action. I firmly believe that we will be successful by standing up against nuclear weapons for Canada and for other countries. There can be no contradiction in our foreign and defence policies. Our example can influence others. The principle we have to endorse is simple: if we want a nuclear-free world, we in Canada must be prepared to respect that commitment.

[*English*]

I would like to spell out as clearly and as concisely as I can certain proposals on behalf of my Party that seem to us will move us in this direction. First, Canada should be among those nations supporting confidence-building measures that are both serious and balanced, and when we hear any of them, whatever their source, we ought not to hesitate to give our public support to them. One such example is Sweden's nuclear freeze resolution at the United Nations. This calls for a mutually verifiable freeze on the production, testing and deployment of nuclear weapons. Support for this resolution, I would argue,

flows logically from everything the Prime Minister has said here today and, indeed, what he said before. Canada should indicate now that it will support that resolution at the United Nations.

Second, we should commit ourselves to spending on disarmament a much larger sum in terms of research and in terms of analysis than the Government has heretofore committed itself, and this should be a fixed and growing percentage of our defence budget.

Third, we should follow with concrete action the Prime Minister's stated objective of opposing the development of anti-satellite weapons. Specifically, because of our own involvement in the technology in this area this should entail the refusal by the Government of Canada to develop any satellite technology for any military purpose whatsoever. That, as the Prime Minister knows, would entail a real but specific change in policy. In addition, we should offer to join the international satellite monitoring agency proposed by the Government of France.

Fourth, and very important, we must openly declare our opposition to the first use of nuclear weapons.

Some Hon. Members: Hear, hear!

Mr. Broadbent: In my view, the Prime Minister was absolutely right to call into question the current NATO strategy which is grounded on the first-use principle. In so doing, I say he joins a growing number of people, including the Commander-in-Chief of the NATO forces himself who openly expressed skepticism and did not feel he was doing something inappropriate about the efficacy of such strategy. In addition, many Canadians, Americans and Europeans, including a group of Members of Parliament representing all Parties in the House of Commons, not long ago called this strategy openly into question.

I think it would be useful at sometime to talk about this in the House because although the Prime Minister made passing reference to it abroad, we have not had discussion here about why he personally had some doubts about it. I would like to hear the views of the Leader of the Opposition as well. I want to state as clearly as I can why I think this is an outmoded strategy.

At one time it could plausibly be argued that a first-use policy did serve as a military deterrent. However, this was true only for that period of time in history when the United States had overwhelming nuclear superiority. Now it would be simply ridiculous, if it were not so dangerous to all mankind, to maintain this strategy. I find it impossible to believe that the United States would launch its nuclear weapons in the face of a conventional attack in Europe. The Americans know full well that once the missiles are launched in Europe there will appear off the coast not far out of New York on one side of North America, and outside of San Francisco on the other side, Soviet submarines with nuclear weapons. They will be launched and if there is destruction in Europe or beyond Europe in the Soviet Union as a result of missiles launched by the United States, there will be equal destruction in the United States as a result of missiles coming from Soviet sources.

Surely, Mr. Speaker, this is the central reality that lies behind the open discussion, the open skepticism, the open debunking, of the first-use strategy currently maintained by NATO. Surely this strategy has one function only in the modern world now, and that is to serve as an excuse for spending even more money year after year on much more complex nuclear technology. Surely in the name of reason and the in the name of humanity it is time to call a halt to this kind of madness.

Since the Prime Minister began the debate abroad by making a few comments, I hope it is something that will be pursued, not only here in the House for the people of Canada, but also within the NATO councils themselves.

I come now to what I see as a logically related point for my final suggestion. This concerns Canada's decision on the Cruise missile test. Nothing better illustrates our potential for illogical folly, on the one hand, or confident consistency on the other, than does our approach to the Cruise.

● (1240)

In commencing my comments on the Cruise missile, I want to clear up a bit of history. No fewer than three Cabinet Ministers have said from time to time that the decision reached by the Government of Canada on the Cruise was related to a NATO commitment. This, Mr. Speaker, is false.

The decision to deploy missiles in Europe, the so-called two-track policy, was reached on December 12, 1979. This decision included the decision to deploy Pershing missiles and ground-launched Cruise missiles. Nothing was said about air-launched Cruise missiles. The decision reached by the Government of Canada concerned not missiles in Europe, not a ground-launched Cruise missile, but a missile to be developed in the northern part of our own land, to be used by Strategic Air Command bombers and launched from the air. They are two different kinds of missiles.

The purpose of the testing of these missiles, I repeat, is to provide a technically operational foundation for buttressing the United States strategic deterrent. This strategic deterrent strategy was described by the Prime Minister as being a form of scare tactic which is the logic of another age. The Prime Minister, who loves logical games, cannot have it both ways. He cannot, on the one hand, be openly calling into question an outmoded deterrent strategy which he says belongs to the logic of another age, and at the same time head a Government which makes a decision about the development of a missile that is part and parcel of that same outmoded strategy.

I ask the Prime Minister to get serious about an important, concrete decision which could lend credibility to all that he has been doing in recent months. In my view, unless the Government gets serious and follows the path of its own logic, it can be appropriately dismissed by others.

As the House knows, the Government is committed to test the Cruise probably some time next month. It also knows that

the agreement signed by the Government of Canada and the Government of the United States permits Canada, after giving a year's notice, to cease the testing of any other missile.

I ask the Prime Minister to pay attention to his own arguments which he used while he was in Europe, to give heed to his own expressed concern which we heard today, to follow the desires of the majority of Canadians and, in short, to send as soon as possible a notice to the United States which says that after the test that is now coming there will be no more tests of the Cruise missile in Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I offer these suggestions on behalf of my Party. I urge the Government to take them up. Time is short. It is short for the Prime Minister's children. It is short for the children of the Leader of the Opposition. It is short for my boy and my girl. It is short for all the children of this planet. The time to act is now.

Some Hon. Members: Hear, hear!

Mr. Speaker: Is the House ready for the question?

Mr. Evans: Mr. Speaker, perhaps, if it pleases the other Parties, we could call it one o'clock.

Mr. Speaker: Is there agreement that we call it one o'clock?

Some Hon. Members: Agreed.

An Hon. Member: No.

Mr. Nielsen: Carry on.

Mr. Speaker: If there are no speakers, the Chair has no option but to place the motion.

Some Hon. Members: One o'clock.

Mr. Speaker: If no Hon. Members are seeking to be recognized, the Chair has no option.

Mr. Nielsen: The Parliamentary Secretary asked—

Mr. Speaker: The Chair cannot observe any Hon. Members rising.

An Hon. Member: Question.

Mr. Evans: Mr. Speaker, I think it was the anticipation of Hon. Members that the speeches of the Prime Minister (Mr. Trudeau), the Leader of the Opposition (Mr. Mulroney) and the Leader of the New Democratic Party (Mr. Broadbent) would continue until one o'clock. As a result speakers were arranged for the period between three o'clock and five o'clock. In that case, would it not be reasonable to call it one o'clock?

Mr. Speaker: I asked for unanimous consent and distinctly heard a "No" voice. Is there unanimous consent to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Speaker: There appears to be unanimous consent. This House accordingly stands adjourned until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NATIONAL REVENUE

CONDEMNATION OF MINISTER'S STATEMENTS

Mr. Gordon Taylor (Bow River): Mr. Speaker, when is the Minister of National Revenue (Mr. Bussières) going to solve some of the problems that have been presented by PC Members on behalf of their constituents? Long statements of rationalization and excuses, and comments about procedures and practices, solve nothing, and only salt the wounds of the Canadian people.

Yesterday the Minister said: "This practice has been in existence for ten years." Well, if it was in existence for 20 years, that does not make it right. Why did the Minister not deal with the merits of the case?

In answer to the Hon. Member for Waterloo (Mr. McLean), who was pleading for the handicapped and the sick, instead of dealing with the problems the Minister said that the taxes were based on a previous decision of the board and the board was going to review the decision. Is the board the Government of Canada? The decision is and was wrong. Why not change it now?

Again, there was the loss of a thousand dollars that was literally stolen from my constituents in Cochrane. The cheque, in payment of taxes, was cashed by Revenue Canada and then either lost, misplaced, or stolen. Revenue Canada then took the same amount out of their bank account. The President of the Treasury Board (Mr. Gray) showed interest, but the Minister of National Revenue, instead of returning the money, talks about the file being destroyed, makes flimsy excuses that will not hold water, and lectures us on fairness and compassion. I say to this Minister and the Government, demonstrate some of that compassion, show some fairness, and return the money.

HEALTH

INCIDENCE OF BIRTH DEFECTS IN WEST TORONTO

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, this morning's *Globe and Mail* reports that a study commissioned by the City of Toronto in response to concerns which environmental groups had regarding health hazards to pregnant women living in the area of the junction triangle had indeed indicated a much higher incidence of incorrectible birth defects in the west end. The study does not indicate the cause of these defects, but speculates instead that they could be related to the mothers' national origins.

In view of the lack of consultation with the health department of the City of York, where the majority of these mothers live, and in view of the cavalier and even racist attitude shown to the mothers and to the unfortunate victims of this tragedy, I urge the federal Minister of National Health and Welfare (Miss Bégin) to initiate an immediate and in-depth inquiry into the abnormally high incidence of severe birth defects in West Toronto.

* * *

CROWN CORPORATIONS

ACCOUNTABILITY FOR EXPENDITURES

Mr. Arnold Malone (Crowfoot): Mr. Speaker, it is none of your business, and equally, I fear, it is none of mine. Last summer $25 million was missing from CNR. Some called for an investigation by the Auditor General. CN Chairman Mr. Horner said that was "none of our business". He would not stand for an open audit because he feared "a loss of independence from political interference".

Canadair, a Government-owned jet jungle, blows $1.4 billion in a single year. As it is a Crown corporation, that loss is none of our business. Canadair has 22 vice-presidents for 2,400 employees. Each one of them cost taxpayers $600,000 in a single year, yet it is none of our business.

Then we have Petro-Canada, the national company that fills our television screens with ducks, geese, beavers, and maple leaves, taxing Canadians directly on income and indirectly with a fuel tax. It spent $1.7 billion to buy a Belgian oil company that cannot find oil, and the cost is none of our business. Petro-Canada owns the two highest skyscrapers in Calgary. The walls are 500 acres of marble cut in Finland and polished in Italy. The cost is none of our business. These temples salute nationalization, our national disease.

Government has hidden its costs in nearly 400 Crown corporations. Auditor General Kenneth Dye is correct—Canadians ought to demand that the books of every Crown corporation be opened. We must abolish them, or make them accountable. They are ours, so let's make them our business.

S.O. 21

[*Translation*]

OLYMPIC GAMES

SENDING OF YOUNG ATHLETES TO SARAJEVO

Mr. Pierre Deniger (La Prairie): Mr. Speaker, I want to draw the attention of the House to an altogether incredible situation.

Canadian Olympic Association President Roger Jackson is now in Sarajevo with his pals, while Paul Boivin of Saint-Lambert and Lynne Lacasse of Brossard are in Canada. Those two young people of my riding are members of our national ski team and yet, as a result of an unbelievable decision of the Canadian Olympic Association, which is the sole organization responsible for selecting the olympic team, they have been left behind in Canada.

Mr. Speaker, considering that Canada will host the 1988 Olympic Games, that it could be represented by 14 alpine skiers, and that it has invested a lot of money in our young skiers and athletes, it seems to me that the interests of Canada as a whole would be better served if, instead of Canadian Olympic Association officials, we were to send to Sarajevo as many athletes as possible.

* * *

[*English*]

FISHERIES

BRITISH COLUMBIA INDUSTRY—POLICY OF NEW DEMOCRATIC PARTY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, economic and political circumstances have brought the B.C. commercial fishing industry to the brink of disaster. The Government must take full responsibility for this crisis because it is its mistaken policies that have brought the resource and the industry it supports to their knees. The policy of the New Democratic Party is totally different from that favoured by the Liberal-Conservative big business-oriented coalition. Our policy is based on the conviction that the B.C. fishing industry can grow, preserving the fish for future generations while generating jobs, food and exports for Canadians today.

Unlike the Liberals and Conservatives, we favour immediate relief for fishermen in the form of a fuel tax rebate and quick action to ensure the Canadian salmon now being taken by U.S. fishermen are harvested by our fleets. We want a halt to the high seas harvest of our fish by other Pacific nations. We are committed to at least a $200 million program of enhancement and rehabilitation of salmon streams. Above all, we are pledged to strong action to protect and expand productive fish habitat by the enforcement of existing legislation.

S.O. 21

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY'S POLICIES

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, last week the Leader of the Opposition (Mr. Mulroney) named a panel of party faithful to advise him on policy. Obviously he is starting to question the wisdom of the Hon. Member for St. John's West (Mr. Crosbie) who believes that the people of Canada should be kept in the dark about where that Party stands on important issues.

One of those named to the advisory panel was D'Arcy McKeough, once a key cog in the Ontario "big blue machine" and now President of Union Gas. Within hours of his appointment, Mr. McKeough started giving his advice on fiscal and taxation matters. He recommended that the federal Government increase sales taxes, increase income taxes, cut tax incentives for job creation, slash benefits and programs for the poor and needy, and reduce family allowances.

One can only marvel at the hypocrisy and philosophical dexterity of a Party whose members on one hand have been professing such sympathy for Canadian taxpayers, yet on the other are proposing that they be taxed even more heavily and indiscriminately, and who plead for greater efforts on job creation, and then call for the slashing of job-creation programs. When will the Official Opposition come clean and tell the people where they really stand?

* * *

FINANCE

EXPENDITURE OF JOB-CREATION FUNDS IN PRINCE EDWARD ISLAND CONSTITUENCIES

Mr. Tom McMillan (Hillsborough): Mr. Speaker, in the House on Tuesday the Prime Minister stated a falsehood regarding federal government job-creation programs. He said:

> There are some provinces, such as Prince Edward Island, where more money has been spent in the Conservative ridings than in the Liberal ridings.

The exact opposite is the case, demonstrating once again that the Government is more preoccupied with porkbarrelling than with the plight of Canada's 1.5 million unemployed. The truth is that initial allocations under the Canada Works and LEAD Programs favour the two Liberal-held ridings over the two Conservative-held ridings in P.E.I. by a factor of five to one, though the actual unemployment levels in the four ridings are roughly comparable. Specifically, the Liberal ridings of Egmont and Cardigan together received $4,734,000, while the two Progressive Conservative ridings of Malpeque and Hillsborough combined received only $866,00 under the two programs in question.

I urge the Government to cease using taxpayers' money for partisan and political purposes at the expense of the unemployed not only in P.E.I. but in every province and region of the country.

• (1410)

[*Translation*]

INDUSTRY

POSSIBLE ESTABLISHMENT OF AMERICAN COMPANY IN SAGUENAY-LAC-SAINT-JEAN AREA OF QUEBEC

Mr. Pierre Gimaïel (Lac-Saint-Jean): Mr. Speaker, I heard yesterday on television that the Kaiser Company, an American aliminium producer, is now considering opening a branch in Quebec. I would like to thank you, Mr. Speaker, for this opportunity to inform the people of the Lac-Saint-Jean constituency that this would seem to provide a very good opportunity for the Quebec Government during the negociations they will have with the Kaiser Company with a view to supplying the electricity which a new plant will require, to assess the chances of this company locating in the Lac-Saint-Jean constituency, which, like the rest of the Saguenay-Lac-Saint-Jean area, has suffered from job losses in the aluminium industry due to the fact that Alcan has to modernize its operations. The hundreds of jobs lost in this industry, which is of the utmost importance for our area which has been known as the aluminium capital of the world for over 50 years, have resulted in a serious social problem in the Saguenay-Lac-Saint-Jean area. I hope that after sending the Péchiney Company to Becancour, the Province will give due consideration to this project and try to negociate an agreement with the Kaiser Company to have them locate their plant in our area, where we have all the harbour facilities required, where natural gas is being brought to us by the Canadian Government, and where we have readily available a manpower that is extremely knowledgeable in the aluminium industry, so that we may have our share of these billions of dollars in economic fall-out from the aluminium industry in Quebec.

* * *

[*English*]

AGRICULTURE

LACK OF RESEARCH WORKERS IN WESTERN CANADA

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, a very serious problem is arising in the area of agricultural research funding. A slow leak is emptying western agriculture's research pail. It is now at the point where the new $2.7 million Lacombe Meat Laboratory in my riding will probably be without staff butchers until April, 1984, even though it was ready to begin operations on November 25, 1983.

In 1983 there were 3,545 full-time employees working in the area of agricultural research. Of this number over half are employed in Quebec and Ontario. Twenty-six agricultural research jobs in Alberta have been transferred out of the Prairies by Ottawa. These, combined with reductions over the last decade, bring the total to 78. With another two research stations opening in central Canada, this could mean many more research jobs and funding lost from the Prairies.

When 80 per cent of Canada's farmland is in the West and 60 per cent of agricultural foreign exchange is earned by exports from the West, it is only reasonable to ask that fairness and equity be put back into the system and these percentages be considered when making funding decisions. It is vitally important that significant funding and researchers be replaced in the western region. Otherwise we are left with new research facilities but no researchers to man the stations.

Mr. Speaker: I have to interrupt the Hon. Member.

* * *

FINANCE

GRANT PAID TO ALLIANCE COMMUNITY SERVICES, TORONTO

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my statement today deals with what appears to be another question of government use of public funds for patronage reasons. The Minister of Employment and Immigration awarded Alliance Community Services of Toronto $585,000. This public money was found in the Employment Development Branch of the Minister's Department.

On January 5 of this year the Alliance Community Services opened their doors in Toronto despite the objections of every major Italian-Canadian interest group.

The coalition against the grant included: the National Italian Congress; National Canadian Benevolent Corporation; Centre for Italian Culture and Education; the Italian Canadian Business and Professional Association, and the existing service groups such as Costi, which have been providing excellent services to the Italian-Canadian community for over 30 years.

Those in favour of giving the money were the Vice-President of the Eglinton-Lawrence Liberal Association and the Vice-President of the York West Liberal Assocation.

In addition to those outside groups who were opposed, it appears as though the Minister's own Department recommended against giving this $500,000 plus grant.

The question that arises in the minds of most of us is how the Minister reaches the conclusion that two or three Liberal hacks should take precedence over the majority view of those who are most concerned in the matter of providing services.

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

ORAL QUESTION PERIOD

[*English*]

FINANCE

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM— ALLOCATION OF FUNDS

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, in the absence of the Minister of State for Economic and Regional Development, I will direct my question to the Acting Prime Minister. I want to make it clear that no one in this Party is opposed to the legitimate use of federal job-creation moneys to create legitimate jobs. What we are concerned about is the slushing of millions of dollars of federal money into Liberal ridings across Canada.

Mr. Regan: Baloney!

Mr. Siddon: We call for an end to this kind of waste and favouritism.

Will the Acting Prime Minister confirm a CTV news report which alleges that Liberal ridings were favoured for funding under the Special Recovery Capital Projects Program in the same manner as they were under the Special Employment Initiatives Program? Also, will the Minister table today a riding by riding breakdown of the scrapped SRCPP funding that has been disbursed already?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I would think that Members have access to that information with respect to the special recovery program. I remember a long time ago, when I was Minister of Transport, that all these things were done very, very openly, and communiques were issued in each instance. I cannot see how this could be hidden in any way, shape or form.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Good old smiles and chuckles.

Mr. Pepin: I will be glad to ask my friend, the new Minister of Transport, to send copies of these announcements at the time they are made.

REQUEST THAT MINISTER FURNISH LIST OF APPROVED PROJECTS

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, the information contained in the January 26 leaked Cabinet document does not agree with the kind of limited information to which the Minister refers. In fact this information confirms that in the prairie provinces, with relatively the same population as Quebec, almost half as much funding has been made available through the Special Recovery Capital Projects Program than is the case in the Province of Quebec.

I also have a briefing note here that lays out the answers the Ministers are expected to give to us in order to divert the question. The question is simply this: recognizing that the Canadian Construction Association projects that less than

2,000 jobs would be created this year from these millions of dollars of spending, and recognizing that these funds are all being dumped into Liberal ridings, will the Minister undertake today to present in the House a list, on a riding by riding basis, of where these multi-millions of dollars are being spent on the capital recovery projects?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I think I have heard the Prime Minister or the Minister of Finance say that there would be a list published of the different programs which are aimed at reducing the number of unemployed in Canada. My hon. friend falls into the trap which is often fallen into, which is to believe that all programs of the Government must apply similarly to all provinces of Canada. That is not possible. It happens, for example, that funds for support of the grain industry in the West cannot be given for the support of the grain industry in the East because there is not such a great industry in the East.

Mr. Crosbie: Right on.

Some Hon. Members: Oh, oh!

Mr. Pepin: I said not of the same magnitude; I did not say there was not any grain in the East.

Mr. Crosbie: That is very learned.

Mr. Pepin: The only way to judge these matters is to look, as Mr. Clark would say, at the totality of the picture and see how, as a whole, the money supplied by the Government for the reduction of unemployment is balanced from coast to coast.

Mr. Hnatyshyn: The Minister of bafflegab!

Mr. Siddon: Mr. Speaker, the Minister refers to the grain stabilization payments and the Crow rate. He should be able to confirm that Cabinet is counting the Crow benefit as an offset to the money that ought legitimately to be coming to the western provinces in lieu of capital projects money. That is a well known fact in Cabinet.

• (1420)

CONTRACT FOR POST-BUDGET TELEVISION PRESENTATION

Mr. Thomas Siddon (Richmond-South Delta): Finally, Mr. Speaker, will the Minister confirm that, rather than putting money into real job creation, his counterpart, the Minister for Economic Development, has spent over $40,000 to produce one television footage for February 19—immediately following the Budget—in which he is going to present new initiatives, probably those to be revealed in the Budget? A company called Media Alternatives has the contract for this. And will he confirm that this is only a small part of the Government's total commitment to publicity in support of the Capital Projects Program, an orientation concerned more with publicity than creating real, permanent, and lasting jobs for Canadians?

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I tried to follow the question as well as I could. My English is reasonably good, but in this particular instance I could not follow it. Perhaps the Prime Minister did. He is more bilingual than I am. I am going to read the "blues" after Question Period and I will bring the matter to the attention of whatever Minister is involved in whatever matter was raised by the hon. gentleman.

COST OF SIGNS ADVERTISING PROJECTS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, my question is directed to the Minister of State for Economic and Regional Development. In his absence, I will address it to the Prime Minister or to the Acting Prime Minister, whomever is doing the acting over there. I have a document here which was freely given to me by the Minister's top officials, and I note that up until September 23, 1983, in excess of $300,000 has been spent on signs advertising various SRCPP projects across the country. As an example, 164 four by eight foot signs were purchased at a cost of $1,343 each. That was not the erected cost; that was just for the signs.

We contacted sign painters across Canada, and the most expensive sign we could get a price on, a super deluxe model, cost $600. Can the Prime Minister, or the Acting Prime Minister, explain why the Government has wasted thousands of dollars, paying $1,350 a piece for signs which should cost no more than $600?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as I try to follow the logic of the debate which has been put forward by the Hon. Members opposite for the past several days, I feel they are complaining that they do not know about the programs, that only Liberals know about them. We are publishing signs, expensive ones, so that the Opposition can catch up with what is going on.

Mr. Greenaway: Mr. Speaker, I will not bother the Prime Minister with a supplementary question. I will ask someone who might have an answer. I remind the Prime Minister that there is a lot of difference between a $600 sign and a $1,350 sign. You are wasting money, Mac.

STUDY OF ADVERTISING'S EFFECTIVENESS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, can the Minister of State for Economic and Regional Development confirm that a firm called D. W. Hartford and Associates Ltd. was employed by the Government to study the effectiveness of the SRCPP advertising campaign? In other words, is the Minister using taxpayers' money to study his own propaganda?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, first of all let me apologize for not being here when the first series of questions was asked. I found it curious that the Hon. Member for Richmond-South Delta, who has one of the most significant projects in his own riding, at the Vancouver International Airport—

Mr. McDermid: Which should rightfully come under the Department of Transport Estimates.

Mr. Johnston: —has the extraordinary gall to stand up and criticize the program.

Mr. Speaker: Is the Hon. Minister replying to the question asked by the Hon. Member for Cariboo-Chilcotin?

Mr. Johnston: Mr. Speaker, it has been very much a part of the program to ensure that Canadians appreciate the benefits of the recovery which was announced in the Budget of the Minister of Finance last year.

Some Hon. Members: Oh, oh!

Mr. Johnston: The whole purpose of the program was to fill in that investment vacuum which, unfortunately, is still present in the private sector.

As we see construction sites springing up across this country from coast to coast—

Mr. Crosbie: A grab bag of pork.

Mr. Johnston: —and when we see institutes like the Maritime Forestry Research Institute in the riding of the Hon. Member for York-Sunbury, let us hope that the private sector will be encouraged and stimulated to make investments to take advantage of the recovery—

Mr. McDermid: Bribe it with its own money.

Mr. Johnston: —which the Government has done so much at this point to bring about through this program, and the other recovery aspects of the April Budget.

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FISHERIES

STATE OF BRITISH COLUMBIA INDUSTRY

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The Minister is aware that a year ago, under supreme pressure from his ministerial Advisory Committee, he indicated that the Pearse Report was behind the committee, and they would go on from there. Despite that confirmation, the Minister's Department is still coming up with proposals for vessel quotas, area licences, transferability of licences, and the privatization of the resource. In view of the total opposition to those concepts in the fishing industry, could the Minister indicate whom he is listening to in his consultations? Which fishermen are advocating a decimation of their industry in a situation where we could get into real estate transactions on the high seas and on British Columbia's watersheds?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I believe the Hon. Member is really out of touch because yesterday I did meet in Ottawa with over 100 fishermen from the Pacific Coast. They were unable to meet with Members of the provincial legislature in British Columbia and had to come to Ottawa to meet with their Members of Parliament. It was a very friendly and constructive meeting. They were so happy with that meeting that they proposed we have another meeting in Vancouver this weekend, and I have readily accepted that suggestion.

As I have told them, I am at this moment preparing a document for consideration by Cabinet. In order to be sure that I have not forgotten any option or issue, I have put before them a list of the whole spectrum of issues which are facing the Pacific fisheries, and I can report to Hon. Members that they agree I have not forgotten any of the different issues and options that will be considered in due course by Cabinet.

Mr. Miller: The Minister will be aware that his ministerial Advisory Committee has been meeting for a year, and the recommendations his Department has been putting forward to that committee have resulted in 125 fishermen coming from B.C. to reject the proposals which have been made by his Department.

REQUEST THAT MINISTER TABLE REPORTS AND DEPARTMENTAL PAPERS

Mr. Ted Miller (Nanaimo-Alberni): A decision of the Fisheries and Forestry Committee was made this morning, after discussing issues with the same fishermen, to travel to British Columbia and again hear firsthand from British Columbia fishermen. As well as meeting with his ministerial Advisory Committee this coming week, and with the Fishermen's Survival Coalition, is the Minister now prepared to table in the House of Commons the last options paper which his Department has prepared, the Pearse report, the Cruickshank report, and any other documents which might help the Fisheries and Forestry Committee to deal in an honest and open way with that fisheries crisis, so that we can bring some recommendations back to the Minister as well?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, all those documents, of course, are public, and it is up to the committee, and its steering committee, to make whatever decision they want. I am not going to dictate the agenda of the parliamentary committee. I have too much respect for my fellow Members of Parliament.

Mr. Miller: The Minister knows that we have been attempting to have these documents tabled in the House for some time so that the committee can deal with them. They have to be tabled before we can officially deal with those documents.

REQUEST THAT MINISTER TABLE LEGISLATION

Mr. Ted Miller (Nanaimo-Alberni): In view of the concern that the B.C. fishing industry has, including the communities dependent on that industry, and businessmen and service industries, rather than bringing about major changes in the fishing industry in British Columbia through a one-day debate, as he did in the East Coast fishery under Bill C-138, will the

Minister be prepared to table legislation so that we can deal with major changes of policy, so that we can protect the livelihood of British Columbia fishermen and their communities, and reflect the views of those communities rather than of the Minister, his advisers, and his Department?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I would answer that by saying, not necessarily legislation, but if necessary. I do not want to commit myself to one option in preference to another.

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THE BUDGET

PRE-PRESENTATION PRESS ARRANGEMENTS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Minister of Finance my question is directed to the Minister of State for Finance. It concerns the arrangements for the presentation of the Budget Speech next week. The Minister of Finance wishes to lock up the press permanently, but in this case he suggested they be locked up before his speech in order to study the budget documents and that they be kept in the lockup for at least one hour thereafter, or until his speech to the House is concluded. The Press Gallery has rightly refused to accept this blatant attempt at censoreship and news management.

● (1430)

I ask the Minister if new proposals are going to be made to the Press Gallery by the Department of Finance which will permit them to study the Budget documents, properly and release them, just as they were released on December 19, 1979, to report to and interpret for the Canadian people, or is the press to be prevented from properly reporting the coming Budget of February 15?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, there have been discussions with the Press Gallery about the arrangements which have been proposed. Full facilities will be made available for the Press Gallery to ensure that the Canadian people receive the maximum information about the Budget in the most expeditious and efficient way possible.

REQUEST THAT PRIME MINISTER INTERVENE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my supplementary is directed to the same Minister. It is hard to know whether the theme song of the Government is "Roll out the pork-barrel", or "I'm going to wash the press right out of my hair". There have been no arrangements made with the Press Gallery with respect to proper coverage of the budget speech which permits them to see the documents ahead of time. The Minister wants them to sign a document saying they will report nothing until he has transgressed upon the time of the Canadian people for one hour.

Perhaps I should ask this of the Prime Minister because he is well known for his warm relationship with the press. Will the Prime Minister intervene and direct his officials and the Minister to let the press out at eight o'clock, or whatever the hour is that the Minister starts his speech, so they can properly report the fantastic exploits of his Government as documented in the budget speech?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I take it the Opposition agrees with the idea of a lockup of the press, otherwise they would be complaining, as always, that there is a budget leak, and we obviously cannot give the budget documents to anyone before the budget hour.

Mr. Crosbie: There is one now.

Mr. Trudeau: Therefore, he agrees with the principle of the lockup, and I guess the rest of the matter is how long should it last. Therefore, his virtuous indignation about locking up and freedom of speech is just a matter of quantity, not quality.

Mr. Crosbie: There has already been a leak. Final supplementary, Mr. Speaker.

Mr. Speaker: The Hon. Member for Peterborough.

Mr. Domm: Mr. Speaker, I have a question—

Mr. Crosbie: Final supplementary, Mr. Speaker? I guess I have had the final question.

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NATIONAL REVENUE

DEPARTMENT'S SEIZURE OF TAXPAYERS' ASSETS

Mr. Bill Domm (Peterborough): Mr. Speaker, my question is directed to the Minister of National Revenue. We now have a system in Canada which allows Revenue Canada to consider a taxpayer guilty without a trial and then, with the Minister's blessing, proceed to garnishee salaries, seize bank accounts of children, seniors and the handicapped, and lock up businesses, without a trial. How does the Minister of Revenue justify the principle of guilty until proven innocent, which is against the most basic principles on which our whole Canadian system is founded?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is referring to the fact that a taxpayer who has received a notice of assessment from the Department must pay even though he may have filed a notice of objection or decided to bring the matter before the court.

I would urge the Hon. Member to re-examine the provisions of the act which stipulate that the Minister must collect the taxes once an assessment notice has been issued, notwithstanding any notice of objection or appeal. Still, the Hon. Member will be glad to know that the practice of the Department is to

accept the guarantee of a third party, thus making it possible for a taxpayer not to pay anything, even after receiving a notice of assessment from the Department and deciding to appeal or file a notice of objection pursuant to the provisions of the act.

[*English*]

Mr. Domm: Mr. Speaker, that will be of little consolation to the many businesses across the country which have had their doors closed and employees laid off because they could not find such a third party. It is a lot easier for the Government to find the money than it is for the private sector today.

TAXPAYERS' COSTS IN APPEALING ASSESSMENTS

Mr. Bill Domm (Peterborough): Mr. Speaker, my supplementary is directed to the same Minister. There are in Toronto a couple of small independent dealers who have their backs to the wall because they were counting on getting $42,000 from the federal Government which a judge had awarded them for costs. The Government has the right to withhold the $42,000 pending many years of appeal. The Government can hold up payment of this money because it can afford lawyers and transcripts of trials, whereas the small independent, indeed the home-maker, cannot afford that expense because they do not have taxpayer dollars. What does the Minister say about this double standard we now have in Canada involving the Government versus the little guy?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I can only repeat to the Hon. Member that the Income Tax Act provisions are extremely strict, precisely to maintain the fairness of Canada's tax system. I should like to remind him as well that when we have special cases, for instance a company or an individual in a precarious financial situation, we review each case with a view to reaching an agreement to enable the company or the individual to get back on its or his feet and pay the taxes within a mutually acceptable period of time and thus preserve the fairness of the system under which income taxes are paid to Revenue Canada.

I think that the Hon. Member, perhaps on the basis of one or two isolated cases, grossly exaggerates the situation. Should he have specific cases to bring to my attention, I can give him every assurance that we will look into the particular circumstances he will explain to us and that the Department is quite prepared to give any company or individual an opportunity to pay the taxes owing within reasonable limits, while, at the same time, enabling the party concerned to remain financially solvent.

[*English*]

FINANCE

ALLOCATION OF JOB-CREATION GRANT TO JUDO CLUB

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, would the Prime Minister agree with me that allocation of job-creation funds by his Government appears to be a function of Liberal survival, not human need, and that neither opposition MPs nor civil servants are consulted in some programs? For example, would the Prime Minister look into the program in Giffard, a suburb of Quebec City, where $300,000 was given to a judo club without, we understand, the Civil Service even approving it?

Mr. Duclos: That's wrong!

Some Hon. Members: Oh, oh!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have been hearing a lot from across the aisle these past weeks about the Minister not involving himself and his Department. Now I hear that the civil servants are not involved enough. I do not make any sense out of that logic, Mr. Speaker.

METHOD OF DISTRIBUTING FUNDS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, let me rephrase the question in a more personal way. Perhaps the Prime Minister could help me understand, as someone who favours job creation and Government involvement but who sees a job creation program, sections of it—not the Canada Works which is fair—where opposition MPs are not consulted and the bureaucracy is not consulted. We gave examples of Senator Argue's $4 million slush fund in Saskatchewan, an example from Toronto, and now an example from Quebec City. Is this really fair and equitable? Is this a decent way of having a real job-creation fund in our country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is citing specific examples. He mentioned Saskatchewan yesterday and I said I would look into it and ask the Minister. Now he has mentioned one in Quebec City. These are specific cases and I do not know about them, Mr. Speaker. I do know that the last Budget put something like $4.8 billion into job creation of various kinds. Some of this was used to build infrastructure, some for direct job creation, and some for retraining.

• (1440)

As I said a few days ago, 15 Departments or so are involved in the spending of these funds. The Minister for External Relations quite correctly said earlier that one would have to look at the use of these very considerable funds and see if they were spent inequitably across the country or if they were indeed spent to create jobs by direct job creation, retraining, or by infrastructure projects. I do not have them all in my head. If the Hon. Member wants to put questions on the Order

Paper or give notice, I will take note of the particular cases he brings forward and see if they indeed appear justified or not.

Returning to my earlier answer, I fail to understand the idea that Senator Argue, who is a member of the Cabinet, would not have some authority in spending these funds. It is the Government's mandate to make sure that the moneys are spent. Most of the time we need the help of the Civil Service. If a case is so clear that it can be dealt with directly, I do not see anything obnoxious in that, providing it is done with the objective of the law and the Budget in mind, which is to create jobs in a fair way.

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ADMINISTRATION OF JUSTICE

ENFORCEMENT OF MAINTENANCE ORDERS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Justice. Many Canadian women and children are living in difficult situations because the courts are not enforcing maintenance orders against husbands. Can the Minister say whether any progress is being made in his consultations with the provinces on this matter?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, as my hon. friend indicated in her question, there is a fair share of provincial responsibility in this matter. It would not be telling any secrets out of court to indicate that in recent years the provinces have not been very forthcoming with respect to proposals to end the problem. As far as the federal Government is concerned, it is prepared to accept in principle the notion of a national register of divorce orders and other ancillary orders, such as maintenance, custody, and other provincial orders. As a result of discussions between Deputy Attorneys General in the last two days, I believe considerable progress has been made in moving in this direction.

I would like to pay particular tribute to my colleague, the Minister responsible for the Status of Women, for helping to break the logjam. I think the logjam has been broken. Within some months we will perhaps be able to look forward to the establishment of such a program.

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PENITENTIARIES

INCREASED VIOLENCE IN KINGSTON INSTITUTIONS

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is for the Solicitor General. It concerns the fact that there have been as many killings and stabbings in the federal penitentiaries in the Kingston area during the first month of this year as there were in the whole of last year. Custodial officers, rehabilitative agencies, and the crown prosecutor of Frontenac County all claim the situation is out of control. What assurance is there to anyone in the system, or indeed in the community, that this increasing violence is going to be contained?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I can assure the hon. lady that I am very concerned about the situation in the penitentiaries in the Kingston area. A short time ago I asked to have a special inquiry established within the Correctional Service of Canada, through the normal mechanisms. That special inquiry will, hopefully, begin within the next few days. I have just approved the terms of reference in the last week.

I am looking forward to a very intensive study being done of the causes of disorder in such institutions to try to get to the bottom of the situation and see if it is possible, in places where very dangerous people are incarcerated for very long periods of time, to reduce the number of violent incidents that have been occurring.

NATURE OF VIOLENCE

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, will the Solicitor General indicate whether this inquiry will have included in its terms of reference any assessment of the changing nature of violence within the penitentiary system? I am sure he is aware of that. Is that assessment included? If not, will he take a look at the terms of reference again to see that it is included?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I would like to know from the Hon. Member what she means by "changing nature of violence" within the institutions. That will be one of the matters that will be looked into. I would not want to put as a premise of the inquiry that there is a change in the nature of the violence in the institutions.

* * *

FISHERIES

RESTRUCTURING OF NOVA SCOTIA INDUSTRY—EFFECT ON RIVERPORT SCALLOP FLEET

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Nova Scotia's fishing industry has now been restructured without the federal Government holding controlling interest as planned by the architect of the Kirby Commission, who was rewarded for his efforts with a seat in the Senate. What effect will the restructuring change in Nova Scotia have relative to the over-all Atlantic fisheries restructuring program, especially as the plan relates to the scallop fleet based at Riverport, Nova Scotia? At Riverport two ships have already been sold, and the balance of the fleet is now in doubt. Will the Minister inform us about that particular situation?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I would like to remind the Hon. Member that the decision of Cabinet has been to find new private investors. It was only when the private investors failed to come forward that the Government of Nova Scotia, the Government of Canada, and the Bank of Nova Scotia made the agreement in Port Hawkesbury last September. It was only in December

that some minority shareholders decided to put forward an initiative. They knew for over a year of the problems of nationalization, but up until then they suspended making any gesture. The reason the private sector proposal succeeded is that the federal Government helped them improve their offer and convinced the bank to accept their proposal. We have played the most important role in having the private sector solution accepted by the banks.

As for the scallop fleet, the agreement which has been reached between all the different parties is that part of that fleet will belong to the Newfoundland company. The jobs will be based in Nova Scotia, as they have been in the past. Conversely, the Nova Scotia company will have several plants in Newfoundland and will be creating jobs in Newfoundland. Both companies will have assets in each province.

Mr. Crouse: Mr. Speaker, I thank the Minister for his answer.

SALT FISH MARKETS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, my supplementary question is for the same Minister and is in regard to another area. Due to the decrease in Canada's share of the world salt fish markets, which are seriously depressed at present, fishermen have diverted their catches to the fresh fish market in New England, thereby creating a pricing problem for all fish. Is the Minister aware of this situation? If so, what steps, if any, is he planning to take to improve markets for Canada's salt fish in order to diversify our marketing opportunities and assist our fishing industry through this difficult economic period?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member is asking what I am ready to do to improve the markets for salt cod. I am very proud to report to the Hon. Member that recently I led a delegation of businessmen to Portugal. Due to our representations, and my insistance, Portugal has decided, for the first time, to consider Canada as its major source for imports of salt cod. Fifty-five per cent of its domestic needs will be filled by Canada. This is really a breakthrough.

* * *

• (1450)

PENSIONS

PLIGHT OF ELDERLY SINGLE WOMEN PENSIONERS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As the Minister knows, the National Council on Welfare issued a report entitled "Sixty-Five and Older", which affirms what we have known for some period of time. It is that 60 per cent of all elderly women who live alone are living in poverty, in so much as they qualify on the GIS. While the report reminds us of that, the Minister has known for the last three or four years—as long as I have been here—that that condition exists. Will the Minister advise the House what she intends to do to alleviate that poverty of those single elderly women, both in the short term and the long term?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the best as possible, as soon as possible.

Mr. Young: That is not a satisfactory answer at all, and it will be of no comfort to those women who are looking for some help in this rather serious situation.

REQUEST FOR EXPANSION OF CANADA PENSION PLAN

Mr. Neil Young (Beaches): Mr. Speaker, the Committee on Pension Reform and the Minister have indicated in the past that what is really needed is an expansion of the Canada-Quebec Pension Plan so that those elderly Canadians can be assured a fair share of Canada's wealth. I will ask the Minister again when she will come to the House to give us a timetable that she intends to follow in order to bring an improvement to the public pension plan system, so that those elderly Canadians who need help the most will receive it.

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, if the Hon. Member is referring specifically to the report of the parliamentary task force, as he seems to be in his second question, I think he knows that this is being studied by the Government. We intend, as we have always said, to proceed as rapidly as possible.

* * *

HEALTH

INCIDENCE OF BIRTH DEFECTS IN WEST TORONTO

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. She is aware of the report in today's *Globe and Mail* of a high incidence of incorrectible birth defects in West Toronto. Has her Department any data to substantiate the findings, and in view of the dangerously speculative nature of the conclusions will her Department conduct its own investigation into this very tragic phenomenon?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, a priori, when a study of a health nature concludes that there is a race basis for any of its findings, we are, if I may say, doubly careful. We have not received the data on that from the Ontario Ministry of Health. We requested it today. I will make a point of carefully studying the exact way the study was conducted, the size of the sampling and the exact geographic area, to see if the conclusions are valid or not.

Oral Questions

COMMUNICATIONS

SUBCOMMITTEE STUDY OF SEXUALLY ABUSIVE BROADCASTING

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is directed to the President of the Privy Council. In view of the fact that a special subcommittee on sexually abusive broadcasting went into limbo at the conclusion of the last session of Parliament on December 6, and since I can assure the President of the Privy Council that every member of the Standing Committee on Communications and Culture wants to see that subcommittee reactivated at once, would he give his commitment to the House to deal with whatever technicality is necessary to get that subcommittee, which is so very important to many Canadians, back into action?

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I take due note of the representations made by the Hon. Member. He understands that the committee is master of its own decisions.

* * *

EMERGENCY MEASURES

FALL-OUT SHELTERS—GOVERNMENT POLICY

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of National Defence. In 1981, Emergency Planning Canada published a booklet entitled "Eleven Steps to Survival". In the booklet there is advice on how to avoid the effects of nuclear bomb explosions, including the advice which says "a fall-out shelter is the best way to protect you and your family". Is it government advice and policy that every Canadian should have a fall-out shelter and emergency supplies in the event of a nuclear catastrophe?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, as I understand it, that booklet was issued by Emergency Planning Canada. That comes under the responsibility of the President of the Privy Council.

Mr. Speaker: The Hon. Member for Calgary West.

Mr. Gurbin: A supplementary.

Mr. Speaker: Will the Hon. Member bear in mind the numbers on his side who are seeking to be recognized?

PROTECTION AGAINST NUCLEAR CATASTROPHE

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my supplementary question is directed to the President of the Privy Council. I would like him to answer the first question I asked of the Minister of National Defence. Is it government advice and policy that every Canadian have a fall-out shelter to protect them against a nuclear catastrophe? If that is not his policy, how would he rationalize the provision of fall-out shelters and the expensive special measures that have been taken to protect a very elite and special group within Governments and the Civil Service in the event of a nuclear explosion?

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, the policy of the Government of Canada is to provide Canadians with the best protection possible in all situations of major disasters in the country, obviously including a nuclear disaster.

I have said before that it is unlikely that many Canadians would survive a catastrophic nuclear disaster. That is why we believe it is even more important to support those like the Prime Minister of Canada who are trying their best to make sure that the great powers sit down together and talk about disarmament. That is the best defence possible. But that does not prevent us from trying to bring the best protection possible to the country for those, if any, who would survive a catastrophic nuclear disaster.

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FINANCE

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—TELEX REFERRING INQUIRIES TO MINISTER'S OFFICE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, my question is directed to the Prime Minister. He will recall that a couple of days ago we were raising the issue of the special employment initiatives projects. My office has been phoning Manpower offices across the country during the last couple of days to find out information about it. No one returns our calls. In fact we have discovered that there was a telex sent after Question Period on Tuesday, telling people to refer matters to the Minister's office only. It smacks of a cover-up. Was the Prime Minister involved in the decision to send that telex, or were officials from the Prime Minister's office involved in the decision to send that telex?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this is the first I hear of that alleged telex. Once again, I put to the Hon. Member my same sense of astonishment. They want the Ministers to be involved. When the Ministers are involved, they complain. They blame the Minister of National Revenue for not involving himself enough, and they blame other Ministers for involving themselves too much. I do not understand the track of mind that is being followed.

* * *

CANADA POST CORPORATION

DELIVERY TESTING SYSTEMS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. He will be aware that we have raised the question of the phoney NEPS testing of mail certified delivery that has been used to give the impression to the public that mail in Canada is delivered on time. He may be aware that another testing

system has now been instituted. Is he aware that that testing system is just as unrealistic, improper, as easily followed and easily distorted as the NEPS system?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, this is obviously a point of debate since the Canada Post Corporation officials consider that their mail quality control system was tested by independent firms from outside the corporation and that it was found valid, not only by these independent firms, but also by postal users who were asked to participate in the control process.

The Hon. Member is entitled not to believe in the effectiveness of the system, but that is a point of debate between the Canada Post Corporation and himself.

* * *

[*English*]

FINANCE

CANADA WORKS GRANTS—LETTER SENT TO LIBERAL ASSOCIATION PRESIDENT

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is directed to the Prime Minister. The Prime Minister has made much of the fact that Canada Works grants are not given on the basis of Liberal Party politics. The other day my office received an envelope addressed to me, containing a letter to Mr. Ken Jones, President of the Liberal Association, White Rock, B.C. It reads in part:

● (1500)

To keep you informed of the intent and progress of this program I am sending you a copy of the grant proposal and program brochure. I am also enclosing in this mailing a two page description of the Canada Works proposal we have submitted . . . If I can be of any help in providing further information on these programs, please feel free to call me—

If Liberal Party politics has nothing to do with Canada Works Programs, why is it necessary on the part of the applicants to lobby the President of the Liberal Association?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have to swallow twice in order to understand the sense of such a question.

Our business as Members of Parliament and as politicians is to get our constituents and the people of Canada to look for the programs in the Budget, in departmental agencies or in various policies put forward by the Government. That is why people on this side of the House, Members of Parliament, diligently write this kind of letter so that constituents know that there are funds available, that there are retraining programs available, that there are unemployment programs available, or that there is a medicare program. We do our job on this side. We even buy signs so that people know about things. We even take out advertising so the people can know about them.

Some Hon. Members: Hear, hear!

Mr. Trudeau: I have heard *ad nauseam* allegations from that side of the House about cover-up, about the people having a right to know, about this Government keeping everything in hiding, and when we tell our constituents about the programs of the Government, about the benefits of the Budget, we find this kind of question. I am amazed.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

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PARLIAMENTARY RESTAURANT

TABLING OF FINANCIAL STATEMENTS AND REPORT OF AUDITOR GENERAL

Mr. Speaker: I have the honour to lay upon the Table the financial statements of the Parliamentary Restaurant—which I would call to the attention of Hon. Members are not a laughing matter—together with the Auditor General's Report for the fiscal year ending March 31, 1983.

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PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table reports of the Clerk of Petitions stating that he has examined the petitions presented by Hon. Members on Wednesday, February 8, 1984 and finds that the petitions meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Mr. Speaker, may I ask the Government House Leader what the business will be for tomorrow and for next Monday, Tuesday and Thursday, if he can take us that far?

Mr. Pinard: Mr. Speaker, tomorrow we will commence debate on Bill C-9. The back-up Bill is Bill C-10. On Monday we will, if need be, resume debate on Bill C-9, the back-up Bill still being Bill C-10. Tuesday will be an Opposition day and I hereby designate next Tuesday as an Opposition day.

On Wednesday, depending upon the hour of the Budget, the time of the speech on the Budget, we will resume debate on either Bill C-9 or Bill C-10, in that order. Next Thursday will be the first day of debate on the Budget.

In so far as the hour of the Budget is concerned, I understand that the preference of the Opposition is to allow the Minister of Finance to deliver his speech in the evening,

around eight o'clock, I suppose. I have mentioned that to the Minister of Finance. He is considering it and will be in a position to make his announcement tomorrow after Question Period.

Mr. Nielsen: I thank the House Leader for that information. He is aware, as all of us are, that the traditional hour for the delivery of the Budget is eight o'clock in the evening, but because of our provisional rules, when the last Budget was delivered it, of course, had to receive the consent of the House. I say to the Government House Leader now so it might assist his planning that we on this side are pleased to consent in advance to the Budget being delivered at eight o'clock next Wednesday evening.

Mr. Pinard: Mr. Speaker, I welcome this offer of co-operation. But we must also weigh the old traditions against the new spirit of parliamentary reform and the elimination of night sittings. On the other hand, I said earlier that we are very flexible. I want however, to hear from the Minister of Finance. If the Budget is not to be delivered at eight o'clock, we will not need consent to have the speech at three o'clock after Question Period. As I said previously, the Minister of Finance will make his decision between now and tomorrow and he will be informing this House of it at about noon tomorrow.

Mr. Deans: Mr. Speaker, I am not in a position to give consent at the moment until I hear exactly what the Minister of Finance has in mind. In discussing the matter with my colleagues, we are not absolutely clear yet why we would want to have the Budget delivered at eight o'clock at night, although we did discuss it, I admit to that.

Mr. Nielsen: It has always been at eight o'clock at night.

Mr. Deans: Therefore, I would like to hear some reason that we ought to have the Budget delivered at 8 p.m. rather than during the normal sitting hours of the House.

Mr. Nielsen: It has always been at eight o'clock at night.

Mr. Speaker: Three Hon. Members have given me notice of matters. The Hon. Member for Winnipeg North Centre, the Hon. Member for Montmorency-Orleans, and the Minister of Labour, I believe, who wants to make a statement.

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THE GOVERNOR GENERAL-DESIGNATE

EXPRESSION OF GOOD WISHES TO HON. JEANNE SAUVÉ

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I am very grateful to you for permitting me to express a concern which I am sure is shared by every Member of this House of Commons. We have been deeply concerned for a long time about the health of our former Speaker, Madam Jeanne Sauvé. We are sorry about the ill health she suffered here and the ill health she has suffered since being appointed Governor General-designate. We were very pleased to hear the report from the CBC last evening to the effect that good progress is being made and that there is now hope that very soon her health will be fully restored.

Some Hon. Members: Hear, hear!

Mr. Knowles: We welcome the report of the CBC, we welcome the news here. We wish to do everything we can for her to help her achieve good health. We wish her the very best. God bless her.

Some Hon. Members: Hear, hear!

Mr. Speaker: On behalf of the entire House of Commons, I will be pleased to transmit these good wishes to Madam Sauvé.

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[*Translation*]

FINANCE

ALLOCATION OF JOB-CREATION GRANT TO JUDO CLUB

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, during Question Period yesterday and even today, the NPD Members for Yorkton-Melville (Mr. Nystrom) yesterday, and for Vancouver-Kingsway (Mr. Waddell) today, have suggested that a grant given in my constituency to a recreational organization from the Giffard sector in the City of Beauport was awarded without the required authorizations from the Job Creation Branch of the Department of Employment and Immigration.

Mr. Speaker, I would like to deny as forcefully as possible such falsehoods as are being peddled by these Members.

Mr. Speaker: The Hon. Member has made his statement. I must say that he did not have a genuine question of privilege, but rather a point of order. However, he has made his statement and I know that all of us have understood what he said.

The Hon. Minister of Labour (Mr. Ouellet).

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[*English*]

PRIVILEGE

MR. COOPER—ALLEGED INTIMIDATION BY CANADA POST OFFICIAL

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I would like to take this opportunity to respond to the remarks made last Monday by the Hon. Member for Peace River (Mr. Cooper) concerning the alleged misconduct of a Canada Post officer which resulted in what the Hon. Member called "an attempt to inhibit my freedom of speech in this chamber". Those words can be found on page 1102 of *Hansard*.

The main thrust of the Hon. Member's intervention dealt with the allegation that he had been threatened by an official of Canada Post. I promised, if you recall, to look into this

matter and report to the House at the earliest opportunity. I have done that, Mr. Speaker, and I am pleased to share my findings with you and Hon. Members today.

First, I have discovered that the Hon. Member for Peace River at no time had talked directly with the officer of Canada Post. The matter raised by the Hon. Member is based entirely on conversations between the Member's assistant and the officer at Canada Post. In other words, the allegations of the Hon. Member are based on the interpretation of his assistant of a conversation with an officer of Canada Post.

• (1510)

I have personally been in communication with this officer and have been assured that at no time during the conversation were any threats made which could have conceivably inhibited the Hon. Member from performing his role as a spokesman of the Official Opposition or which could deny co-operation from Canada Post.

I can testify that the officer in question has worked in the President's office for two years and deals with requests and inquiries from MPs on both sides of the House, Senators and the general public. Not once in those two years has this officer's professionalism been questioned in what is often a difficult and demanding position. To be described by the Hon. Member for Peace River as being abusive, threatening to a Member of Parliament, unco-operative to the point of being obstructive and showing contempt for Parliament—all of these accusations on hearsay because, I repeat, the Member never spoke directly with the officer in question—is in my view undeserved and unwarranted.

I honestly think, in light of the explanation I have received, that there is absolutely no ground to the allegation of the Hon. Member for Peace River that his privilege as a parliamentarian has been breached.

In closing, as Minister responsible for Canada Post I can assure the Hon. Member and all other Hon. Members opposite that they will continue to have the fullest co-operation from Canada Post, particularly the Hon. Member in his duty as critic for Her Majesty's Loyal Opposition, and other Members as they make representations from time to time on behalf of their constituents.

Hon. Erik Nielsen (Yukon): On this point, Mr. Speaker, you will recall when the matter was first raised by the Hon. Member for Peace River (Mr. Cooper) that I suggested to the Chair the prudent course to follow might well be for the Minister to make inquiries and report back to the House, which he has now done. I would suggest to the Chair that the prudent course we might now follow, in view of the Minister's explanation, is to allow the Hon. Member for Peace River an opportunity to study, when *Hansard* is printed tomorrow, the response of the Minister. If at all necessary after that study, we may or may not deal with the matter again.

Mr. Speaker: The Hon. Member for Yukon (Mr. Nielsen), with his usal reasonableness, has made an eminently sensible suggestion. I am happy to accept it.

An Hon. Member: Oh, oh!

Mr. Speaker: Sincerely, it is a reasonable suggestion.

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FINANCE

ALLOCATION OF JOB-CREATION GRANT TO JUDO CLUB

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, I seek your guidance. A while ago I raised a point of order and you did not allow me to correct unfounded allegations made by a Member of the New Democratic Party. I would like to know why I was not given the opportunity to correct fully those false allegations.

Mr. Speaker: The Hon. Member rose; it was not on a question of privilege, nor indeed did he suggest that it was a question of privilege. It was hardly a point of order. It is a matter of debate. The Hon. Member said that he categorically denied the accusations. The Chair very carefully did not interrupt until he had put some very clear statements on the record. He was entitled to set the facts straight.

I think the *Hansard* record will disclose that the Hon. Member categorically denied the accusations and said that they were false. I presume he would repeat that. In the circumstances, the Chair would hope that this obvious difference between Hon. Members, which is not unique, might now be left in abeyance. The Hon. Member for Montmorency-Orléans (Mr. Duclos) will have a chance to examine *Hansard*. He may well want to raise the matter in some other form or some other way before the House or before one of the committees.

Mr. Lorne Nystrom (Yorkton-Melville): On the same point of order, I was accused of making an allegation, Mr. Speaker.

[*Translation*]

If you look at *Hansard* on page—

Mr. Speaker: Order, please. I would ask the Hon. Member to please tell me whether he is rising on a question of privilege or raising a point of order. What does he want to do?

Mr. Nystrom: I rise on a point of order, Mr. Speaker, because the Hon. Member for Montmorency-Orléans has suggested that I said something.

[*English*]

Mr. Speaker: No, at this point the Chair would like to proceed.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. NYSTROM—TESTING OF CRUISE MISSILE—CALL FOR FREE VOTE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have the honour to present a petition which was signed by 281 people from the federal riding of Yorkton-Melville. It concerns opposition to the testing of the Cruise missile. Perhaps it is appropriate that one should table this petition today after the excellent speeches we heard in the House this morning. Their concern arises out of the fact that we are doing this because we are meeting a request of the United States administration, not a request of NATO.

Wherefore the undersigned call upon the Government of Canada to permit a free vote in the House of Commons in order that Members of Parliament from all Parties may vote according to their beliefs on the Cruise missile testing issue and not in accordance with Party lines.

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[*Translation*]

SPEECH FROM THE THRONE

CONTINUATION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Jack Burghardt for an address to His Excellency the Governor General in reply to his speech at the opening of the session.

Mr. Irénée Pelletier (Sherbrooke): Mr. Speaker, first I wish to congratulate my two colleagues who moved and seconded the motion on the Address in reply to the Speech from the Throne. Mr. Speaker, I also wish to offer our new Governor General Designate, Mrs. Sauvé, my best wishes for a speedy recovery, as my hon. friend from Winnipeg North Centre (Mr. Knowles) said today, and I hope we shall see her again very soon.

● (1520)

Mr. Speaker, during this short speech I would like to touch on four subjects, namely, cartography, the Canadian Industrial Renewal Board, a regional economic summit in the Eastern Townships and the creation of a Ministry of Youth.

Mr. Speaker, the announcement about cartography made by the Hon. Jean Chrétien, on January 30 this year was received with great satisfaction in Sherbrooke and the Eastern Townships, especially since the people of Sherbrooke and the Eastern Townships have been waiting seven years for this project to materialize. I shall not go into the details of the matter which caused me many sleepless nights and kept me very busy, but I would like to thank my colleagues from the Eastern Townships—the local ministers who supervised this project—and I am referring to the Member for Drummond (Mr. Pinard) and the Secretary of State (Mr. Joyal), and especially the Minister of Finance and the Minister of Energy, Mines and Resources, for their tireless dedication to this plan and for the understanding they showed for the wishes of the people of Sherbrooke and the Eastern Townships and the work they have done.

Mr. Speaker, although this announcement does not necessarily guarantee economic development over the next few decades, it will provide our region with an element that will be very important to its industrial restructuration. Cartography, as I imagine most people will know, is a high technology industry, and the Cartography Institute to be located in our area within the next few years will be one of the most advanced of its kind in the world. About 100 cartographers will relocate from the National Capital to the Eastern Townships, while more than 300 cartographers will be recruited in Sherbrooke which may provide some interesting openings for graduates of our local educational establishments. Investments of over $75 million, the purchase of ultra modern equipment and an annual wage bill of more than $15 million means that the Cartography Institute will become one of the major employers and industries in my riding.

In the months to come, we shall be informing people, through the various service clubs, about the Cartography Institute and what it will mean for Sherbrooke. An information centre will be opened shortly, and also a recruiting centre, where accommodation leased on a temporary basis will be available to train future cartographers. One of the most interesting aspects of the announcement made by Mr. Chrétien last week is the relationship that will be established between the new Institute and the University of Sherbrooke and Bishop's University, because of the proximity of these two institutions of higher learning. The new Cartography Institute will thus be able to establish useful contacts with various faculties, including the Faculty of Arts, through the Department of Geography, the Faculty of Applied Sciences and the Faculty of Natural Sciences. This co-operative relationship with our local institutions will benefit our universities, university students, professors, research scientists and future cartographers.

Mr. Speaker, this project has been the most important one I have worked for in the course of my political career. I am very pleased with the announcement and I appreciate the perseverance of the Government and the Ministers with whom I discussed the project, and the Government's firm resolve, from the outset, to pursue its excellent program for decentralizing federal services to the provinces. The transfer of cartography to Sherbrooke marks the end of the second and final phase of the Government's decentralization plan. Personally, I am convinced that I am echoing the wishes of the great majority of Sherbrooke and Eastern Townships residents when I say that the site of the future building of the mapping branch will be chosen at the earliest possible time and that construction of the new facilities will begin in the very near future.

Mr. Speaker, I should like to say a few words about the Canadian Industrial Renewal Board, the creation of which was announced by the Prime Minister of Canada on October 26, 1981. The CIRB's mandate was to help restructure, consolidate and modernize the textile and clothing industries, to renew the economic base of communities heavily dependent on those industries and most likely to be affected by the gradual liberalization of world trade. With that in mind, a regional industrial renewal program spread over two years at least was established to make it possible to reach those specific goals. None of the seven designated regions of Canada was able to benefit from the program during the first year because that is the time it took to recruit a competent work group to analyze the various files, carry out surveys in various sectors and, of course, complete expert studies in order to draw up industrial strategies for each of the seven Canadian regions selected.

In the case of the Sherbrooke-Magog region, that study was not made public until November 24, 1982, when the Gaucher Pringle consulting firm unveiled its economic analysis of the Sherbrooke-Magog region and recommended an industrial renewal strategy based on the development and promotion of high technology industries in the fields of microelectronics, metal and plastic processing, and medicine related undertakings. In other words, the designated regions did benefit from the program—although during barely one year rather than two—and in fact it has been only ten months or so since our regions have been in a position to avail themselves of this special program.

There are obvious advantages accruing from the CIRB program as compared with the new Industrial and Regional Development Program. These advantages are as follows: The groundwork done by the officials of ITC-DREE is concerned with all Canadian Provinces, while the studies made by CIRB officials is concerned only with the seven designated regions, namely Cornwall, Hawkesbury, Trois-Rivières, Shawinigan, Victoriaville and Plessisville, Valleyfield, Drummondville and Sherbrooke-Magog. Indeed, the Federal Government is making a more generous contribution under the CIRB program than under the IRDP, as the former allows for grants to be made for the purchase of industrial land and for the payment of pre-production costs and joint services, while the second provides assistance merely for capital expenditures and equipment costs when an investment project is being considered. The CIRB program also covers a more interesting field of intervention since grant offers may be made to business concerns, which would not be the case with IRDP.

The CIRB Board of Directors, which have full jurisdiction over offers for the implementation of projects, make their decisions very quickly, and this, of course, is much more convenient for the industries than the methods used under the IRDP. This was the case for the Tie Communications Company and Travenol, which set up plants in Sherbrooke recently.

Finally, a payment may be made by the CIRB with less than 25 per cent of the assets being required, while, under the new program developed by the Department, no payment may be made until 30 days after commercial operations have started. For certain projects, this means very high additional interest costs in cases where several months elapse between the acquisition of the equipment, its installation and the beginning of production.

Since the CIRB regional program was implemented on April 8, 1982, the Sherbrooke-Magog area has had about twenty industrial projects accepted, which could create nearly 700 jobs and generate over 55 million dollars in investment, a remarkale achievement in view of the present economic situation. These projects partially compensate for the 1,300 jobs lost in Sherbrooke and Magog during the last two years in the textile, clothing and shoe industries.

This is why, Mr. Speaker, the City of Sherbrooke and the City of Magog are asking the Canadian Government to maintain for at least another two years their designation as special CIRB zones so that the industrial renewal efforts can be kept up in areas so dependent upon the textile, clothing and shoe industries, which have suffered more than others from the permanent job losses in this sector during the last two years.

Indeed, Mr. Speaker, on January 24, I stated the following in this House:

> Together with my colleagues from the Eastern Townships, we urge the Canadian Government to consider as soon as possible a request submitted by the City of Sherbrooke and the City of Magog to have this outstanding program, which has helped our region to make remarkable progress in a period of economic difficulty, extended for at least two years.

Mr. Speaker, I am happy to see that the Minister in charge is now in the House. I know that he is listening closely to what I say. To support my case even more, I point out that the editor of *La Tribune* recently published an article entitled "CIRB better than Lotto 6/49". He said, and I quote:

> If the CIRB program were extended for a few years, other major industries, such as Tie Communications, could locate in the region and give it an orientation which, by its very nature, would incite other electronics companies to settle here.

I recently received a letter which was sent to the Right Hon. Prime Minister (Mr. Trudeau). It came from the Chairman of the Sherbrooke Chamber of Commerce, who said the following:

> The efforts of the various economic agents in the Sherbrooke and Magog areas in the last two years were beginning to pay big dividends with the implementation of the CIRB program. We fear that cancellation of this program could greatly reduce the impact and the results of these efforts. We hope that you will give special attention to our request and that the extension of the CIRB program will be announced shortly. With this in mind, Mr. Prime Minister, we shall be happy to welcome you in Sherbrooke to make this announcement.

● (1530)

Mr. Speaker, I hope that the Government will consider this legitimate request from our area to maintain an excellent program which, according to all local economic agents, is certainly the best program that has been developed by the Federal Government in recent years.

Mr. Speaker, I would now like to say a few words about the Regional Economic Summit to be held in Sherbrooke, probably next November. I should like first of all to refer to remarks which I made in this House on November 7, 1981 and in which I suggested a regional economic summit, and I quote:

Mr. Speaker, it seems to me that a good way to co-ordinate the economic policies that I mentioned earlier, would be to hold an economic conference on the area in question. At the first stage, we could hold a meeting in Sherbrooke, and at the second stage extend it to the whole region and in this manner we could exercise a greater pressure on the different levels of governments.

Let us first agree on the priorities, the directions at the Sherbrooke level, let us examine the specifics of action. When this is done, we can invite the greater area of the Eastern Townships to join us in a common development effort, because the economic development of the Sherbrooke area is very closely linked to that of the Eastern Townships, and vice versa. That economic summit, in addition to enabling us to see what the situation is and determine the directions to follow, will also enable us to establish the major priorities for the area over the next few years. I submit that this is essential. In the last few years, we had economic summits in our area on the textile, footwear and furniture industries, therefore an economic summit would enable us to know the state of all industries in Sherbrooke and give us the opportunity to decide on the direction we want to follow for our area.

Mr. Speaker, on October 27, 1983, the Parti Québécois' Eastern Township Caucus in a press conference announced that an economic summit would be held towards the end of 1984. And after announcing that summit, the president of the Council of P.Q. MLAs for the Eastern Townships during that press conference recalled, among other things, the origins and the reason for the economic summits, the formula for which, she said, had been developed by the Quebec Government and successfully tried in a number of regions.

Mr. Speaker, in November 1983 I received a letter from the Minister responsible for the area, the Honourable Raynald Fréchette. In that letter, dated November 11, 1983, he said: "For your information, I would like to indicate that the members of that Committee", he was referring to the Steering Committee of that economic summit, "will be elective representatives, businessmen, people with decision power in their areas, people with recognized impact in their community."

He proposed in particular that the Steering Committee of that economic summit should include 28 persons from the region. In a letter I sent him in early January, I humbly submitted two proposals: First, that Members of Parliament for the area have two seats, and second, that members of the National Assembly also have two seats. But unfortunately, that was not accepted, and he recently wrote and I quote: "The 24 members at that meeting reviewed the proposals included in your letter, and after discussion unanimously decided to accept neither of the two proposals."

Mr. Speaker, I would like to state, concerning that Regional Economic Summit, that Members of Parliament for the Eastern Townships will be represented, because we are given one seat. My regret, however, is that as things now stand, the Regional PQ Caucus of MLA for the Eastern Townships would have two seats, and the four Liberal Members in the National Assembly have not been invited.

It seems to me that they could have copied what was done in other Quebec regions, for instance in the area of my colleague for Terrebonne (Mr. Comtois) who was co-chairman, with a Minister from the National Assembly, at the De Lanaudière Economic Summit. And all participating MPs and MLAs took part in the discussions at that Economic Summit. For instance, the Hon. Member for Joliette (Mr. La Salle), who is not a Liberal, and the Hon. Member for Terrebonne, as elected representatives of the area, took part in their Economic Summit. Currently, Liberal Members of the National Assembly for the Eastern Townships are not invited. It is my hope, since we are at the early organizing stage of that Economic Summit, that Members of the Steering Committee will look at that aspect and ensure that all elected representatives for the Eastern Townships, whatever the level of Government, either MLAs or MPs also are invited to take part at that year-end Summit. For my part, I want to assure the organizers of that summit that federal members from Eastern Quebec will be there, that they will participate actively and that we will co-operate as much as we can in order to make a true success of this crucial economic summit.

Finally, Mr. Speaker, I would like to touch very briefly on an issue which in my view is certainly the most serious in Canada right now, that is unemployment, especially among youth. I recognize at the outset that the youth unemployment problem in Canada is not any easier to cope with than in any other country, and that the situation in this regard is still more dramatic in other areas of Canada than in my region. Youth unemployment is a social tragedy in Canada. We cannot allow these great talents to be lost in forced inactivity and anxiety about the future. For our country, for the entrepreneurs of tomorrow, energies lost today could be very costly if we do not endeavour right now to do everything possible in order to alleviate the situation and help young people who are looking for jobs, who want to work but cannot do so because of the present situation of the economy and also in many cases because of the very structure of the labour force.

At this point, I would like to extend special thanks to the Cabinet for having created a Ministry of State for Youth. Obviously, the Department of Youth will not solve all problems related to unemployment among young Canadians; however, this department will certainly help young people organize themselves and make representations to the government about programs that should be extended or created for them. Every week we have a great number of young people coming to our riding offices to ask us to do everything that we can in order to solve the problem of unemployment which affects them more severely than other segment of the population.

I could go on and on, Mr. Speaker. I still have four pages of my speech left, but unfortunately, I—

Mr. Speaker: Order! I regret to interrupt the Hon. Member, but the time allocated to him has expired. Questions and comments.

[*English*]

Mr. Skelly: Mr. Speaker, I listened with great interest to the Hon. Member for Sherbrooke express his concerns about unemployment. For the record, I wonder if he would indicate the extent of his concern. This week, in Ottawa, a large number of fishermen from the West Coast of British Columbia attempted to lobby him. Would he be prepared to state in the House whether he received that lobby and whether he made any commitment to contact the Minister or make any presentation in the House concerning the plight of the fishermen? An

extremely large problem with respect to unemployment is going to develop as a result of the Government's approach to this matter. Would he be able to—

Mr. Deputy Speaker: Order. Before allowing the Hon. Member for Sherbrooke to comment on that question, I must once again, as I have previously, draw to the Hon. Member's attention that questions and comments must relate to the specific matters raised in an Hon. Member's speech. I appreciate that the Hon. Member for Comox-Powell River (Mr. Skelly) is touching generally on the question of unemployment, but he specifically raises an issue which was not touched upon in the speech of the Hon. Member for Sherbrooke. However, I will allow the question in this instance.

• (1540)

Mr. Pelletier: Mr. Speaker, I believe I can tell the Hon. Member for Comox-Powell River (Mr. Skelly) that I in fact met with a delegation of fishermen from British Columbia yesterday. They were in my office for about half an hour. We discussed the whole issue. I told them that I would talk with the Minister about the problem they raised. I have read the different pieces of information they sent to me previous to their visit. The meeting was very cordial. I told them, having worked with the Minister of Fisheries (Mr. De Bané) when he was the Minister of Regional Economic Expansion, and as the Chairman of the Committee on Regional Economic Expansion, I feel that the Minister is surely one of the most openminded Ministers I know. I told them that the question of the B.C. fisheries was very much discussed in our caucus, and that their representations could not but help resolve the problem. I am not saying it will be resolved to the satisfaction of all, but one thing is sure, their message was heard by government Members and will definitely be passed on to the Minister.

Mr. Skelly: Mr. Speaker, I have just a comment on that. I certainly wish to express my appreciation as a Member of Parliament from the West Coast for the Hon. Member's attention to this matter. There were some Hon. Members whose time schedule did not permit this to happen. However, certainly, I, as a Member from that area, appreciate the time and energy which the Hon. Member opposite spent on this matter and I respect his assurance that he will attempt to keep this matter foremost and will honour the commitments he made to this group.

Mr. Deputy Speaker: Order. I cannot help but make an additional comment to the one I made previously. This is obviously a case of the introduction of a totally new subject matter into the debate, having nothing at all to do with previous Hon. Member's speech. In the future, I will be more careful before allowing responses to that type of question. Debate.

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to spend the few minutes I have at my disposal to talk about a subject which I believe is very important to the fabric of our country. Some months ago I was appointed by our Leader to take on the responsibility of spokesperson on multiculturalism for the Conservative Party. I found it to be a wonderful experience, Mr. Speaker, travelling across the country and meeting with various individuals and groups from all different ethnic and cultural communities. In doing so, I personally have made a lot of new friends I would not have known otherwise.

I would like to say to the House of Commons, Mr. Speaker, that one of the greatest strengths of this country is our diversity, the fact that most of us come from some place else. We bring this diversity not only to the House of Commons but, more important, to the country itself. It gives us the kind of quality and flavour which Canada is known for throughout most of the world. We come from many lands. We have different backgrounds, different languages, different customs, different colours, and while that makes us individual, it also makes us strong. When we have learned to work together, to respect each other, to truly understand each other, we become truly strong and in that context, Mr. Speaker, we become truly Canadians.

The Canadian people generally look to their Government for leadership. They view their Government in most cases as a reflection of themselves, and in some cases a reflection of their own particular communities. In this context, Mr. Speaker, I would like to discuss the whole question of multiculturalism and how far we have come in that area since 1971. As we all know, the Department of Multiculturalism was set up in 1971 by the Prime Minister (Mr. Trudeau). However, it surprised me as I travelled across the country and talked with people to find that there is still a remarkable lack of awareness within the general population as to the goals and objectives of the Department of Multiculturalism, even after some 13 years. What appears to have happened, Mr. Speaker, under successive Governments, mainly Liberal Governments, since 1971 is that the whole thrust of multiculturalism has been relegated to tokenism, mainly because it has not been a priority of Government, although it has been given lip service. More important, Mr. Speaker, it has not been given an adequate budget.

As most of us know, the Ministry of State for Multiculturalism is part of the Department of the Secretary of State. The budget of the Department of the Secretary of State, not including the funds and grants it gives, is between $200 million and $300 million. Multiculturalism, of course, is tucked into the Department of the Secretary of State. It started off with a budget of around $10 million, and the projected budget for the coming year will be in the neighbourhood of $18 million to $20 million. Because the budget of the Department of Multiculturalism is so small, and because that Department is included in the larger Department of the Secretary of State, it is a forgotten sector and has been a forgotten sector within the Government itself. As a result of that, people across the country—and I believe rightfully so—feel that the whole area of multiculturalism, and the eight million to ten million people other than English and French, have been relegated to the area of tokenism primarily for votes at election time.

In effect, what one hears as one crosses the country is that the ethnic cultural community in Canada is wooed a few

months before election time—and we are seeing some of that at the present time—and it is largely, although not completely, forgotten a few months after the election is over. This viewpoint is repeated over and over again, Mr. Speaker, as one talks with various people across the country. The present Directorate of the Department of Multiculturalism is generally viewed as too political. The feeling is that what is needed is a department which deals with multicultural issues in a committed and meaningful way. The present directorate does not do that.

The Liberal Government, Mr. Speaker, must change its ways, and not only for demographic reasons. I mentioned the size of the multicultural community we are dealing with. From a demographic point of view, it is one-third of the total population of Canada. We must ensure that a comprehensive multicultural policy is accorded the national status it deserves. Canadians of every heritage have a right to expect no less from their federal Government. Canadians of various ethno-cultural backgrounds want to participate in a meaningful way at all levels of society. They do not at present and they feel they are blocked from moving into the senior levels of the private sector or of government, whether it be agencies, Departments or Crown corporations. They feel cheated of their rightful place in Canada. We in the Progressive Conservative Party believe that Canadians of every race, colour, religion and cultural heritage should have an equal opportunity to achieve their full potential in any area of endeavour they might choose. That has to be one of the basic points of a multicultural policy in this country. We must promote tolerance and respect for those who share various cultural heritages and values. That is not always done.

● (1550)

Multiculturalism is not a concept thought up by bureaucrats and sociologists. It is a central fact of Canadian life. One third of all Canadians have neither a French nor an English heritage, but recognition of this fact has been very grudging. Cultural communities are not adequately represented in the senior Public Service, on boards, commissions or Crown corporations. There is an almost complete absence of visible minority individuals at senior levels of all aspects of Canadian life. Government insensitivity to a new cultural reality in Canada has gone unnoticed for too long. This is not going to be allowed to continue.

The Present Government's lack of commitment is shown by the repeated denial of requests for a Ministry of Multiculturalism with an independent budget. We in the Progressive Conservative Party are going to change this when we form the next government. Canadians from all backgrounds are going to be asked to particpate more vigorously at all levels of government, because in many cases it is government which has to lead the way and show the rest of the country what is fair and equitable. If we as government, responsible for the taxpayers' money and responsible for managing the affairs of this country, cannot be fair and objective, then we certainly have no room to criticize anyone else for doing the same thing.

Some people have become cynical because of what they perceive to be political manipulation. The Liberal Government sees multiculturalism as a political tool and not a social reality. That must change. Multiculturalism has to be looked at as a social reality, not something through which to garner votes. A full Ministry of Multiculturalism must be implemented so the Minister can have the same input around the Cabinet table, so Government can be sensitized to the needs of this large community. Equal opportunity must become a way of life and a central tenet of government policy. Any and all barriers to full participation by members of any particular heritage group must be removed. All cultural communities must be made welcome in the political process. We must make all Canadians aware of their contribution to our country by members of the various cultural communities. We must make government agencies and policymakers aware of the particular needs and aspirations of the cultural communities.

Something which comes to mind, Mr. Speaker, is the Department of Employment and Immigration and its regulations which affect these communities across the country. Most important, the cultural communities must be brought into the decision-making process and given the opportunity to compete on an equal basis with all Canadians. All anyone can ask for is to be able to compete on an equal basis with all Canadians. We should tighten up the Criminal Code concerning racial discrimination. The visible minorities must be allowed a greater role in the media in the portrayal of their community on television. There is much evidence to indicate that the visible minorities in this country really have no part to play in the media, hence the feeling of alienation, discrimination and isolation. We could and should make it as easy as possible for new Canadians to integrate into Canadian society. The integration must take place and the facilities must be there and made available.

Coupled with all this, Mr. Speaker, is the unique problem many immigrant women have in not only learning the language but, if they are a single parent, in caring for a child while they go out to earn a living. These special problems and special needs must be addressed. Having conferences and paying lip-service to the problem is not enough. We must look to strengthening the Human Rights Act in the area of discrimination and dissemination of hate literature. We as parliamentarians can strengthen that Act. The Government should look to hiring and training counsellors in dealing with the special problems of the visible minority community, people with a sensitivity which is not always displayed by those who have to deal with the public. We could also use Governor in Council appointments to increase the number of visible minorities on federal boards and commissions if they are qualified. That is all anyone asks for. But it is not happening in a sufficient number of cases. We could work with the provincial Governments to help sensitize the public school system to demonstrate tolerance, something not always there at the present time. The federal bureaucracy, through a new ministry, could accomplish many of these things I have mentioned.

• (1600)

In summary, Mr. Speaker, Canada is viewed as a great, fair and open country. People of all backgrounds, languages, colour and religion want to come here because we are viewed as being as fair and open as a country possibly can be. We have that quality, Mr. Speaker, because we are made up of many parts. We are diversified but we are still Canadians. We want to retain the best of our own culture and language, but we also want to be Canadian. We have achieved that. We can do much more by starting not to pay only political lip-service to the question of multiculturalism, but rather by dealing with it in a way in which we would deal with most other aspects of life, that is, dealing with it on a rational, objective and fair basis and bringing people of various backgrounds with various ideas into the centre of the decision-making process. That would not only be good for our organizations, boards and Parliament, but it would be good for Canada and every community in this country.

Mr. Hudecki: Mr. Speaker, I would like to make a statement first and then ask a question. I know the Hon. Member for Lisgar (Mr. Murta) well enough to know that he would not want to leave the impression, which he is leaving, as to the contribution the policy of multiculturalism is making. In my own riding many of the suggestions he has put forward have materialized. In my riding there is a central office in which there is a very adequate library staffed by a person knowledgeable in a number of cultures. It focuses on people of various ethnic origins. There are satellite offices in which counselling is carried out to help people with income tax and immigration problems. There are a number of courses at the local schools which are subsidized under the multicultural plan which reinforce various language studies. Annually there is a festival in which various multicultural groups are able to manifest the products of their hard work and cultural achievements. Until recently there was a very adequate newspaper published which was quite widely distributed. It contained pertinent information concerning various groups. That included the Afro-Caribbean group, the various Eastern European groups and so on. One of the problems is that there is not necessarily great growth because so many of these people later become integrated into the society as a whole.

What areas did the Member cover in his investigation? If a riding is not adequately represented, multi-culturalism is not properly expressed and the policy not properly utilized, it is a reflection of a shortcoming in the Member representing that riding.

Mr. Murta: Mr. Speaker, I would like to respond to the Hon. Member, who is a very good personal friend of mine, by saying that many of the things to which he has alluded, of course, take place throughout various parts of the country. In Manitoba we have Folklorama, which is a large multicultural festival which takes place during the summer. In Manitoba we also have the International Centre, which is doing a fabulous job in terms of education and help for new immigrants to the country. We as Canadians have found that the question of multi-cultural functions, such as songs and dances, are really not now an issue at all. It happens every year and is good for Canada and the people who are involved.

As I speak with various ethno-cultural groups across the country I am finding that they want more than the songs and dances which we have traditionally been talking about. There is necessity for more than language training for new Canadians arriving in this country. The multicultural community in this country wants a greater say in the operations of Canada. In total they make up about 30 to 35 per cent of our total population. They are telling me that, provided they are qualified and have the ability and mobility, they want to assume a rightful place in the management of this country. In effect they are saying they have grown up, matured and want to be like everyone else. Mr. Speaker, on boards and agencies in this country, which the Government sets up, people of visible minorities are not present. It is the sensitization that we lack. My contention is that if a full ministry were introduced and funded properly it would be able to do that and would have a very positive impact in this country.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have spoken in the House on many occasions about economic matters because I had some responsibility in the past in that area and also because it is an area of great interest to me. I have tried to make some contribution to my constituents and the people of Canada in that area. Today I would like to follow up on the Prime Minister's (Mr. Trudeau) speech. I have been very impressed with the initiatives which the Prime Minister has taken, as all Members of the House have been, as was expressed today by the Leader of the Official Opposition (Mr. Mulroney) and the Leader of the New Democratic Party (Mr. Broadbent). It is a matter of non-partisan concern of the highest order that we look at the current world situation and, as a country, encourage our Leaders to do as much as possible.

I would like to address the question of what we as Canadians can do to prevent the increasing threat of nuclear war. I believe that the Prime Minister's peace initiative has demonstrated to citizens of this country, and indeed to world leaders abroad, the seriousness of the present situation and has put forward some concrete steps which must be taken to reduce the uncertainty of the present political climate. We must think in terms other than personal security and human survival. We must think in terms of the quality of life in the world and what it would mean to that quality of life if we could eliminate the arms race and reduce the threat of nuclear and other arms. It is clear that we could alleviate many of the world's economic and social problems if we could divert the vast wealth that is being spent annually on the arms race, and nuclear armaments in particular, to other more productive purposes.

The amount spent on nuclear and conventional arms this and last year is somewhere in the range of $700 billion. Obviously this money could be used more productively and certainly less destructively, both in the developed and undeveloped world. In nations like Canada, the money could be used for industrial restructuring that we all know is needed,

job creation and training programs for which our young people are certainly in dire need, for housing and the war on poverty. All of this could be done in our country.

• (1610)

In underdeveloped countries, these funds could be used to raise the world's poor above the poverty level. In those terms alone we should be looking actively at ways of de-escalating the arms race. We can be speaking in terms other than the world threat that nuclear arms present to us.

Canada has been a prominent and a very active participant in many international efforts for arms control and I believe we must continue to build on our record. That is certainly what the Prime Minister's initiative is intended to do.

As the Prime Minister stated at the first United Nations Special Session on Disarmament in 1978, Canada was the first nation in the post-war period with the capacity to produce nuclear weapons that chose not to do so. The Prime Minister mentioned that in his speech today. We were the first nuclear armed country which chose to divest itself of nuclear weapons and we have maintained a non-nuclear role for our United Nations forces in Europe and our NATO forces as well.

Canada has been active in its support for a comprehensive test ban treaty, an extended non-proliferation treaty and steps to prevent the militarization of space. These are all matters which the Prime Minister mentioned in his speech this morning. Our participation in negotiations on arms control and disarmament in such international forums as the United Nations General Assembly, U.N. committees and NATO has demonstrated our commitment to peace and security in an interdependent world.

However, the past few years have witnessed a significant deterioration in the international political climate. The recent deployment of the Pershing II and Cruise missiles in Europe, as part of NATO's two track response to the deployment of the Soviet Union's SS-20s and more recently their more advanced missiles, has greatly exacerbated East-West tensions. We have since witnessed the suspension of high level political dialogue between the superpowers on issues of arms control and disarmament, as demonstrated by the breakdown of the INF and START negotiations, as well as the MBFR talks. The only sign of political discussion on these issues is the Conference on Confidence and Security Building Measures and Disarmament in Europe, which commenced in Stockholm at the end of January.

The Prime Minister, among others, has called for politicization of these talks, and righfully so. As a result, the conference provided an opportunity for foreign ministers of NATO and the Warsaw Pact and neutral and non-aligned countries to resume negotiations and rebuild international confidence. I know that we all have a great hope that these discussions will lead to a fruitful conclusion.

It is in this increasingly unstable international environment that the Prime Minister's peace initiative must be placed. In lauching his initiative, the Prime Minister has called for a "third rail of high level political energy to speed the course of agreement", and I have noted today that certain of the nuclear disarmament groups in Canada have swung on side and are now supporting the Prime Minister's third rail initiative.

At the Williamsburg Summit in 1983, the leaders of the Western industrialized nations stated:

> We commit ourselves to devote our full political resources to reducing the threat of war. We have a vision of a world in which the shadow of war has been lifted from all mankind, and we are determined to pursue that vision.

The Prime Minister, as one of the participants of the Summit, has indeed taken concrete political action to this end. The Canadian peace plan also demonstrates the need for the leaders of middle powers, not simply the two superpowers or the five nuclear armed powers, to become inolved in the search for peace.

Since 1945, the world has witnessed a terrifying proliferation of nuclear arms with increased capacity for destruction. After the first atomic bomb we have seen the development of thermo nuclear weapons, ICBM fleets, submarine-launched Cruise missiles, independently targeted multiple warheads, and if we do not stop this chain of destruction we will soon see anti-satellite systems in space.

While technical capabilities have increased, I do not think that there has been a concomitant development in the political purpose governing the development and use of these weapons. It seems that nuclear strategists have been able to divorce successfully nuclear military strategy from both political objectives and social reality to the point where they find it possible to discuss the concept of a winnable or protracted nuclear war.

There is no such thing as escalation dominance. Unless we succeed in de-escalating world tensions and stopping the momentum of the arms race, we will not see escalation dominance but rather, mutually assured destruction—apocalypse now.

As the Prime Minister has stated, "casting a fresh linkage of military strategy with, and subordinate to"—which is very important—"strong political purpose must become the highest priority of East and West alike".

Robert McNamara, the former U.S. Secretary of Defence, has written an article in which he expresses similar concerns. He asserts in fact that nuclear weapons can serve no military purpose at all except to deter one's opponents from using them. He questions whether there is any issue, any conflict which could possibly justify the use of nuclear weapons in a confrontation. I confess that I cannot conceive of any situation which would warrant such a response, and I believe that any military or defence strategies pursued must take these factors into account.

As a member of the NATO Alliance, Canada recognizes the legitimate security needs of our allies. We must ensure that steps are taken to safeguard our collective security but that these steps do not in fact end up endangering it.

Throughout history, it seems, war is not solely the response of nations reacting to a direct and present danger. Often, military preparedness itself leads to war. Given the lack of

confidence, the mistrust that exists today, we must strive to ensure that the lower nuclear threshold and increased potential for destruction that exist today do not and never will result in the deployment of nuclear weapons in a super-power confrontation.

It was with great interest and perhaps with some degree of coincidence that last night on the PBS television system in the United States, on Bill Moyers' program *A Walk Through the Twentieth Century*, he discussed how weapons development has changed the face of the world and the concept and notion of war. He mentioned that, indeed, the man who has given us the Nobel Peace Prize was the man who invented dynamite, with the notion at that time that dynamite had such horrendous potential for destruction that it would never be used but would be a force to stop and end war.

Carrying on into the early 1900s, we saw the change that has taken place in the concept of war just in the last half century. Prior to the invention of the machine-gun, war was thought to be a chivalrous activity in which combatants alone were involved and killing took place between military forces of combatants in which civilians were not involved.

The invention and application of the machine-gun was the beginning of the depersonalization of war. He showed how the application of the machine-gun changed the notion of war from being a chivalrous act—which it never was—to one where an individual using a piece of mechanized equipment could literally kill thousands of people without seeing their faces, knowing their names or realizing what they stood for or were trying to achieve.

● (1620)

As the machine-gun depersonalized war, the next stage in the evolution of depersonalization during the First World War was the application of the second element of destruction, namely, the submarine and the use of that submarine in the sinking of civilian vessels, such as the *Lusitania* where over 1,000 men, women and children, all non-combatants, were killed by the use of a torpedo, with no other purpose in terms of the impact that it might have on the war. Civilians were killed indiscriminately by a piece of mechanized equipment. That piece of equipment was thought to be of such horrible destructive power that it would never be used and that it would bring an end to war.

The third phase to war was the invention and the application of the airplane. That really brought about the ultimate depersonalization of war in the last part of the First World War and certainly later in the Second World War. Literally millions and millions of human beings were destroyed, civilians, non-combatants, by the application of a high technology item.

When we think the First World War was called the war to end all wars and then think of what happened during the Second World War when millions of people died at the hands of machines manned by individual who had no concept, no notion, of the terrible force which they unleashed on human beings, they were simply using a piece of equipment, it seems to me that that program brought home even more forcefully the futility of looking for the ultimate weapon to end all war. There is no such weapon, Mr. Speaker. There is no weapon that will end the terrible destruction of war. It just makes it more terrible indeed. By depersonalizing war it removes, as the Prime Minister was trying to say in a much more deep historical sense, the element of politics from war, because we do not confront individuals in a battle situation any longer; we confront machines and the machines confront people. That depersonalization has made the risks of all-out war much, much higher than ever before.

It was pointed out that the Second World War was the first war in which more civilians were killed than combatants. In the First World War the numbers were about even. In the Second World War, 16 million combatants were killed and 34 million civilians were killed. The estimates of a third World War in the ludicrous context of a limited nuclear war would be somewhere in the range of 300 million or more killed, over 90 per cent of whom would be civilians. These would be people with no interest in the war, no desire for war, just innocent victims of a nonsensical approach of trying to solve the world's problems.

It is unacceptable. All of us in the House believe it is unacceptable. It seems to me we have to devote every effort we can to ensuring that that never comes about. It might be thought that each weapon advance—we are seeing it now and we are hearing about it and with it the testing of additional weapons, will take us to a high level of deterrence. But it does not. It does not take us to a higher level of deterrence. Contrary to the fervent belief of inventors and the fervent belief of those who would escalate the arms race, each advance has not put an end to war. It has only made war increasingly more terrible, to the point now that if we use just the limited number of weapons we have, we could virtually ensure the destruction of mankind, ensure the destruction of life on earth as we know it. The lunacy of this has gone far beyond the point to which we should have ever let it go in the first place.

The vertical and horizontal proliferation of nuclear weapons in the world, the growing hostility of the superpowers and a deep understanding of history have prompted the Prime Minister to put forth proposals designed to avert such a threat. In his visits with world leaders, East and West alike, he has received support for his efforts. He has called for the establishment of a global forum for negotiations which will include the five nuclear powers and an extension and strengthening of the nuclear non-proliferation treaty. The initiative has included suggestions for raising the nuclear threshold in Europe through a mutually acceptable balance of conventional forces at reduced levels. Other proposals include the suffocation of the development of new weapons systems, a ban on anti-satellite systems in space, and improved verification procedures, including mobility restrictions on ICBMs. Perhaps most important, the Prime Minister has emphasized the need for an injection of political will, to bring back once again political control over the system, because the essence of politics is human interaction. That, it seems to me, is the historical evolution that has occurred over the years since the early

1900s. We have increasingly not only depoliticized the whole military and industrial structure but we have depoliticized the notion, the concept, of war, and that has to be undone.

When Lester B. Pearson received the Nobel Peace Prize in 1957, he stated that in a nuclear age, nations must choose between peace and extinction. Never in the course of human history has the choice been as stark as it is today. It is only when we recognize that nuclear weapons are not like other weapons in any way, shape or form, that we can begin to act upon the choice which has to be made. Nuclear weapons cannot be used to achieve strategic political goals; their only role is to provide a secure and effective deterrent, and that can only be done as we reduce their use and their availability to zero, combined with an enhanced role for conventional forces. I believe the United States and the Soviet Union will have to realize that there is no alternative to peaceful coexistence on this planet.

In closing I would like to quote again from the United Nations First Special Session on Disarmament in 1978. The passage reads:

> Removing the threat of a world war—a nuclear war—is the most acute and urgent task of the present day. Mankind is confronted with a choice: we must halt the arms race and proceed to disarmament or face annihilation.

Mr. Skelly: Mr. Speaker, that was a very important speech made by the Hon. Member for Ottawa Centre (Mr. Evans). In my comments I would like to endorse the efforts of the Prime Minister (Mr. Trudeau) in any effort that can bring this globe closer to peace. However, I have some problems. Would the Hon. Member address the following three areas? It is very difficult for anyone to accept as serious and sincere a peace initiative when there is a hint of hypocrisy in it, when the Prime Minister of Canada, the Liberal Party and the Conservative Party in the House, approve testing of the Cruise missile in Canada in light of the fact that the Prime Minister at a special conference on disarmament advocated a suffocation mechanism that would prohibit the testing of such a weapon by any nation. It is difficult to comprehend that hypocrisy.

• (1630)

Second, the Liberals and Conservatives joined together to stop a vote on a motion to make Canada a nuclear free zone. The import of that motion would have been that we as a country would have stopped building components for nuclear weapons systems, which would in fact have given us greater credibility in an international context.

There has been an appeal by middle nations to have the Prime Minister and this country become involved in the Central American conflict in such a way that we could provide greater aid to those nations which need assistance, such as Nicaragua, and that we could use our influence in a stronger and more effective way to bring the combatants to the bargaining table in El Salvador. Yet the Prime Minister and the Government of Canada appear to want to provide material which can be used by the armed forces of nations that are creating or escalating the conflict in Central America.

Why are we testing the Cruise missile when we know that hypocrisy erodes our credibility in the world? Why are we continuing to make components for nuclear weapons? Why are Canadians not far more extensively involved in Central America to create some peace and stability there through negotiations and effective aid to nations which require it?

Mr. Evans: Mr. Speaker, let me try to address myself to those three questions. First, with regard to Cruise missile testing, I think all of us would much prefer that there be no more development of nuclear weapons of any kind or nuclear weapons delivery systems, which is what this particular case is. However, I think we have to look at it from the perspective that if there is to be an ability for us and the Prime Minister to play a role in the negotiations and to have credibility with our NATO allies, as well as establishing credibility with those in the Eastern Bloc, we have to be considered as, and seen to be, a stable partner in the NATO alliance. It is in that context that the Cruise decision has to be seen. Without a decision of that nature, it would be very difficult for the Prime Minister to have made the gains he has made with our western allies, or if we were seen as less than a full partner in the Western Alliance.

At the same time the Prime Minister has made overtures toward the East, supported by people in the House, which make him a credible spokesman on that side of the Iron Curtain as well. It is a fine balancing act. I truly believe that the Cruise missile testing position was a critical element in maintaining or establishing that fine balance. It placed the Prime Minister in the position to undertake the kinds of initiatives he has undertaken up to this point and which, hopefully, he will undertake in the future with great success. That has more to say about the Cruise missile decision than anything else that has been said in the House in the past.

With regard to a nuclear free zone, that motion was a Private Member's motion. Indeed, we wanted to have that motion debated in the House of Commons. In fact, we had to give unanimous consent to allow it to be debated, and we gave it. However, at the time we gave unanimous consent there was no debate. No one stood up to debate the issues. It would seem to me that it would be rather foolish for Hon. Members of the House, with a piece of paper in front of them, to vote in favour of something when the mover of the motion did not rise to explain what the motion was all about or what he wanted to do. The mover of the motion sat on his hands in the corner and did not rise. It was an immediate vote without any debate or discussion. It was not unreasonable, when the mover would not even debate his own motion, simply to vote against it.

I might add that there is another motion—and I think it is in the form of a Bill—which says almost precisely the same thing, on the *Order Paper*. When that motion comes before us in Private Members' Hour, I hope we will have a chance to debate the issues and we will not have a situation where individual Members do not rise to debate it. Turning to Central America—

Mr. Deputy Speaker: Order, please.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, if I heard the Hon. Member correctly, toward the end of his speech I either heard some brave new words or some arrant nonsense. I thought I heard the Member say that we should seek to depoliticize the concept of war. I wonder whether he has thought about what that means, or did he mean that we should depoliticize the concept of peace? I am not sure what he had in mind. It is really a strange collection of thoughts. I do not think wars are fought for anything but political reasons.

Mr. Evans: Mr. Speaker, the Hon. Member has totally misinterpreted or misunderstood what I said. In fact it was just the opposite. I said that we had to repoliticize because, as I said in my speech, the advent of machines of war have removed the political element from war in the sense of politics being the resolution of problems between human beings. With the mechanization of war, the resolution of problems does not come down to a face to face issue of resolving the difficulties. It comes down simply to throwing massive elements of destruction back and forth between groups of people who know nothing about each other. That is what I meant, that it had been depoliticized by machine elements of war over the years to the ultimate extreme where we now have the capability of throwing one piece of equipment and destroying millions of people in a megasecond. That is total depoliticization of the concept of conflict resolution. We have to repoliticize it so that we start to resolve these conflicts by human interaction and by reason rather than through the application of mechanical means of destruction and death.

Mr. Skelly: Mr. Speaker, I rise on a point of order. I appreciated the comments of the Hon. Member for Ottawa Centre (Mr. Evans). He almost dealt with my third question, which I think is vitally important. I wonder whether unanimous consent might be given to allow him one more minute in which to finish his answer on Central America.

Mr. Deputy Speaker: The Parliamentary Secretary has another minute and a half in which to respond, if he so pleases.

Mr. Evans: Mr. Speaker, I will be very honest and frank with the Hon. Member for Comox-Powell River (Mr. Skelly). I am not as fully apprised of the Government's activities and positions in various elements of Central America as perhaps I would like to be or as perhaps he is. It certainly seems to me, from my understanding of discussions I have had with the Minister for External Relations (Mr. Pepin) and the Secretary of State for External Affairs (Mr. MacEachen), that our position as a Government is to try to reduce the tensions, to not provide arms to combatants in those countries, and to put that position forward to the United States and others who are supplying weapons to those combatants. Certainly from my understanding that is the approach the Government has put forward. Perhaps we could be doing more. Certianly I would very much appreciate hearing debate, as I have in the past, on what we could do in Central America.

I know the Hon. Member for Saskatoon East (Mr. Ogle) has a great deal of experience in that area. I have enjoyed and appreciated some of his comments about his travels. Also I know that an all-Party committee of three Members of the House went down there to look at the situation during our last recess. I admit that my education has to be greatly enhanced in that area, but my understanding of Government policy is that it is not as inconsistent with the Hon. Member's desires as perhaps his question would have led some Members of the House to believe.

• (1640)

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, as this is my maiden speech, it is a great honour to rise in the House today and respond to the Speech from the Throne. Just over four months ago, I had the privilege of being led into the House by my colleague, the Leader of the Opposition (Mr. Mulroney). That day is one I will never forget.

In representing Mission-Port Moody, I follow in the steps of a fine man, a conscientious, hard-working Member of Parliament. His efforts and his dedication to the people of Mission-Port Moody and Canada represent to me a great challenge and a real incentive to work hard. Mark Rose and I certainly do not share the same political philosophy, but we do share the same concerns, concern over the massive and devastating unemployment in Mission-Port Moody and the rest of Canada, and concern over the neglect our area has suffered in recent years.

I want to tell you about my riding of Mission-Port Moody, Mr. Speaker, so that all Members of the House can understand not only the plight of our area but the tremendous potential that it has as well.

My riding of Mission-Port Moody is a beautiful part of the British Columbia lower mainland on the north shore of the Fraser River. Most of the 120,000 people in my riding live in communities along the Fraser River running from Port Moddy, Coquitlam, Port Coquitlam, Pitt Meadows, Maple Ridge, Whonnock, Ruskin, Mission, Deroche, right out to Harrison Mills.

From the suburdan residential area of Port Coquitlam to the famed Sasquatch-inhabited forests of Harrison Valley, the people of Mission-Port Moody share the same patriotism for their nation and the same hopes and dreams for their families as the rest of Canadians. Our area is blessed with the natural beauty and bountiful resources that British Columbia is so well known for, but we are also plagued with unemployment and hardship that is gripping our nation. Unemployment is the single greatest issue concerning the people of Mission-Port Moody. It was that issue that dominated the by-election campaign following which I was elected. It is this issue that is in the mind of every citizen in my riding today.

Hopes have been dashed and dreams have been stifled because of unemployment. Discontent is growing and anger is in the feeling and in the hearts of my constituents. They are angry, not at me. They are angry at the Government opposite because they know that Government intervention, economic mismanagement and corrupt neglect have led to our current difficulties. However, their anger has fired their resolve to

bring about change. They want to end the instability. They want to stop the corruption. They want to repair the damage and restore the confidence in our system of government.

That is why I am in this House. On August 29 the people of Mission-Port Moody demonstrated their desire for change. In fact, the momentum for change right across Canada started in Mission-Port Moody on August 29. Canadians are no longer willing to sacrifice opportunity. They realize the potential that is ours and they are going to rid our nation of the Government that has prevented us from realizing that potential.

The potential of Mission-Port Moody lies in the resource industries that have traditionally created the prosperity in Canada—forestry, fishing and farming. These are also industries which have been hardest hit over the last three years. The Government opposite has simply ignored these vital sectors. Instead of making important decisions to preserve our fish stocks, to replant our forests and to allow our farmers to continue farming, the Government has allowed neglect to drive these resource industries into difficulty. The Throne Speech perpetuates the Government's attitude of neglect toward the important resource-based industries. This speech, which is supposedly the Government's blueprint for the future, merely pays lip-service to the resource industries that built our country, generated our wealth and created our high standard of living.

About the dying Pacific fishery, this Government says that the problems of this industry require attention; nothing more specific. There is nothing to offer any hope to the fishermen of my riding, who met at a conference last month to plan a way to survive. Meanwhile, the Pearse Commission report, be it good or bad, gathers dust on a shelf as the Government refuses to make any decisions on Dr. Pearse's recommendations. Their only decision is the decision to continue ignoring the plight of West Coast fishermen.

The same is true of the forest industry, which is so vital to the riding of Mission-Port Moody and to all Canadians. Forestry is by far the most significant employer in my area. There are 45 sawmills. The lumber mills, shingle and shake mills, seedling nurseries and other private sector service industries create the jobs and generate the wealth in my riding, and they are spread right across the country.

Surely the Government knows that our forests must be farmed, and not mined. Forestry is our most important renewable resource, yet we have not been renewing our forests for future generations. Unplanted areas are swiftly overtaking our forests. New forests are not being planted because the Government opposite cannot reach agreement with the provinces to spend federal dollars on what is clearly a national as well as a provincial resource. If Canada's greatest farm, our natural forests, are not managed and harvested properly and replanted immediately, we will see our forest industry die.

There was mention in the Throne Speech of a conservation corps that will be involved in forestry renewal, but what about the $130 million promised to the provinces last year by the Minister responsible for the Canadian forestry service? Where has that money gone? Has it gone into a slush fund? It has disappeared. Only 4 per cent of forest revenues are required to do a proper job of forest renewal. Replanting the backlogged areas would create 100,000 jobs. This would enable the forest industry to prosper in future years and to continue providing the kind of wealth that allows Canada to maintain a high standard of living.

At the same time this Government should be making a real commitment to research and development in the wood products field. If we are to realize the full potential of our forests, we must find less expensive ways to produce more from a single log. There are signs that Canada's plywood industry is becoming an antiquated industry. The cost of producing veneer plywood is too high. The waste involved in milling a log is also an area of concern. This is a reality. The plywood industry will be gone, and we have no replacement for it. New technology can provide us with the ingenuity to utilize traditional wood wastes and produce chipboards, resin-based hardboards and other wood products that can replace plywood and other costly traditional products. If we do not adapt new technologies to our resource industries and if we do not apply new methods of production to the processing and upgrading of these resources, we will see these industries die a slow death. If our forest industry dies, the resulting number of unemployed will be in the hundreds of thousands. The effects will be felt from one coast to another. This is the reality the Government opposite refuses to recognize.

We must ask why this Government has ignored the resource-based industries of western Canada. Why has it attacked the oil and gas industry? Why has it neglected the forest industry? Why has it mismanaged the West Coast fisheries industry? The answer, Mr. Speaker, lies in the Government's attitude toward Canada. Canada is one nation where success is promoted through our freedom to realize our individual hopes and dreams. Unity is not something a government can impose; it is something we all must work to achieve. That is what Canada is all about. Canadians, in whatever part of the country they live, want to be treated fairly. They want to have the same opportunities and the same chances. They are united behind the common goal that our pioneering forefathers dreamed of—the goal of survival in a harsh land and success from hard work.

• (1650)

We united out of necessity. A confederation exists because each region of this nation has something to offer. Each region offers opportunities. Each region offers resources. That is Canada—a confederation of regions, not a coalition of special interest groups.

The Government looks at Canada as a nation of different special groups. Each region or special interest group is treated differently by the Government, according entirely to political expediency. Interests are manipulated. Some regions are catered to, others are ignored, all in the name of success at the polls. Nationally unity is an abstract concept that the Government attempts to impose when all else fails.

The Speech from the Throne provides further evidence of the Government's destructive attitude. The Government makes overtures to virtually every special interest group in the country. Small promises here and smaller promises there, all based on one objective—political expediency.

There are promises of studies, grants for studies and grants for studying grants for studies. This is the Government's answer to Canada's problems. Study the problem and maybe it will go away. And, if it does not, then identify a special group interested in the problem and fund it so it becomes dependent on you and then it can no longer make the problem public.

These are not answers, Mr. Speaker. These are tactics—tactics aimed at perpetuating the life of an arrogant, uncaring, incompetent, destructive government.

The Government talks in the Throne Speech about starting to build on our regional strengths. How can it be serious, Mr. Speaker? This is the same group of wreckers that destroyed federal-provincial relations. It was the Prime Minister (Mr. Trudeau) who declared that co-operative federalism was dead. Now, in a last ditch attempt to restore its political credibility, the Government opposite talks about resurrecting co-operative federalism. It promises in the Throne Speech to launch a new era of federal-provincial planning and consultation. This is just another one of its hollow promises—promises it does not keep, promises on which it backtracks.

The people of Mission-Port Moody do not want special treatment. They do not want to be catered to like some special interest group. They do not want Liberal Government handouts or giant bailouts. They just want to be treated with a degree of fairness and equity. They want to be represented in the House and in the other place by responsive individuals who are committed to fostering national unity, encouraging growth and development and promoting freedom and prosperity.

The people of Mission-Port Moody, like all the people of Canada, want a government to deliver a Speech from the Throne that makes commitments and not hollow promises. They want a commitment to restore confidence in our national economy. They want to see an incentive-based tax system that encourages investments and risk taking. They want the real engine of growth, the private sector, to be given half a chance. They want the bureaucratic barriers and blockades removed so that small businesses, the champions of job creation, can provide permanent full-time jobs.

Canadians want a government that will encourage research and development by offering tax incentives to businesses. They want to see new technologies adapted to our resource-based industries and our manufacturing industries to increase productivity and enhance quality. They want to see a government that rewards hard work and sacrifice, instead of taxing success and redistributing wealth. They want to see a government that will maintain our precious health care system, rather than a government that attempts to undermine the system by reneging on its commitments. They want to see a government that provides opportunities for our young people through quality education in the vocational and technical disciplines as well as the academic ones.

Canadians in every part of our country want a government that offers some hope, Mr. Speaker. How can the people of Mission-Port Moody or the people of any other area of Canada have hope if 1.5 million people do not have jobs? And how, Mr. Speaker, can people have jobs if the Government of the day is intent on controlling every aspect of our economy?

Our history has shown that if Canadians are given a free hand, they have the will and they have the way to achieve important goals. I talked earlier about our inherent desire to maintain our unity through a commitment to success and achievement. This success, this achievement, has been a national success achieved by the regions of our country, in the regions of our country, by the people of those regions. The regions are strong Mr. Speaker, but so is the desire to work together as Canadians.

[*Translation*]

Mr. Speaker, I am proud to be a descendant of the two founding races of our great country, and I am particularly proud of my French Canadian origins. Although I have not spoken French for over 30 years, I venture to say a few words in this House in a language which means a lot to me. I have witnessed the strength of national unity in the community where I lived. Having lived in a French Canadian community outside Quebec, I have had many opportunities to realize that success transcends cultural and linguistic barriers. I have seen a nation put aside their regional interests and work together as Canadians to build and develop our country. As a Progressive Conservative member, I am pleased to have had the opportunity to work towards reaching an agreement with Quebec and Manitoba in order to protect the rights of linguistic minorities and our two official languages and thus build a truly bilingual country.

[*English*]

Canadians have an identity, and as individuals they have strong ideals and values. They do not want their lives controlled by government or their ideals established by one political philosophy. They do not want a group of pseudo-intellectuals to instruct them on how our nation should evolve. They know that these elitist intellectuals cannot tell them what to read or what to watch on the media.

I have faith, Mr. Speaker, in Canadians. I have faith in our nation as one united country from ocean to ocean. I know that Canadians will find a way to restore prosperity in Canada. I only hope that it happens soon, because people are suffering.

In closing, Mr. Speaker, I suggest that the Members opposite look at the words in the Speech from the Throne and ask themselves what hope these words offer, as the grips of winter take over our great land, to those millions of Canadians who have not had the opportunity to earn a living in months or whose families are suffering because a father, a brother, a sister or a mother, have exhausted their unemployment benefits?

Let those Members opposite and the Government, which is largely responsible for the plight of the jobless, reflect in silence during this very crucial time.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order! The speech of the Hon. Member will be followed by a 10-minute period for questions and comments.

[*English*]

Mr. Kristiansen: Mr. Speaker, to begin with I should like to congratulate the Hon. Member for Mission-Port Moody (Mr. St. Germain) on a maiden speech, which, in spite of some differences in philosophy, proposals and analysis, was a pleasure to listen to. It was well delivered, apart from matters of political philosophy. I appreciate his kind remarks with respect to his predecessor, in this House, Mr. Mark Rose, and the acknowledgement that the area he serves, as did Mr. Rose, is in great need of solutions from the Government and other agencies across the country.

● (1700)

Having said that, Mr. Speaker, I do have one question in particular. I agree with much of what the Hon. Member said, and with many of his criticisms and descriptions of the problems with which his community as well as my own is faced with respect to the forest products industry. However, I found it somewhat odd for one with a professed Conservative philosophy to almost suggest by his criticism that we need overt government action in order to have the private sector, which certainly dominates in the forest products industry, convert to manufacturing such products as waferboard, particleboard, chipboard, and so on. These technologies are in place in many parts of North America. They have been singularly absent from the forest products industry in British Columbia. Is the Hon. Member suggesting that it requires government intervention or particular government assistance in order to get the private sector to do what the marketplace, as well as our changing resource base which was brought about by years of mismanagement, has been demanding of it? Is the Hon. Member suggesting that it is up to the Government to solve this problem when the private sector which he glorifies, and which, certainly, has a role to play, has been so unable or unwilling to build the kind of manufacturing plants which both the market and the resource so badly need?

Mr. St. Germain: Mr. Speaker, when I speak of the progress which is being made in these particular areas, the knowledge which I gained was through the private sector, from visiting all the various industries within that particular area, the chemical plants, and so on. What I am saying is that, like most of my compatriots here in the Official Opposition, I do not advocate government intervention. However, what we do advocate is special incentives for research and development. That is happening in other parts of North America. That is why research is taking place there. All we are saying, Mr. Speaker, is that we want the incentives in place so that we can develop our own technologies and not have to rely on others.

We are working with the mills in my area, Mr. Speaker, the ones I had contact with, to make sure the research and development, as far as fire-retardant shingles, for example, are concerned is proceeding, but these are not necessarily all major mill operations. These are small operators, Mr. Speaker, who are struggling to survive, given the last two years of recession. All I am advocating is that we create incentives so that these people can defer some of their taxes, take some of their dollars and use them as a form of incentive to go into research and development. That is really what we are asking for. None of the business people in Mission-Port Moody, Mr. Speaker, want any handouts or bailouts. All we want is a chance to operate.

Mr. Taylor: Mr. Speaker, I was very impressed with the address of the Hon. Member for Mission-Port Moody (Mr. St. Germain). I congratulate him on his address. I would like to make a comment and then have the Hon. Member comment on what I have to say. I believe there is a place for Government, and free enterprise believes that also. One place is research and development and another is to assist in the location of markets. If the Government would expend its energies in locating markets and in research and development, the industry would follow through, at least that has been my experience. I wonder if that fits in with the philosophy of the Hon. Member for Mission-Port Moody?

Mr. St. Germain: Mr. Speaker, I would like to thank both Hon. Members for their compliments and for giving me the opportunity to reply to their questions. Logically, without research and development and without new technology we are going nowhere in this country. This is why our economy is where it is today. Definitely we must assist the small organizations in pursuing and acquiring other markets because, Mr. Speaker, if we do not, they will surely die. Given the recession which has taken place in the last two years in the lumber industry, it is amazing how they have maintained the life they have left in them. Government benefits greatly from the taxes which are generated from these industries when they are buoyant. However, when they are oppressed as they are now, and suffering from the recession which has just recently taken place, it is highly unlikely that, without some form of assistance which would benefit all Canadians, they would be able to survive.

[*Translation*]

Mr. Tousignant (Parliamentary Secretary to the Minister of Regional Industrial Expansion: Mr. Speaker, before putting my two questions to the Hon. Member for Mission-Port Moody (Mr. St. Germain) I would like to express my deep disappointment. I have kept an eye on the Hon. Member since he came into this House over four months ago and he seemed to me to be a rather likeable fellow. Now I have to realize that he has immediately acquired the conservative tendency to negative criticism. I am rather disappointed with his attitude throughout his speech. He waited four months before giving his maiden speech and from now on he will probably remain silent. Still, I am rather disappointed.

I would like to ask him, for example, when he refers to tax incentives, how he thinks he could convince some companies to undertake new projects through tax incentives. Indeed, I do

not think that tax incentives can really help hard pressed companies.

When he refers to research and development, we agree with his option. However, he should tell us how this should be done. We are concerned because any increase in research and development will result in higher unemployment. Hon. Members opposite are the first to tell us that the unemployment rate is too high in Canada.

I would like him to deal with this problem, while we have to promote advanced technology and no one on this side of the House would deny it, we realize that this kind of development displaces people. Some machines used for forestry work, for example, take the place of 20 or 30 men; in logging camps where there used to be 200 men, they have been replaced by 25 equipment operators.

So, what does he intend to do to solve the problem of those people who will lose their jobs because of high tech? In conclusion, I would ask him to explain what he meant with regard to the forest industry, which was the main theme of his speech, when he condemned the federal government for doing nothing. First of all, is he aware that the forest industry comes under the jurisdiction—

The Acting Speaker (Mr. Guilbault): Order, please. I must interrupt the Hon. Parliamentary Secretary. The ten-minute period allowed for questions and comments has expired. We go back to the debate—

• (1710)

[*English*]

Mr. Dave Dingwall (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I want to congratulate the Hon. Member for Mission-Port Moody (Mr. St. Germain) on his maiden speech here in the House of Commons and to share his kind words about his predecessor, to whom I often referred as a real rose and whose friendship I enjoyed in my short time here in the House. I also want to take this opportunity, Mr. Speaker, on the first occasion I have had to speak since you have been elevated to the position you now occupy, to congratulate you on your elevation and wish you well.

In reflecting upon the contents of the Speech from the Throne, I think it correctly addresses some of the concerns my constituents have for the securing of peace and, of course, prosperity. I will have some comments on the issue of world peace, Mr. Speaker, but suffice it to say that today we as Members of Parliament, indeed as Canadians, were treated to a debate, or better still a statement of policy, issued by the three political Parties that now occupy the House of Commons. We heard from the Prime Minister (Mr. Trudeau), from the Leader of the Official Opposition (Mr. Mulroney) and from the Leader of the New Democratic Party (Mr. Broadbent). I thought all the speeches were eloquent, but in particular, perhaps because of my biases, the Prime Minister's speech and, more important, the initiatives he has taken in the last number of months to try to inject some political energy into this very important issue. We have seen his initiatives in visiting other countries and debating and discussing this issue with world leaders, both privately as well as at various conferences. There is the role that the Secretary of State for External Affairs (Mr. MacEachen) has played in initiating and organizing some of these events. We also have the Prime Minister's address to the United Nations. This demonstration of political will is extremely important and I think Canadians generally, regardless of political affiliation or historical political beliefs, are coming to understand that the securing of world peace is a goal shared by all Canadians. I think we wish our Prime Minister well in the many months ahead in trying to achieve a better dialogue between the East and the West.

Security of prosperity, Mr. Speaker, is also of real concern to the constituents I represent. The Speech from the Throne had a number of measures, only some of which I will refer to. In particular, Mr. Speaker, the one which I believe is of great importance to the people I represent is that of medicare. Much has been said and much will be said about medicare, but to me medicare is the real cornerstone of the Canadian fabric. It is nice to be able to go to any part of Canada and receive medical services, unlike other countries. My constituents, whether a steel worker, a miner, a nurse, a teacher, or a professional, have all come to understand and appreciate the money that Governments, both federal and provincial, have given for medicare. I think they share the goals and objectives contained in the new Canada Health Act. Yes, there will be debate concerning the changing of a sentence, indeed a paragraph, of the new Act, but I think overall the pith and substance is something that my constituents will approve overwhelmingly.

The Speech from the Throne talks about a partnership of business, government, labour and the Canadian people. That is very important if we are to obtain the goal of security of prosperity. Governments, whether federal, provincial or municipal, cannot create economic wealth in this country to provide the thousands of jobs so desperately needed. They must act in co-operation with all levels of government, as well as business and labour. We cannot afford the luxury of saying it is the provinces' fault. Labour cannot afford the luxury of saying, "Well, it is business". Likewise, business cannot afford the luxury of saying that the problems could be eradicated if only labour would be more co-operative. That easy way out, Mr. Speaker, is a luxury that Members of Parliament and the Canadian people will not allow to go on any longer. There must be the will by governments of all persuasion, in all regions, there must be the will by labour, organized and unorganized, there must be the will by business, both big and small, to address the issues affecting Canadians in every region of this country.

From a regional point of view, Mr. Speaker, you could argue that one region has benefited more than another. But the 1.5 million unemployed just want a job so that they can have the amenities many of us take for granted.

The Speech from the Throne also made reference to pensions for the elderly. I do not know if there is a Member in this

House who would oppose allocating more money for the elderly. I do not think there would be a Member here who would oppose an increase in the GIS. The elderly are those Canadians who have suffered time and time again, some having gone through two world wars. I think it only appropriate that my Government, in the remaining months, if you will, or years of our mandate, should lend emphasis to expediting additional income for those Canadians in need. I welcome, as do my constituents, additional income for those Canadians.

The Speech from the Throne has several other aspects, Mr. Speaker. It made reference to the restructuring of the fisheries and to the energy policy in Canada. The restructuring of the fisheries in Atlantic Canada is important not only in Nova Scotia and Newfoundland, but indeed in all of Atlantic Canada. I think the Minister of Fisheries and Oceans (Mr. De Bané) and the regional Minister from those Provinces have done well with their counterparts in the provincial Governments. In consultation with the fishermen and their organizations and with various groups of interested parties they have concluded agreements, which some Members may not fully appreciate or endorse, but it is a start, a renewal of an industry basic to developing and promoting the economy in Atlantic Canada. If the fisheries are not successful, the economy in Atlantic Canada will be wiped out completely.

• (1720)

Much has been said about the energy policy, some of it by the Leader of the Official Opposition in various speeches which I will not go into. In Calgary he makes one speech. He makes another speech when he is in Nova Scotia. When he is in Montreal he takes on another issue. The energy policies of this Governmeent, Mr. Speaker, have added substantially to the benefits of Atlantic Canadians and my constituents. If it were not for the agreement and understanding between the Government of Nova Scotia and the Government of Canada with regard to offshore, the economy of Nova Scotia would be completely depressed.

The Premier of that Province has no political affiliation with our Government. In fact, he is more blue than most Members on that side of the House. It is he and the present provincial Minister of Energy, Mines and Resources who have gone around the Province of Nova Scotia and alluded there to the benefits that the national energy policy has bestowed upon the people of Atlantic Canada. I believe it would be safe to say that in excess of $2 billion has gone into the economy of Atlantic Canada as a result of the national energy policy.

The Speech from the Throne goes on to make reference to the new Department of Regional Industrial Expansion. This Department, I trust, will be able to co-ordinate the efforts and to address industrial expansion in the various regions of Canada in a very comprehensive way. I have some concerns about that, Mr. Speaker, which have been voiced by other Members, both in committee and here in the House of Commons. I will be watching very carefully how the developments in the various regions take place. I will be watching with a careful eye to make sure that the goals and aspirations which were previously those of DRIE are re-established and put forward more vigorously in Atlantic Canada. If that is not forthcoming, I will not pontificate as do Members opposite. We will change that policy and that Department. Liberals are not like Tories. Tories talk a lot but do very little. They talk about social programs, defence and balancing the budget. In one part of the country, whatever the audience may be, they argue they are going to maintain social programs. In another part of the country they say that national defence ought to be a priority and therefore we must increase our expenditures. In still another part of the country they talk about balancing the budget. How does one maintain the social programs which this Government has put into place and made so effective and popular among the masses, increase substantially the budget of the Department of National Defence to God knows how many billions of dollars, and at the same time balance the budget?

Mr. Malone: By calling an election.

Mr. Dingwall: That is what I would call the Tory voodoo type of economics, Mr. Speaker. They are not well thought out but they are talked about a lot. The Conservative Party has a word for every constituency and region in the country. It is whatever they want to hear. Unlike the Liberal Party and the New Democratic Party, they are there by themselves. In Calgary, the Leader of the Official Opposition talked about no back-in provisions in the national energy policy and no more PIP grants. He went to Halifax, Nova Scotia and had a different story to tell. He is probably only there for a few more months because we will get rid of him in the next general election, no doubt about that. He tells the press there that he does not want to make a comment on that right now. I suppose he says to the Conservatives in that part of Atlantic Canada that the PIP grants are great. It is a policy which goes back and forth.

There is a great deal more that I would like to say. I would like to make reference specifically to the new Ministry of Youth. I am happy that the Government has taken this initiative. I would think Members opposite would probably want to applaud the Government. However, in their usual state of flux and with their usual negative posturing, they do not want to believe for a moment that there are policies and ministries created to work toward the positive aspects of the youth of our country. It is very important that on February 6 the new Minister of State for Youth (Mrs. Hervieux-Payette) said the following in a speech:

> I shall certainly need the co-operation of one and all, as I entertain no illusions that the means at my disposal will alone have some magical power to solve all the problems of young Canadians. Yet I shall muster all the determination I am credited—or blamed—to possess, to carry out this mandate; I intend to promote any approach likely to improve the lot of young people, to facilitate their access to all the resources that are available now and, in general, to act as the catalyst for a brighter future increasingly within their reach.

I believe that statement by the new Minister of State for Youth is extremely important, not only for this generation but for generations to come. 1985 will be the International Year of Youth and Canadians from across the country, particularly young Canadians, will want to participate in that very impor-

tant year. We, as politicians in Government and Opposition, have to address in debate and committee, on the political hustings, if you will, the issues that face the young people of this country.

Unemployment is at a cancerous rate, Mr. Speaker. Issues of education are also very important. The family unit too is extremely important. These are all issues affecting the young people of this country. I am confident that this new Ministry, particularly with the spirit and enthusiasm that the new Minister has shown in providing leadership in this portfolio, will address many of these issues and that action will take place shortly thereafter. I hope Members of the Opposition who are shouting across the way will be serious and will put forward their suggestions in a reasonable and sensible way so that we can have a real dialogue on some of those major issues. When it is the Party of doom and gloom, what else can one expect from Her Majesty's Loyal Opposition?

• (1730)

I have learned during my short term—

Mr. Malone: No, you haven't.

Mr. Dingwall: —as a Member of Parliament—

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Parliamentary Secretary but his time has expired.

Mr. Skelly: Mr. Speaker, the Hon. Member had a great deal to say about fisheries and peace. With respect to West Coast fisheries, why can West Coast fishermen and communities not receive the same kind of consideration that was given on the East Coast, such as the agreements, consultation and the funding which he mentioned?

I would like to point out several areas where his Government could perhaps do something constructive. The first is the protection of the resource base. Second, the Government should provide an effective consultative process without the unilateral action mode it has used. Third, it could do something constructive about the fleet reduction and fleet restructuring program. The fourth point is that government administered costs, such as energy costs and interest rates, have been driving up the costs for fishermen. Fishermen are being driven out at every turn by rising government costs. The fifth point is that intergovernmental relations are so poor in that region that the federal Government does not operate effectively in enforcing the laws that exist. The sixth area of concern is the protection of the economic base of fishing-dependent coastal communities. The Department is ready to write off those communities. Finally, there is a reign of terror against fishermen on the West Coast by chartered banks, which are seizing their vessels and their homes and squeezing the guarantors. I recently called this to the attention of the Government, but as yet there has been no action.

If I provide the Hon. Member with correspondence showing that banks are in fact terrorizing fishermen, denying them civil rights and access to forms of remedy, would he be prepared to approach the Minister of Finance (Mr. Lalonde), the Minister of Justice (Mr. Chrétien) and the Minister of Fisheries and Oceans (Mr. De Bané), to determine if at least in this one area in which the banks are driving these people into the ground something could be done? Would he be prepared to join with me and other Members on this side to try to convince the Minister of Finance to take some action to limit the action being taken by the most powerful organization in this country against the fishermen?

Mr. Dingwall: Mr. Speaker, the Hon. Member stated that he would like to see some equal sharing, if you will, of the benefits. He talked about the restructuring in Atlantic Canada and his concern about the fishery on the West Coast. I want to say to him quite clearly that the Government has taken much action with regard to the fishermen on the West Coast. Need I remind him of the inflation rate, which has been brought down substantially as a result of our six and five program? Is he willing to stand in his place and say that it has had no effect on fishermen in his constituency or on the West Coast? Does he want to say that interest rates, which have been substantially reduced, in fact halved, have had no effect on the fishermen in Atlantic Canada as well as on the West Coast? The answer is very obvious yes, they have had a very positive effect on the fishermen on the West Coast.

The Hon. Member asks what I would do if he were to provide me with certain correspondence. I share similar concerns with him about banks or financial institutions terrorizing individuals, as he says. But I would like to see that documentation. I have also had some instances where this has happened with my constituents. But we found redress in a number of ways by bringing it to the attention of the various authorities within the various banking communities.

Yes, I would be prepared to look at the matter raised. I will take it under advisement to see what I can do subsequently, because I am not aware of all the details contained therein.

Finally, the Hon. Member asked if our Government will take certain specific actions with respect to the West Coast fishery. Just yesterday the Minister of Fisheries and Oceans provided an opportunity for the fishermen's coalition to meet with him and to present their views. I think he said very effectively in the House on a number of occasions that he will give serious consideration to their suggestions. Hopefully, action will take place shortly thereafter.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, as this eighth day of debate on the Throne Speech comes to a close, I would like to say a few words about Throne Speeches in general and this one in particular. Speeches from the Throne are somewhat like the streets of Hades. They are filled with good intentions.

When I read a Throne Speech that is cynically written, with the view that none of its proposals will ever take place, I find it to be a despicable act by any government. There is no Member in the House, no one in the press gallery or anyone else, who would suggest that it is anything but a charade of eight days of speeches that have been made here. The Throne Speech was

an attempt to fool all of the people all of the time, but it does not work.

It would have been more realistic if the Governor General, when introducing the Throne Speech, had said that since the Government can remain in power for a year at most, even though its mandate ends on February 18, 1984, by tradition, it is proposing these last few measures which it will attempt to achieve. But the Government did not do that. It brought in a Throne Speech which contained ten years of possible legislation. As one of the members of the press gallery stated, after hearing the Throne Speech, "If dogs and cats had a vote, there would have been something in there for the dogs and cats as well".

We all realize that a throne is basically nothing more than ministerial ventriloquism. If one were to read earlier Throne Speeches to see the promises, undertakings and philosophies contained therein and then review them a few years later, it would be found that very few of those goals were achieved.

A Throne Speech is essentially a futile exercise. In my view, spending eight days debating the Throne Speech in the House of Commons is a waste of the taxpayers' dollars and a waste of the time of the House of Commons, which could be used for better purposes in terms of accomplishing something for Canadians.

At present we have at least seven reports on parliamentary reform. I doubt that any of these reports addresses the concept of an eight day Throne Speech debate. The reason is that these eight days of debate provide an opportunity for many back-bench Members to make speeches and provide material for their householders. I suggest that the various speeches could be called "hyperbole for householders". That is the effect of these eight days of debate. I find that offensive as well.

I came here to work for the people of North Vancouver-Burnaby. I do the best I can. I did not come here to listen to self-serving, self-satisfying and self-deceiving members of the Government Party attempting to justify the unjustifiable. I came here to help do something for the country.

I suggest that anyone who watches the House of Commons debates regularly on television would find, by this time, such a Throne Speech debate quite unacceptable. In such a debate the rule of relevancy disappears entirely. There has been very little relevancy to the Throne Speech in most of the speeches from all sides during the eight-day period. I also find that rather unfortunate. A debate in the House should be relevant to the subject. The Throne Speech is not. Soon we will spend another six days doing exactly the same thing in the budget debate where the rule of relevancy will be totally ignored by practically every speaker on every side. Do not misunderstand me, Mr. Speaker. I do not criticize only the Government for this. I criticize all Members of the House of Commons, including myself. Surely to goodness, with the intelligence on all sides of the House something could be done where we do not waste half a month on this kind of useless exercise. Unfortunately, much as I would like Members on the Government side to hear what is said by the Opposition, I would also like them to consider it carefully. When things are presented to the Government that make sense, have the opposition be given credit for it and see that what it is is done for the benefit of the Canadian people. But that never takes place. I honestly have yet to find an occasion when any speech delivered in this House of Commons has had any effect on the Government side at all, or frankly has been listened to with any degree of respect or silence. A little heckling is in order. That merely adds to the sparkle, the salt and pepper of a speech. But not to listen, not to hear, not to consider because the speech did not come from the Government benches, is a terrible offence to the Canadian people who sent us here and whom all of us collectively represent.

● (1740)

I will take the last two minutes to point out a couple of things I totally deplore which are relevant to the discussion on the Throne Speech. The Throne Speech is one of the most cynical things I have ever seen, totally cynical.

We have 1.5 million Canadians out of work, a 50 per cent increase since the Government took office four years ago. There are over 500,000 Canadian youths unemployed and with no hope of employment. In British Columbia the unemployment rate today is over 14 per cent. Our national unemployment rate, which is perhaps the severest indictment of all against this particular Government, will remain at over 12 per cent this year. Over 600,000 Canadians, 65 years of age or older, are living in poverty. A Government that can stay in office and can go past its four-year mandate with those kinds of statistics facing it is not a Government that deserves to remain in office. It is not a Government that deserves to have the right to make laws and to operate this country. I only hope the Canadian people realize just how miserable, sad, bad and devoid of ideas this Government is, as those of us here who have to work opposite know.

Time is running out and I say only to the Canadian people who may have followed this debate that if this does not give them proof enough why these rascals should be thrown out, then perhaps people do deserve the Government they get, but nobody deserves this present Government.

May I call it 5.45 p.m., Mr. Speaker?

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Guilbault): It being 5.45 p.m., it is my duty, pursuant to Standing Order 42(5), to interrupt the proceedings and put forthwith the question necessary to dispose of the main motion.

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

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Guilbault): Is it carried?

Some Hon. Members: Carried.

Mr. Forrestall: On division.

The Acting Speaker (Mr. Guilbault): Carried on division.

Motion (Mr. Burghardt) agreed to.

Hon. Yvon Pinard (President of the Privy Council) moved:

That the Address be engrossed and presented to His Excellency the Governor General by Mr. Speaker.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. I am sorry but I was in the lobby. I heard the Chair say that the motion was carried on division. I heard the Chair say, "Carried on division". Am I confirmed in that?

The Acting Speaker (Mr. Guilbault): Yes.

Mr. Pinard: Mr. Speaker, we are happy the motion is carried, but quite frankly we thought it was carried, period. It was after you said "carried" that somebody shouted, "On division".

Some Hon. Members: No.

Mr. Pinard: If the Opposition wants a recorded division, we are ready to have one, but we are happy the motion is carried. It is because I took it for granted that the motion was carried that I was able to move the motion I just moved.

The Acting Speaker (Mr. Guilbault): The Chair heard "on division", and I remember saying as occupant of the chair that the motion was carried on division. Is it the pleasure of the House to adopt the motion moved by the President of the Privy Council?

Mr. Nielsen: On division.

The Acting Speaker (Mr. Guilbault): Carried on division.

Motion (Mr. Pinard) agreed to.

The Acting Speaker (Mr. Guilbault): It being 5.50 p.m., this House stands ajourned until tomorrow at eleven o'clock, pursuant to Standing Order 2(1).

At 5.50 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 10, 1984

The House met at 11 a.m.

• (1105)

[*English*]

THE LATE HON. EARL ROWE AND THE LATE SENATOR ALLISTER GROSART

Hon. Erik Nielsen (Yukon): Mr. Speaker, the House has learned with sorrow of the death of the hon. Earl Rowe, who was the former Lieutenant Governor of Ontario, and a former Member of this House. With his death another link is severed with the political generation of George Drew and the late Right Hon. John Diefenbaker.

Earl Rowe was appointed Lieutenant Governor by Prime Minister Diefenbaker and had served loyally under both Mr. Diefenbaker and the Hon. George Drew. He was a Minister without Portfolio, in fact the youngest one of the Government of R. B. Bennett. Hon. Earl Rowe was a Member of this House for the riding of South Simcoe in 1932, and for Dufferin-Simcoe for 38 years, with a brief interruption when he took over the Ontario leadership.

Our sympathy goes out to his son, Bill, and to his daughter, Jean Casselman Wadds, a former Member of this House. In fact the late Hon. Earl Rowe and Jean Casselman Wadds were the first father-daughter team in the House of Commons. She, of course, is a former High Commissioner to London who is now serving on the Macdonald Royal Commission.

Although it is not usual, Mr. Speaker, I think we should mark as well the passing of Senator Allister Grosart, lover of literature, life, good talk, and good books. He was a student of Shakespeare, and a firm upholder of parliamentary democracy. He was the Speaker of the Senate in the Government of the Right Hon. Joe Clark. His awareness of the spirit of Parliament and his love of the parliamentary institution were instrumental in gaining the acclaim of members of the other place.

With his departure yet another link with the Diefenbaker era is severed. Canadians will mourn his loss. Parliament has lost a defender. His friends will mourn a loyal, urbane, and distinguished comrade. His widow, Thelma, and family of three daughters, have our heartfelt sympathy in their bereavement.

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, on behalf of the Government and the Members on the Government side of the House, I would like to express our sorrow at the passing of the Hon. Earl Rowe. Mr. Rowe had a very distinguished career in municipal, provincial, and federal politics. He served in this House for some 38 years, that period interrupted only briefly when he served as Leader of the Ontario Conservative Party. He had a distinguished record of service as well as Lieutenant Governor of Ontario. During his period of service in the House of Commons he was a Minister in the Cabinet of R. B. Bennett.

He had another very important aspect to his life which touched upon my own community of Windsor. He made a marvellous contribution to the harness racing industry. He and his son Bill founded the Windsor Raceway, which is a very important local industry in my own community.

• (1110)

On behalf of the Government and Members on this side of the House generally, I would like to express sincere sympathy to his son Bill, and his daughter Jean Casselman Wadds, a former colleague in the House of Commons, at this time of sorrow. Certainly Earl Rowe will be long remembered as part of the contemporary history of our country.

On behalf of the Government I would also like to associate ourselves with the words of sorrow expressed on the passing of the Honourable Allister Grosart.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I too would like to associate the New Democratic Party with the comments made on the passing of both Earl Rowe and Senator Grosart.

I served in the Ontario Legislature during the time Earl Rowe was Speaker of the Legislature. I remember him quite well. He had an infectious sense of humour which enlightened occasions over which he presided. On behalf of our Party we would want to convey our sympathy to the family, Mrs. Wadds and his son Bill.

With regard to Senator Grosart, I recall upon arriving in the House of Commons being summoned to Senator Grosart's office for a discussion about one of his pet projects. He was very interested in the whole question of science and technology, and asked that I join with him on a committee that he was perpetuating, if not forming, to try to encourage dialogue between Members of Parliament and those in the scientific and technical communities. I want to say on behalf of my colleagues, and on my own behalf, how sorry we are to hear of his passing.

Tributes

THE LATE YURI ANDROPOV, PRESIDENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I want to say that the Government was saddened to learn of the death of President Yuri Andropov, of the U.S.S.R.

Mr. Andropov devoted his life to his country. His term as President was short. But in that brief period, he made a significant contribution as a man of vision, a man who worked to improve the conditions of life for his people, a man of modesty and dedication.

The Government of Canada extends its sincere condolences to the Government and people of the Soviet Union, and to the family of the late President.

We also take this opportunity to reaffirm Canada's strong desire to work with the Soviet Union to strengthen the bonds of co-operation and friendship which are essential to the future of mankind. This is a time when leaders of all countries must renew their efforts to meet the challenges of peace. President Andropov understood the importance of that high duty, and we are confident his successors will carry his work further. I can assure the House that Canada will pursue its efforts in this essential task.

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, I join with the Prime Minister (Mr. Trudeau) in expressing to the Government of the Soviet Union and to the family our condolences on the sad and particularly untimely passing of President Andropov. I had the opportunity earlier this morning to do so in a personal way.

I join with the Prime Minister in his fitting tribute to a most important figure. Particularly at a time of tension and instability, a loss of this dimension is to be profoundly regretted.

I share as well the Prime Minister's view and hope that his successor who emerges from the leadership of the Soviet Union will continue in genuine efforts to do that which we all must do as best we can, particularly from the leadership of such an influential nation, to commit ourselves to the reduction of tensions and to an honorable formula which will allow for the reduction and, hopefully, the elimination of nuclear arms. We convey to the family and his Government our deep condolences.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, on behalf of my colleagues I want to join in the expression of condolence made both by the Prime Minister (Mr. Trudeau) and the Leader of the Official Opposition (Mr. Mulroney). I think that at the time Mr. Andropov took over office as head of the Government of the Soviet Union, many in the world hoped that this would signal the beginning of a new era, and that this would, in fact, result ultimately in a lessening of tensions. I also think, in looking back, his prolonged illness would not have allowed for the achieving of the goals which he himself had expressed were the goals he had set, or allowed, for the achieving of the wishes and desires of so many people around the world.

• (1115)

Therefore, on behalf of my colleagues I want to join with both the Prime Minister and the Leader of the Opposition in expressing our regret at his passing, and I ask that our regrets be conveyed both to his family and to the Government of the Soviet Union.

Mr. Speaker: At this point in our proceedings, the House would normally proceed to Oral Questions without statements being made under the provisions of Standing Order 21. What is the disposition of the House?

Mr. Nielsen: Mr. Speaker, I think you will find that there is disposition to go to statements and the usual Question Period following.

Mr. Pinard: Mr. Speaker, if that is the desire of the Opposition, we can live with it, but we would have preferred to go right away to Question Period.

Mr. Deans: Mr. Speaker, I think in the spirit of generosity, surely we would accept that if the Government can live with it and both opposition Parties desire that we go to statements, then we should do so.

Mr. Speaker: We will have statements under Standing Order 21 until 11.30 a.m., and then we will have 45 minutes of Question Period.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

WILD LIFE

BRITISH COLUMBIA WOLF POPULATION

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, for several weeks I have quietly watched the build up of publicity concerning the wolf population in British Columbia. There has been a campaign by some misguided individuals and groups to discredit B.C. Wildlife Officers and supporters in their efforts to control the wolf population in the Province.

The fact of the matter is that in parts of my constituency of Cariboo-Chilcotin and in that of my colleague, the Hon. Member for Prince George-Peace River (Mr. Oberle), the wolf population is out of control. People who live in these areas and see firsthand the devastation caused by wolf packs have for some time been warning our provincial Government that effective control measures must be implemented. Provincial Wildlife Conservation Officers are now doing exactly that. It is not a pleasant task, but it is the only alternative to counter the present level of slaughter of valuable wildlife and domestic animals. Certainly predators take the weak and sick, but when wolves reach their present population levels, the kills are indiscriminate, unsustainable, and thus unacceptable.

We in B.C. are capable of managing our own affairs and do not need the assistance of the likes of Paul Watson, and paperback entrepreneur "Hardly Knowit". I would respectfully request that outsiders consider the deer, sheep, moose, and caribou. They, too, have a right to live.

* * *

INDUSTRY

BEEF GRADING REGULATIONS—EFFECT ON JEWISH DIETARY PRECEPTS

Mr. John Bosley (Don Valley West): Mr. Speaker, as a result of recent changes in beef grading regulations, the Canadian meat industry now separates front quarters from hind quarters by ribbing beef carcasses between the twelfth and thirteenth ribs. This new practice causes real difficulty for orthodox members of the Jewish community. As a result of their dietary laws they may not use any meat associated with the twelfth rib because of the internal lard involved. Consequently, they can use neither part at the moment. A small number of abattoirs specialize in and service 90 per cent of the kosher trade. An exemption to allow ribbing between the eleventh and twelfth ribs of carcasses intended for kosher use would solve the problem.

I recognize that a dual grading system may cause some administrative problems, but sensitivity to community needs should always be more important than administrative simplicity. In addition, there would appear to be significant export opportunities for the resulting front quarters. For either reason, sensitivity or trade, or both, the exemption is justified in my view, and it has been asked for. I believe the Government should move on this matter as quickly as possible.

* * *

CANADIAN UNIVERSITY SERVICE OVERSEAS

TRIBUTE TO EFFORTS AND ACHIEVEMENTS

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, the CUSO organization has been in existence in Canada since 1961. During that period of time about 9,000 young Canadians have gone to various countries around the world where they have assisted in the process of development.

Recently a book written by Branca Lapajne has been published criticizing CUSO and its work.

• (1120)

CUSO has worked in left-wing and in right-wing countries. It has had its successes and its failures but, more than anything else, it has built up a great world of experience. It has built up an experience about what is development.

Development is not a movement by entrepreneurs, whether they are individuals or multinational corporations which go into a country to make a fistful of dollars. Development is about people—a freeing of people from the constraints of

poverty, hunger, and disease. Development is also political. When one goes to a country as a volunteer, one can accept the status quo, or one can accept the forces of change, or one can do nothing. All of these are political activities. For a people who have been slaves, oppressed, exploited and humiliated by groups within their own country or by economic, political or military forces from without, development also means liberation.

Liberation means a process by which a people have more control of their own affairs within their historic and cultural context and realities. Any action which prohibits this is not development.

I would simply like to say that I am supporting CUSO and everyone who has worked in it, so that the process of development will continue.

* * *

VETERANS AFFAIRS

REMEMBRANCE OF POLISH TROOPS IN BATTLE FOR MONTE CASSINO

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, as the ceremonies marking the fortieth anniversary of the Normandy invasion are gaining momentum, they must not blot out the courageous but bloody prelude which took place in the Italian campaign when Allied armies directed their attack at the underbelly of Europe, diverting the destroying enemy forces to pave the way for the crucial Normandy invasion.

It must be particularly remembered that one of the most heroic battles was that fought at Monte Cassino in which the Allies, including Canadian and Polish soldiers, made great sacrifices against the massive resistance of Nazi armaments amid the tortuous terrain.

It is a concern to me that the memory of that gallant and historic stand of the Poles on behalf of the Allies at Monte Cassino is fading from the memory of this generation, as Poland has been forced to assume the role of a Warsaw Pact country, a role which has been thrust upon this formerly democratic country by an unfortunate set of circumstances evolving out of decisions made in Yalta during World War II.

It was the privilege of the Polish Army to overcomme the mountainous fortress at Monte Cassino designed by the Nazis to protect Rome. The loss of life was costly, with 1,000 killed. A mountainside memorial stands there engraved: "We Polish soldiers, for our freedom and yours have given our souls to God, our bodies to the soil of Italy, and our hearts to Poland". Their contribution to the cause of freedom, which has been sadly denied them since World War II, must not be forgotten during this anniversary year of the Battle of Monte Cassino.

S.O. 21

FINANCE

ALLOCATION OF JOB-CREATION FUNDS IN HAMILTON-WENTWORTH

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my riding of Hamilton-Wentworth and I, as its Progressive Conservative Member of Parliament, have been fingered on a Liberal list of Tory constituencies which have received federal Government job-creation moneys.

The Liberal strategy to counteract bad publicity about pork-barrelling goes further. Liberals are now attacking anyone on this side who complains about government grants to our ridings, as being against job creation. This attempt to smear Conservative MPs in order to put the lid on the pork-barrel is not only despicable; it is a sign of how corrupt this Liberal administration has become. It is tragicomical when it comes to the case of the expansion of the Hamilton Civic Airport.

Fact—the $45 million to $50 million airport expansion listed for my riding has been a federal government priority for more than a decade.

Fact—the construction start-up, expropriation of lands in the runway path, indeed the whole operation, was approved by all levels of government, and began at least two years ago.

Fact—the strongest proponents of this expansion have included the entire Hamilton City Council, and most of its members live in the three Liberal-held ridings—Hamilton East, Hamilton West, and Lincoln.

I find it almost impossible to believe that a desperate Liberal Government would reach back over the years to associate me with its current pork-barrelling operation. If the $45 million was such a generous grant to a Tory riding, how come I never heard about it until after the Minister of Indian Affairs and Northern Development (Mr. Munro) took all the credit?

* * *

THE LEADER OF THE OPPOSITION

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Canadians have heard an awful lot since June of last year about the "changing Face" of the Conservative Party. To my mind, one would be hard pressed to find a more apt description.

We awoke this morning to be confronted, or should I say affronted, with yet another example of two-faced Tory duplicity. It strikes me as somewhat perverse that the Leader of the Opposition (Mr. Mulroney) can say in apparent clear conscience so many different things in such a short period of time. How are Canadians to trust a man who on May 9, 1983, said that public servants "never did a day's work in their lives" and, on February 9, 1984, that the Ottawa bureaucracy is "among the finest" in the world?

• (1125)

He himself must get dizzy when he promises on the one hand "to cut everywhere and under every circumstance", and on the other to ensure a "well-paid and well-looked after" public service. If the Leader of the Opposition were promoting a detergent or a breakfast cereal rather than a political philosophy, he would surely be charged with false advertising.

The Leader of the Opposition's self-serving comments at a gathering of Tories in the riding of Ottawa-Carleton last night provide further proof that he is simply the head reptile amongst a party of political chameleons.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member's language is hardly parliamentary. The Chair has to say that the language in the last sentence is not parliamentary, and would ask the Hon. Member to withdraw.

Some Hon. Members: Withdraw.

Mr. Speaker: Referring to someone as a "head reptile" is hardly parliamentary.

Some Hon. Members: Shame.

Mr. Speaker: Will the Hon. Member withdraw that word?

Mr. Evans: What word, Mr. Speaker?

Mr. Speaker: The word "reptile", referring to an Hon. Member.

Mr. Evans: Yes, Mr. Speaker, I will withdraw the word "reptile".

* * *

OLYMPIC GAMES

TRIBUTE TO CANADIAN HOCKEY TEAM

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, all Canadians can take a great deal of pride in the performance of our Olympic hockey team. Despite much talk of the demise of our national game, the Canadian spirit of dedication, hard work and patriotism, that typifies so many young Canadians, is still there.

Certainly two games are a long way from winning a gold medal, and certainly there are some huge tests ahead, but let us enjoy their performance and wish them well. This was the team that was written off by so many in the world. Let us all learn from their initiative and dedication. They are a group of Canadians from all across Canada, of both official languages, working together and achieving success. Surely the effort and the sacrifice they make should inspire all Canadians, and most of all the Hon. Members of this House, to work together to represent all of Canada better.

I have seen the dedication and sacrifice that take place in the likes of Craig Redmond, a member of the team, whom I

saw first-hand as he played in the same hockey association as my son. I also know that this dedication and sacrifice reflect all the youth of today as they strive for success in this rapidly changing world. Our greatest resource is our youth. They typify the Canadian spirit, win, lose, or draw, in the Olympics. They are the future of Canada.

Some Hon. Members: Hear, hear!

* * *

CANADIAN BROADCASTING CORPORATION

NEED FOR MULTICULTURAL PROGRAMS

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, the Radio Quebec Planete Series on television is a model of multiculturalism programming by public mass media that should be emulated by the CBC. For several years Radio Quebec has been showing ethno-cultural programs in the language of the ethno-cultural group, with French sub-titles, at prime time on Saturday nights. This program is repeated the following week at a different time. I urge the Minister of State for Multiculturalism (Mr. Collenette) and the Minister of Communications (Mr. Fox) to impress upon the CBC the necessity of following suit, fostering a truly multiculturalism policy and incorporating similar multiculturalism programming for English-speaking Canadians.

French-speaking Canadians, thanks to Radio Quebec, have seen documentaries on the Ukrainian holocaust and the Ukrainian artist, William Kurelek. The English CBC network has failed to produce similar high quality programs. There was no reason, for example, why we could not have had a half-hour program on Chinese-Canadians, in Chinese, during their New Year, or a documentary on Asian-Canadians, with English sub-titles, on prime time CBC. The time has come for the CBC to incorporate a truly multiculturalism policy.

* * *

SPORTS POOL

PROPOSED FEDERAL SPORTS POOL

Mr. Arnold Malone (Crowfoot): Mr. Speaker, soon a sports fan may predict that the Edmonton Oilers will beat the Montreal Canadians 12-0 and, on the basis of his intellect and intuition, win a sum of money in a federal sports pool. Some may cheer the federal Government for putting more sport into sport through a new sports pool corporation, but I denounce their money-grabbing ambitions that causes them to break a signed agreement, ignore the law, and tax the poor. In 1979 the federal Government signed an agreement with the provinces that it would stay out of lotteries. The provinces in return paid the federal Government $34 million in 1983. Now the feds claim the sports pool is not a lottery.

The feds are the same people who seasonally adjust the unemployed, fabricate ghost letters about the Leader of the Opposition (Mr. Mulroney) which they cannot substantiate, and spend $200 million of public money entrusted to Parliament to save the political life of the Minister of Finance (Mr. Lalonde). If a sports pool isn't a lottery, then Jello isn't dessert, Alan Fotheringham isn't nasty, and the Minister of Agriculture (Mr. Whelan) is a professor of English.

Some Hon. Members: Hear, hear!

Mr. Malone: The Grits want your money, so Revenue Canada does not have "quotas", it has "objectives", and, upon being discovered, "objectives" become "targets", and when "targets" were discovered they suddenly became "goals", all of which are quotas. We still have quotas; they just do not use their maiden name.

They have an agreement not to enter lotteries so they enter the lotteries but call the lotteries "sports pools". The "jobless" become the "disadvantaged", and blatant Liberal "patronage projects" become "fast-tracking". It's 1984 double-speak. The rhymelesser the timelesser, the worser the free verser.

Mr. Speaker: Order. I regret to interrupt the Hon. Member, but his time has expired.

Some Hon. Members: Oh, oh!

• (1130)

ORAL QUESTION PERIOD

[*English*]

FINANCE

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—ROLE OF PRIME MINISTER'S OFFICE

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Prime Minister and it concerns the Special Employment Initiatives Program which is, in reality, a $150 million political slush fund under which the Government is handing out grants on a selective basis. We have documents, Sir, which show that this program is manipulated by the Prime Minister's Office, not carried out in the public domain as are other job-creation programs. Would the Prime Minister confirm that indeed his Office oversees this program, that it is his Office which is manipulating it, and that the hallmarks of this whole sleazy operation are secrecy and confidentiality, as these documents show?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Miss MacDonald: It is interesting to see that the Prime Minister does not even acknowledge what is going on in his own Office.

MINISTER'S STATEMENT

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, last November the Minister of Employment and Immigration made this comment about the Special Employment Initiatives Program:

> I think there is only really one thing I can say to you: When you receive the criteria, if you believe there are some useful projects in your area which would meet the criteria, you send me the suggestions and I will consider them.

The Minister of Employment and Immigration said that on November 29. These documents show that all or most of the $150 million in this program, was committed months earlier. Will the Prime Minister say why the Minister of Employment and Immigration was saying something about a program when his Office, and his political Ministers, had already committed most of the money?

Right Hon. P. E. Trudeau (Prime Minister): I fail to see the thrust of the question, Mr. Speaker. The Minister was telling members of his own Caucus to use programs which had—

Mr. Gray: Parliamentary committee.

Mr. Trudeau: That is even better—of a parliamentary committee to use programs which have been publicly announced in the Budget, and which are under way. We know that certain members of the Opposition have used these programs. They obviously were not hidden. We know the Hon. Member for Joliette has used these programs. I have seen where the Hon. Member for Kingston and the Islands suggested that the reason why her Party did not get on with these programs earlier was because during the Summer it was otherwise occupied and did not get around to it.

These programs are public. These programs are available, and Ministers are suggesting to members of a parliamentary committee that they should use the rights of access they have to these programs. What is so shocking?

TIMING OF DECISION ON APPROVED PROJECTS

Hon. Flora MacDonald (Kingston and the Islands): What the Prime Minister continues to try to do is to hide the $150 million slush fund which he and his political Ministers are dispensing, and trying to confuse the job-creation programs which are in the public domain with it.

I would like to tell him that this document shows that the Prime Minister's Office circulated lists of projects for review, and that decisions on these projects were made as of last June. The Minister of Employment and Immigration asked Members to provide input after he gave them the criteria in February. How can the Prime Minister describe as anything but corrupt a method whereby he and his political Ministers make decisions on a program in June of one year, and then go through the façade of asking Members of Parliament to provide input some eight months later? What kind of a system is that?

Right Hon. P. E. Trudeau (Prime Minister): I am sorry, I have not noted the dates exactly. The Hon. Member is complaining because Ministers and Members are using a program over a period of months some many months later. What is wrong with that as long as there are funds still available? Why do the members of the Opposition not avail themselves of these funds if they are still available? Who will reproach them for availing themselves of funds which are still available? Perhaps their constituents will reproach them for their tardiness, but if the funds are available in order to be spent to create jobs for the jobless, what is the great magic in the calendar dates which the Hon. Member has put forward?

CONTROL OVER PROGRAM

Mr. Jim Hawkes (Calgary West): Mr. Speaker, we really have a problem here. The Prime Minister tells us that the program was public, but on November 17, 1982, Mr. Speaker, there were a series of questions on the *Order Paper* which were never answered.

The Prime Minister will know that we have in our possession a document which puts the control of this program clearly in his Office. Can he tell the House of Commons why, for this particular $150 million, it was felt necessary that the Prime Minister's Office control the dispensation of the funds in a non-public way, in a way that did not allow Members of Parliament to participate, and in a way that did not make it clear to Canadians where the funds were going? Why did the Prime Minister's Office choose to exercise control over this particular $150 million a year program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I must begin by saying that I do not know what document the Hon. Members opposite are talking about. I am sure some piece of paper exists wherein people in my Office are encouraging Members of Parliament—preferably, I hope, Liberals—to use a program which has been announced in two Budgets. If my memory is correct, the first $150 million was announced in the Budget of June, 1982, and the second $150 million was announced in the Budget of April, 1983. Now we have the great scandal, Mr. Speaker, of the Prime Minister's Office—which is attached to a Liberal Prime Minister—telling these Members to hustle and use these programs which have been publicly announced. I would hope the Office of the Leader of the Opposition, which is paid for at public expense, and which costs—

Mr. Turner: Over $1 million a year.

Mr. Trudeau: —over $1 million a year—I would hope that he would see that his own officials—

Mr. Nielsen: What is your budget?

Some Hon. Members: Oh, oh!

Mr. Andre: That is only 10 per cent of his vacation budget.

Mr. Hees: It was to pay for your last trip.

Mr. Speaker: Order, please.

Mr. Trudeau: Mr. Speaker, I was in front of a parliamentary committee a few months ago answering questions on the size of my Office. I indicated that it had reduced in size. Since the Right Hon. Member for Yellowhead (Mr. Clark), as the then Prime Minister, ran the Prime Minister's Office, my Office has shrunk in size.

An Hon. Member: But increased in quality.

Mr. McDermid: Tell us about the PCO. Tell us where you moved them?

Mr. Trudeau: As one of my colleagues says, it has shrunk in size and increased in quality. That is certain, Mr. Speaker.

Mr. Mulroney: Jim Coutts will never forget that.

Mr. Trudeau: And to prove that it has increased in quality—

An Hon. Member: It is of poorer quality than ever.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Well, I suggest to the Hon. Member who asked the question that his colleagues are not interested in an answer.

Mr. Dick: You forgot what he asked.

• (1140)

INVOLVEMENT OF PRIME MINISTER'S OFFICE

Mr. Jim Hawkes (Calgary West): The basic question is why the Prime Minister will not come clean with the Canadian public and tell us why his Office wanted to control these projects. He indicated to the House that it is fairly normal. I should like to read a couple of quotes and ask the Prime Minister if this is normal. One indicates that it is presently unclear whether the cost of any resources required to implement the projects is to be taken from the $150 million or can be considered as additional to the $150 million, and that a representative of the Prime Minister's Office is to clarify the situation. There are many quotations similar to this, related to the confidentiality that must be maintained.

Mr. Speaker: Would the Hon. Member please ask the supplementary question?

Mr. Hawkes: Mr. Speaker, my supplementary question is to ask whether the Prime Minister's office was playing politics with the lives of unemployed Canadians. Why was the Prime Minister's Office making first class unemployed Canadians in some regions and second class unemployed Canadians in other regions? Why is that a prime ministerial responsibility?

Right Hon. P. E. Trudeau (Prime Minister): The Hon. Member quoted what I think are not very telling points. He alleges that the document says that we distinguish between the unemployed in some part of the country and other unemployed. Could he give that quotation please, or is he just making it up, as I suspect he is?

LISTING OF OPPOSITION MEMBERS' NAMES

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, I am always ready to be of service to the Prime Minister. Two weeks ago he did not know how many unemployed there were in the country, and now he does not know how many people work in his office. The PMO in 1983-84, the PCO and the PFRO, whatever that is, and the rest of it, are going to spend $85.6 million, and they have 258,000 person years.

My question is the following. In light of the matter raised in a direct reference to the issue—

[*Translation*]

Just wait and see, they are next. We are going to get those guys from Quebec, every one.

[*English*]

In view of the questions raised by the Hon. Member for Kingston and the Islands, can the Prime Minister assure the House that within the last 72 hours no meetings were held by functionaries, political or otherwise, in his Office, who made lists of names of Members of the House who have been raising questions in regard to the special fund? Can he give us the assurance that no such lists were prepared on Members of the NDP and Members of the Opposition, and that he will return to his Office and terminate immediately any such activity and any individuals involved in it, because it has been going on?

Right Hon. P. E. Trudeau (Prime Minister): First of all, Mr. Speaker, I must tell the Leader of the Opposition that there is a distinction between the Prime Minister's Office, the Privy Council Office, and the Federal-Provincial Relations Office.

An Hon. Member: Not in your Government.

Mr. McLean: There used to be.

Mr. Trudeau: The Leader of the Opposition is making a very serious accusation. He is saying that the Privy Council Office is not an impartial office politically. He is saying it is the same as the Prime Minister's Office. I say he has made an unfounded statement and a shameful one that he should withdraw.

Some Hon. Members: Shame!

Some Hon. Members: Withdraw!

Mr. Speaker: I must point out to the Hon. Leader of the Opposition that this is the third questioner on his side, and until now the New Democratic Party has not had an opportunity. A supplementary question.

Mr. Mulroney: Mr. Speaker, it must be pretty shameful for the Prime Minister to be alarmed by it.

Some Hon. Members: Withdraw.

Mr. Mulroney: He just had the temerity to stand there and say that he was speaking as a Liberal Prime Minister. What he has done is politicize the entire Public Service, and that is what is wrong with it.

Some Hon. Members: Hear, hear!

Mr. Nielsen: That is what he has been doing; he has been doing it all along.

Mr. Mulroney: The interests of the Liberal Party take precedence over the interests of ordinary Canadians, particularly the unemployed.

REQUEST FOR ASSURANCE ON QUESTION OF LISTS

Mr. Brian Mulroney (Leader of the Opposition): I ask the Prime Minister to give Hon. Members of the House, members of the New Democratic Party and of this Party, his formal assurance that, in regard to questions raised by Hon. Members, no lists were compiled on Members with a view to abusing them and trying to intimidate them in the execution of their duties. I should like the Prime Minister to give us the assurance now, because such conduct is consistent with the kinds of activities we have been hearing about in the House.

Some Hon. Members: Hear, hear!

Mr. Hees: Come clean, Pierre!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I made a distinction between the Prime Minister's Office and I said I hoped that they are showing great concern for Liberals in this country. That is their job.

An Hon. Member: That is their job?

Mr. Mulroney: Their job is being fair. You are supposed to be the Prime Minister of this country.

Mr. Hees: You are supposed to be impartial.

Mr. Speaker: Order, please. The Prime Minister has the floor.

Mr. Trudeau: Mr. Speaker, I would hope that the Leader of the Opposition's Office is working for him and not for people on this side. If they are not I am sure he would fire them, because he has indicated a disposition to fire everybody in the Public Service who has been politicized. He says that we have politicized the entire Public Service. If that is his accusation, I suppose that he will fire the entire Public Service. He suspects them all of being servants of the Liberal Party, which is an absurd statement from the Leader of a responsible Party.

Mr. Nielsen: You have them all in the Crown corporations and the Senate.

Mr. Trudeau: We have an irresponsible Leader of maybe an irresponsible Opposition.

Mr. Hees: Tell us about the hit list, Pierre. Let us have the news about the hit list.

Mr. Trudeau: The Public Service of Canada serves the elected Government of this country.

Mr. Nielsen: I thought it served the people.

Mr. Trudeau: That happens to be Liberal now; it used to be Tory.

Mr. Hees: It is going to be Tory very soon.

Mr. Trudeau: It may be Tory again, but not the way the Leader of the Opposition is conducting his business.

Mr. Speaker: The Hon. Member for Hamilton Mountain.

Mr. Trudeau: Mr. Speaker—

Mr. Deans: Thank you, Mr. Speaker.

Mr. Speaker: The Right Hon. Prime Minister.

Mr. Trudeau: Mr. Speaker, it was pointed out that I did not answer the question. It is true. I am asked about lists—

Mr. Hees: Just give us the hit list, Pierre.

Mr. Trudeau: You have been hit in the head.

Mr. Speaker: The Chair has difficulty relating questions and answers. Hon. Members should reflect on what is happening to this Question Period which is becoming a series of minor debates, not questions and answers. The Hon. Member for Hamilton Mountain has the floor.

Mr. Nystrom: With a sensible question.

Mr. Deans: Mr. Speaker, I guess this is what we get for $1 million. I do not want to be part of this. It sounds phoney to me.

Mr. McDermid: You never will be.

* * * *

FINANCE

CORPORATE TAX CUTS—GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to put a question to the Minister of Finance. It has been widely reported from sources inside the Finance Department that the Government intends to give even larger tax breaks to the corporate sector next week, and in particular to increase the capital cost allowance and reduce the tax rates for lawyers and doctors. We already give something in the order of $10 billion per year to those same corporations. We have no evidence that it produces any single job anywhere in Canada. Will the Minister assure the House that he will take steps next week to stop this raid on the pockets of the average Canadian taxpayer and make sure that the corporations stop funding their opera-

tions out of tax giveaways that result in higher taxes for average Canadian taxpayers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is a well known fact that before every Budget there are a number of stories in the press, most of them speculative.

Mr. Jarvis: Not the last time.

Mr. Lalonde: I would expect all of them are speculative, and generally most of them are wrong. I will take my friend's point of view as a representation in the preparation of the next Budget. He will have to reach his own conclusions when he has seen the Budget.

Mr. Deans: Mr. Speaker, I have already reached my conclusion.

CORPORATE AND PERSONAL TAXES

Mr. Ian Deans (Hamilton Mountain): The Minister has frequently indicated that the reason he cannot provide the support he himself indicates is necessary for so many groups and individuals is because he does not know where to get money. I would point out to the Minister, indeed he knows it already, that as a percentage of total government revenues, corporation taxes have gone from 21.4 per cent to 6.4 per cent. If you compare what is paid by corporations in Canada in federal tax to what is paid by similar corporations in the U.S., you will find that corporations in Canada pay 33 per cent of profit, while in the U.S. the self same corporations pay 40 per cent of profit.

• (1150)

Will the Minister take steps to put an end to the growing practice of digging into the pockets of ordinary Canadians in order to fund the profit margins of major corporations, many of which spend their money outside this country? Will he rescind the $1 billion tax increase to take effect this year and which will affect every Canadian family, in an effort to try to show that the Government is beginning to come to grips with the lack of corporate responsibility, indeed the lack of government responsibility?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to point out to my friend that if the share of taxes paid by corporations has declined during the recession, there is nothing surprising about it, for the simple reason that profits have drastically declined during the recession. My friend knows, for instance, that a large number of corporations not only had no profits, but they had very substantial losses during that period. If corporations have losses, obviously they are not in a position to pay taxes. My friend also knows that even in 1983, with the recovery, the share of the Gross National Product taken by profits was smaller than it was before the recession. It is the other groups in society who have comparatively maintained or increased their share of the GNP.

As far as his recommendation at the end of his question is concerned, I remind him that there is no guarantee that the manufacturers' tax increase would necessarily be passed on to the consumer. It depends on the competition. Some corporations may absorb it in the form of smaller profits or smaller increases in prices, and others may pass it on. It will vary according to the competition and the circumstances. There is no guarantee or assurance that this is necessarily going to be paid by the consumer.

REQUEST FOR AID TO NEEDY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister must live in a world quite different from the world lived in by most other people. Surely he does not expect anyone to believe that the corporations which are being asked to pay a higher tax will not, in this instance, pass it on, since it is a sales tax.

If the Minister is saying that we can afford to pay these corporate tax rates out of the pockets of ordinary Canadians, if he is saying that there is in fact more money in the pockets of Canadians which can be passed into the corporations' profit structure, then he must surely recognize that there is money available, given the figures I have shown him, to help those hundreds of thousands of people whose unemployment insurance benefits have run out, those tens of thousands of people who have been forced much against their will onto welfare, and the 40 per cent or more of senior citizens who are now living below the poverty line. If he believes the over-all financial situation of the country justifies raising taxes on the average individual in order to lower the tax rate for corporations and special individuals, then he must be able to say now that he can afford to provide a source of income for those individuals most in need.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would invite my hon. friend to wait until the Budget is brought down next Wednesday. At that time I will be making a general statement on the economic situation in Canada and announcing my proposals in connection with the economy. The Hon. member will then be able to see what priorities have been set for the funding that will be available this year. When the Hon. Member has realized what the Government's priorities are and where the Government has directed this funding, he will be able to draw conclusions which, I hope will, prove satisfactory or at least lead him to support the measures I shall be proposing in this respect.

I would like to remind the Hon. Member that over the years, this Government has demonstrated its concern for the most vulnerable groups in our society, and I am thinking of the elderly, the unemployed and people who are in need. The Government's record compares favourably with that of any other industrialized country, and during the recession, we were one of the very few industrialized countries that, instead of reducing social benefits, maintained them to help the neediest

groups in our society. This is a Liberal tradition, and I expect we shall be continuing that tradition in the next budget.

* * *

[*English*]

NATIONAL REVENUE

TAX COURT PRECEDENTS APPLICABLE TO THE HANDICAPPED

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the Minister of National Revenue. In answer to a question from the Hon. Member for Waterloo on February 8 regarding the $70,000 in taxes on buses used by the handicapped, he stated that the taxable status was based on a previous decision. When a question was asked of the Minister regarding a handicapped gentleman by the name of Mr. Bourne, he stated that Mr. Bourne could not use as a precedent the decision concerning a Mr. Mike Overdyk. The Minister knows Mr. Overdyk won his case against the Tax Appeal Board. It has been well publicized, and he knows what the man went through.

Mr. Speaker: The Chair again has a concern about individual cases being used, and it is not reasonable to expect a Minister to have that level of knowledge at his or her disposal.

Mr. McDermid: This case he knows.

Mr. Speaker: This is not the first time that the Chair has called this matter to the attention of Hon. Members. The principle involved in a case, yes, but the individual case should not be the subject of a question as such, unless to illustrate a principle.

Mr. Fennell: I apologize, Mr. Speaker, but I believe the Minister is aware of this case. Would the Minister agree to review the situation for the handicapped and take into consideration precedents established in the tax courts?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I think we must make a clear distinction between two things: first of all, we have a case which concerns income tax and the Tax Appeal Board's decision regarding the claims of one handicapped individual with respect to his tax return. Second, we have an excise tax case that is entirely different and not dealt with in the same manner. As I said previously to the Hon. Member about the decision of the Tax Appeal Board which made it possible to deduct expenses in very specific cases, the Department of National Revenue had decided, on the basis of one specific case mentioned by the Hon. Member, that the Court's decision would apply to similar cases. I think that is clear and that is what the Hon. Member was concerned about.

[*English*]

TRAVEL EXPENSES OF THE WORKING HANDICAPPED

Mr. Scott Fennell (Ontario): Mr. Speaker, if the Minister has any human decency, would he prevail upon the Minister of Finance to put something into the Budget so handicapped people can deduct the normal expenses incurred when they have to take their own private transportation to work, and the other expenses the handicapped incur?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I imagine the Minister of Finance heard the Hon. Member's representations, since he is here in the House.

* * *

[*English*]

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM— REQUEST FOR EXPANSION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of Public Works. In contrast to many government programs which throw money at large corporations, the Residential Rehabilitation Assistance Program, RRAP, provides direct benefits to ordinary home owners. It improves the quality of housing and has an immediate impact on employment, as well as generating spinoffs in a local community. Recognizing that this is a good program, will the Minister expand it so that it no longer discriminates against Canadians who live in areas which have not yet been designated, and will the Government enlarge the funding so that it can help the economy now when it needs some stimulation?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I thank the Hon. Member for his support. The RRAP Program has been historically a very successful housing program. It has saved many many homes which would have had to be replaced with new ones had this not been done.

● (1200)

In reassessing our social housing program we are trying to find ways to stretch every dollar and house more and more people. We are considering whether we should move some of the money allocated for traditional social housing programs into home renovation and home restoration, especially in hostel type of accommodation, and to see whether we could use this avenue. I thank the Hon. Member for his support.

DISTRIBUTION OF FUNDING

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, just to underline the importance of this, three communities in my riding have never been designated as eligible for RRAP. CMHC officials have admitted that from one of the small communities they have over 100 requests annually

for assistance under the program. I hope the Minister is able to get more funding, and not just from other housing projects. If the Minister is absolutely unable to get additional funding for the project, could he at least redistribute the present funding so that communities or neighbourhoods which have been discriminated against in the past will have an opportunity of access to that program in the future?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, if the Hon. Member would check the Supplementary Estimates over the past many months he would find that wherever possible, when funds became available which were not utilized in other programs, we have favoured RRAP. We have in fact reallocated money to this program. We are looking at the problem of expanding the coverage of the program. However, I have to say to the Hon. Member that, until such time as we can inject a considerable amount of new funds, it would be very unfair to those who have been on the waiting list for some time to spread the program right across the country.

* * *

EXTERNAL AFFAIRS

LEBANON—CANADIAN POSITION AT UNITED NATIONS

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, my question is for the Minister for External Relations and deals with the extremely dangerous situation that has developed in Lebanon, particularly the firing of shells from the *New Jersey* on the Druze-Moslem positions which are supported by Syria, and in turn by the Soviet Union. I understand that the Secretary General of the U.N. has indicated that the U.N. would participate, under certain conditions, to try to solve some of these problems. Have we given instructions to our Ambassador at the U.N. to support the work of the U.N. in this connection? I think this is one way of trying to resolve a very, very dangerous situation.

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, the position of Canada with respect to peacekeeping forces is well known. It would apply in this particular instance of Lebanon. Our position is that we would participate in such a force if it were to be organized. Obviously there are a number of conditions attached to our participation. First, it would have to be a U.N. force. Second, it would have to be acceptable to the parties involved, obviously. Third, it would have to be accompanied by a ceasefire. The principle of peace-keeping operations is one that Canadian diplomacy has accepted. The practice necessitates the satisfactory realization of the conditions I have indicated.

CANADA LABOUR CODE

PROPOSAL TO ENACT YUKON LABOUR CODE

Hon. Bill Jarvis (Perth): Mr. Speaker, my question is for the Minister of Labour. For some long time, but most particularly in the last three years, the Government of the Yukon has been considering and studying entry into labour legislation, and particularly the formation of a Yukon labour code. This would require the consent of the Minister.

In order to avoid a supplementary question, what is his reaction to the request from the appropriate Minister, who, I believe has been in correspondence with him? This requires an amendment to Part V of the Code. The Minister has been indicating quite openly that we might expect amendments to the Code in various other Parts. Would the Minister consider that particular amendment which would permit the Government of the Yukon to enact a Yukon labour code?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, my departmental officials are looking into the matter at the present time, and I expect the Hon. Member will have his answer when the amendments to the Canada Labour Code are tabled.

* * *

[*English*]

FISHERIES

IMPACT OF WEST COAST OFFSHORE DRILLING—ANNOUNCEMENT OF STUDY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Yesterday an agreement was signed providing $300,000 each between Victoria and Ottawa to study the environmental, social, and economic impacts of offshore drilling. Does the Minister think the amount of $70,000 in that fund for experts to look at the biological data that have been provided by Petro-Canada and Chevron is enough? Would he tell Members of this House and the people of British Columbia why there is no intervener funding? The Beaufort Sea hearing got $1 million in intervener funding. That process was given $3.5 million. Why was only $600,000 given for British Columbia? Why is there no intervener funding?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I will take the question of the Hon. Member as notice. I will answer him as quickly as possible.

Mr. Fulton: Mr. Speaker, I have a supplementary question.

Mr. Speaker: It is difficult to accept a supplementary question. The Minister says he would like to take notice and answer the question another time. If the Hon. Member has a supplementary question that is relevant, I will recognize him.

Mr. Fulton: Mr. Speaker, it is very relevant.

Oral Questions

REQUEST FOR FURTHER FUNDING

Mr. Jim Fulton (Skeena): In 1971 the Minister's Government placed an official legal moratorium on offshore drilling in British Columbia because of the danger that offshore drilling posed to the billion dollar plus commercial sport and native fishery. I am sure the Minister is aware of the hearings which are going on relating to the *Ocean Ranger* disaster. That is costing $13 million. Would the Minister not agree, in principle at the very least, that more money should be provided for this hearing process in British Columbia so that we can evaluate the dangers before the fact; before lives, industry, and fish stocks are lost? Rather than spending $13 million after the fact, let us spend more than $300,000 before the fact and evaluate the dangers of drilling in the Hecate Strait and Dixon Entrance before serious damage is done to British Columbia's environment.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I will certainly study the suggestion of the Hon. Member. I would like to remind him that the policy of the Department is always a very cautious one which does not allow developments or actions which could hamper the fish habitat. I would remind him that in the case of the contaminated sediment from False Creek the Department issued two permits—

Mr. Fulton: No, no, offshore drilling. You signed the agreement yesterday.

Mr. De Bané: —but to dump uncontaminated sediments. That responsibility of the Department we intend to discharge very strictly.

* * *

NATIONAL DEFENCE

COMMITMENTS TO NATO

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is for the Minister of National Defence. The Government's commitment to NATO, and to Canadians, to increase defence budgets by 3 per cent per year until the fiscal year 1986-87 has been dropped. The Government has decided to stop these increases as of the fiscal year 1984-85 and keep the budget flat thereafter. That will make it impossible for the Canadian Armed Forces to fulfil NATO obligations.

Is the Minister prepared to say the Government will reverse this short-sighted decision to stop increases in the fiscal year 1984-85? Will he at least have the honesty to say what NATO commitments we are going to drop? The Armed Forces cannot fulfil the NATO commitments we have if that decision of the Government to stop the increases in the budget goes ahead.

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I would like the hon. gentleman to review the Throne Speech. In the Throne Speech comments were made to the effect that we are maintaining our real growth of 3 per cent in terms of military expenditures. That is the Government's position. I would ask the hon. gentleman as well to review the Estimates when they are tabled in a short time to see that indeed the Government is carrying forward on its commitment.

The Opposition has the impression that we are reducing military expenditures. I would point out to him that since 1973-74 we have increased our military expenditures on an annual basis. At that time our total defence expenditures were $2.2 billion. This year our estimates are for expenditures of $8 billion. That is a substantial increase.

• (1210)

The only material reduction in defence expenditures was in 1979-80 when the Tories were in power.

Mr. Andre: According to this Cabinet document, the Armed Forces will be provided with about half of what they require to meet the minimum NATO requirements. I am talking about minimum requirements.

LEVEL OF FUNDING

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, what I want to know from the Minister is if the Armed Forces will have the necessary funds to meet our obligations, or will he have the honesty to say that we are dropping some of these commitments because we will simply not provide our troops with the equipment, the weapons necessary to fulfil these obligations? It has to be one or the other.

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I would call the attention of the Hon. Member to the fact that all of our major military capital expenditures in the recent past have been in order to meet that NATO commitment. Our frigates, our CF-18s, our Leopard tanks, and even our wheeled vehicles have been aimed at meeting the NATO commitment. We are meeting the NATO commitment and it is fully our intention to continue to meet our NATO commitment. The Hon. Member is making allegations that are unfounded.

Mr. Speaker: The Hon. Member for Northumberland.

Mr. Hees: Thank you, Mr. Speaker, but as the Prime Minister got word that I was about to ask him a question he ducked out of the House. I would ask if I could be recognized on another day.

Some Hon. Members: Oh, oh!

* * *

FISHERIES

REHABILITATION OF BRITISH COLUMBIA STREAMS AND SPAWNING BEDS

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, my question is directed to the Minister of Fisheries and

Oceans. This week we were visited by a delegation of West Coast fishermen. Their prime objective was to see the Government assist in rebuilding the stocks that are in serious jeopardy at the present time.

Would the Minister propose to Cabinet that, under the Special Capital Recovery Projects Program, instead of spending $42 million renovating an old government building in downtown Vancouver which has no long term employment creation potential, the $42 million be put into a pilot project that would permit members of the Fisheries Coalition and others to go out and rehabilitate streams, build incubation boxes and spawning beds, and use this money in a more constructive way than merely adding carpets to an old government building so that public servants can be comfortably ensconced?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, there is no doubt that several initiatives can be taken to rehabilitate and reconstitute the stocks on the Pacific Coast. As you know, the Government has already committed over $150 million for the Salmonid Enhancement Program. This year and next year we will be injecting something like $75 million into that program.

Protection of the fish habitat, an initiative suggested by the Hon. Member, is certainly something very worth-while to pursue, but I think we must face the fact once and for all that the best, most efficient, and less costly way of increasing the stocks is by fishing less. That has to be understood.

I am sure most of the fishermen realize that we must reduce the fishing effort if we want to give the fish a chance to rebuild.

Mr. Speaker: A brief supplementary. The Chair would like to recognize one other member.

PROPOSAL THAT COMMITTEE VISIT WEST COAST

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, there are many other dimensions to this question that might be explored. However, I have a question for the Minister in light of the motion that was passed by all parties at yesterday's meeting of the standing committee, that the Standing Committee on Fisheries and Forestry be empowered to travel immediately to the West Coast to visit fishing communities and learn more first hand from the fishermen and their families about how they wish to participate in the rehabilitation of our fishing industry. Will the Minister and the Government support the Standing Committee on Fisheries and Forestry being given this reference and immediately empowered to travel to the West Coast and come back with recommendations for consideration by the whole House?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, my attitude has always been the same. It is not for me to become involved in the work of the parliamentary committee.

Mr. Siddon: Do you support it?

Mr. De Bané: It will have to be studied in due course, and I will ask the advice of my Government House Leader.

* * *

FORESTRY

NEGOTIATION OF FEDERAL-PROVINCIAL AGREEMENTS

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, my question is directed to the Minister of Finance, partly because the Minister responsible for the Canadian forestry service is not here today. The Minister of Finance will be aware that negotiations for a new federal-provincial forestry agreement in British Columbia have broken down. Consequently, possibly only $5 million instead of some $52 million will be expended by the federal Government in British Columbia for forestry in the coming year.

He should also be aware that there are no new agreements for the big three provinces of Ontario, Quebec, and British Columbia, in the areas of forestry. Since there is only $10 million out of some $130 million allocated for forestry renewal by the federal Government actually being spent, will he give us some assurance that the moneys not spent from this year's allocation this year, because of the failure of the provinces and the federal Government to reach agreements, will be added to whatever moneys might be planned for this coming fiscal year in order that we can save what little is left in many provinces of the most important industry in this country?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, indeed there are discussions taking place with the various provinces concerning the extension of agreements dealing with forestry. Some of these agreements, such as the one with the Government of Manitoba, have been signed. In other provinces, such as British Columbia, it seems to be more difficult to get an agreement. I know that my colleague is spending a lot of time and effort to try to arrive at a satisfactory agreement. We will pursue our efforts in that regard. As to the specific request of the Hon. Member, it will be given consideration.

Mr. Pinard: A point of order—

Mr. Speaker: Would the Hon. Member's supplementary question please be brief? The hour has expired.

Mr. Nielsen: On a point of order—

Mr. Speaker: Could we have a brief supplementary question, and then the point of order?

Mr. Pinard: On a point of order—

Mr. Speaker: The Chair would like to allow a brief supplementary question and then go to the point of order.

The Budget

EXPENDITURE OF FUNDS IN BRITISH COLUMBIA

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I have a brief supplementary question for the Minister of Finance. The Minister of Forests in British Columbia says that he has the authority from his provincial Government to at least spend the $5 million as under the existing agreement. Apparently we do not have the assurance that the federal $5 million share under the existing agreement will be available for at least a one year extension of that federal-provincial agreement. Can we have the commitment now from the Minister of Finance that the $5 million out of the $130 million that had been allocated will in fact be available, so that we do not throw away even that minimal chance to renew a little of our forest resource in British Columbia?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will draw the Hon. Member's representations to the attention of the Minister responsible for forestry. However, I would emphasize that there is nothing preventing the Government of British Columbia from spending that money on its own resources. The forests and Crown land belong to the provincial Government. There is nothing preventing the provincial Government from spending the $5 million if it wants to do so. Let it go ahead. I will applaud that. Since it is its forests and its resources, why doesn't it go ahead and spend more?

* * *

THE BUDGET

TIME OF PRESENTATION

Hon. Erik Nielsen (Yukon): Mr. Speaker, yesterday the Government House Leader said that perhaps by Question Period today he would be able to indicate the timing of the Budget next Wednesday. I indicated yesterday that we would be prepared to consent to extend the hours of sitting to the traditional time of eight o'clock to hear that Budget.

I have considered the matter very carefully and consulted with my colleagues since that time. We are prepared now, should the Government be disposed to accept the offer, to suggest four o'clock. By that time I think all of the exchanges would be closed. If that would suit the convenience of the Government more than eight o'clock, we are certainly prepared to consent to four o'clock.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I had indicated to you earlier that I wanted to rise on a point of order, to deal exactly with this question. We would have saved a lot of time if I had been recognized first.

• (1220)

What I am saying—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. I would ask Members to be a little tolerant with the Chair. It has not been the best day for the Chair.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Dick: It has not been the best day for the Government either.

Mr. Pinard: Yesterday I indicated that we would be in a better position today to be more specific as to the exact timing of the budget presentation. I have said that we received an indication from the Official Opposition that the Official Opposition preferred eight o'clock in the evening. In fact, the Official Opposition offered consent for eight o'clock yesterday. I want you to know, Mr. Speaker, that we preferred the afternoon. The Official Opposition had refused the Budget being presented at 4.30 p.m. We are very pleased that now the Official Opposition has reconsidered and accepts four o'clock.

We got in touch with the exchange market people, and most of those to whom we have spoken prefer an afternoon Budget. We very much welcome this co-operation. We are now experimenting with parliamentary reform, and having finally eliminated evening sittings, I think it is in the spirit of parliamentary reform that we have all major presentations, including Budget presentations, in the afternoon. Therefore, I welcome the consent offered by the Official Opposition that the Budget be presented at four o'clock in the afternoon next Wednesday.

There is, though, the requirement of a specific House order under Standing Order 64(2). Pursuant to Standing Order 64(2) I request, Mr. Speaker, that you designate the necessary Order of the Day to permit the Minister of Finance to propose a motion pursuant to Standing Order 64(3) and to make his Budget presentation on Wednesday next, February 15, 1984.

The understanding and the agreement after consultations with the House Leader of the NDP as well, who I also thank very much for his co-operation, is that the Budget presentation be made at 4 p.m., and that if we reach Orders of the Day before 4 p.m. on Wednesday afternoon, the agreement is that the sitting be suspended until 4 p.m.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am pleased to hear that the agreement which has been worked out along the lines I anticipated will be satisfactory. I had thought 4.08.36 p.m. myself, but I think four o'clock will be satisfactory!

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: That is what you get with Laxer.

Mr. Nielsen: Mr. Speaker, there is one remaining consent that should be on the record, and that is as laid out by the Government House Leader with respect to reaching Orders of the Day prior to four o'clock on Wednesday. We are agreeable that, should that happen, the sitting of the House be suspended. Of course, we will go through the normal Question Period hour and, if we reach Orders of the Day before four o'clock, of

course we agree to suspend the sitting until 4 p.m. for the Budget.

Mr. Pinard: That was exactly the second part of the consent I was seeking. I said that if we reached Orders of the Day before four o'clock, the sitting be suspended. I welcome this consent as well, Mr. Speaker.

Mr. Speaker: Is it agreed and so ordered?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

* * *

[*Translation*]

NATIONAL REVENUE

TAX ON BUSES FOR HANDICAPPED

Hon. Pierre Bussières (Minister of National Revenue): I would not want to tax your patience, Mr. Speaker, but in answer to the Hon. Members for Waterloo and Beaches earlier this week I said that we did not collect any taxes on the sale of buses for the handicapped. However, since the money had already been withheld, we paid it back yesterday. Technically speaking, we refunded rather than collected the money.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, I rise on a point of order. I just want to thank the Minister of National Revenue (Mr. Bussières) for correcting that statement. I hope that he will correct the basic injustice as well.

Mr. Walter McLean (Waterloo): Mr. Speaker, I rise on a point of order. I also want to recognize the point that the Minister is making, which is substantial. In fact, the matter—

Mr. Speaker: Order please. The Hon. Minister has risen to make a correction to the record or to give an explanation.

Mr. Ouellet: Which has been done.

Mr. Speaker: The Minister made a statement which perhaps clarified certain things. It is a privilege extended by the House but the Chair does not propose to enter or permit debate on this matter.

* * *

PETITION

MR. NYSTROM—TESTING OF CRUISE MISSILE—CALL FOR FREE VOTE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Yorkton-Melville (Mr. Nystrom) on Thursday, February 9, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 340, 362, 385 and 389.

[*Text*]

CANADA STUDENT LOANS PROGRAM

Question No. 340—Mr. Orlikow:

1. Given past patterns and current post-secondary enrolment, how many Canada Student Loans will be consolidated by students leaving full-time studies between August 1, 1982 and July 31, 1983?

2. In each of the past four years, what was the total number of loans consolidated?

3. What is the total dollar value of loans that it is forecast will be consolidated in the fiscal year 1982-83?

4. In each of the past four years, what was the average per capita value of loans consolidated and what is the forecast per capita value of loans which will be consolidated in the fiscal year 1982-83?

5. How many of the students who consolidated their loans in each of the past four years and for whom consolidation is forecast in the fiscal year 1982-83 have been in the loans program for (a) one year (b) two years (c) three years (d) four years (e) five or more years?

6. What was the rate of default on the loans in each of the past four years and what is the rate forecast to be in the fiscal year 1982-83?

7. In each of the past four years and forecast for the fiscal year 1982-83, what was the difference between the interest rate charged on Canada Student loans and the average prime rate on a quarterly basis?

Hon. Serge Joyal (Secretary of State): 1-4. Canada Student loans consolidated by full-time students leaving full-time studies.

Loan Year	No. of loans consolidated	Total value	Average per capita
1978-79	59,000	$129,000,000	$2,186
1979-80	57,000	133,000,000	2,333
1980-81	56,000	136,000,000	2,429
1981-82	63,000	156,000,000	2,476
1982-83 (est.)	65,000-70,000	$200,000,000	$2,857 to $3,077

Note: Current computer system does not maintain data on a historical basis. Therefore the above only represent estimates.

5. Computer records of loans are only maintained on a cumulative basis; therefore, it is not possible to determine the number of years for which the students who have consolidated their loans have been in the Canada Student loans Program.

6. The default rate is defined as the ratio of students who have become liable to repay their loans (i.e have consolidated) as compared to those who have had a claim paid to a lender because of default in payment under their consolidation agreement. The rates below are cumulative from inception of the program to the end of each loan year indicated.

1978/79	8.6 per cent
1979/80	9.2 per cent
1980/81	9.7 per cent
1981/82	10.1 per cent
1982/83	10.7 per cent (projected)

7.

Fiscal Year	Quarter	Government Rate over (+)/under (−) chartered bank prime	Student rate over (+)/under (−) chartered bank prime
		per cent	per cent
1978-79	1	−1.13	−0.75
	2	−2.17	−1.8
	3	−2.5	−2.13
	4	−2.67	−2.3
1979-80	1	−4.0	−4.13
	2	−4.13	−4.23
	3	−4.96	−5.08
	4	−2.26	−2.38
1980-81	1	+0.83	+0.58
	2	−3.5	−3.75
	3	−4.83	−5.08
	4	−6.92	−7.17
1981-82	1	−5.83	−6.46
	2	−1.5	−2.13
	3	−1.33	−1.96
	4	−2.0	−2.63
1982-83	1	+1.46	+0.96
	2	+3.77	+3.27
	3	+4.38	+3.88
	4	+5.38 (est)	+4.88

CANADA MARKETING ASSISTANCE PROGRAM

Question No. 362—**Mr. St. Germain:**

Since April 1, 1981 did any firms or individuals receive support under the Canada Marketing Assistance Program of the Canadian Government Office of Tourism and, if so, in each province how many (a) firms (b) individuals and at what total cost to date?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Yes, a number of firms have received support under the Canada Marketing Assistance Program (CANMAP) since its inception, April 1, 1982:

(a)	Ontario	17
	British Columbia	16
	Quebec	7
	Alberta	5
	Saskatchewan	3
	Newfoundland	1
	Nova Scotia	1
	Manitoba	1
	Northwest Territories	1
	Yukon Territory	1

(b) None.

The total cost to date is in the amount of $444,276.57.

FEDERAL-PROVINCIAL LEGAL AID AGREEMENTS

Question No. 385—**Mr. Howie:**

Will the Government renegotiate the federal-provincial legal aid agreements and what is the estimated cost to Canada of this renegotiation?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Department of Justice is concerned: the Federal-Provincial Criminal Legal Aid Agreements are currently under renegotiation with all ten provinces. Canada has made an offer to the provinces which for 1983-84 will increase Canada's total contribution to over $40M. This is an increase of $12M, or 43 per cent, over what was due in 1982-83 under the old agreement. In 1984-85, Canada's contribution will increase to $45M.

These amounts do not include additional financial assistance to be provided to the provinces for legal aid services to young offenders, required as a result of the proclamation of the Young Offenders Act on April 1, 1984. This additional cost sharing is currently under negotiation with the provinces.

STUDY OF ADMINISTRATIVE LAW TRIBUNALS

Question No. 389—**Mr. Howie:**

Did the Department of Justice undertake a study of administrative law tribunals and, if so, what was (a) the time frame of the study (b) the estimated cost (c) the purpose of the study?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Department of Justice is concerned:

1. (a) Yes, the Department of Justice is studying federal administrative tribunals in the context of a three-year administrative law reform project that began in fiscal year 1983-84 and is expected to continue through fiscal year 1985-86.

(b) The estimated cost of the entire project is $850,000.

(c) Project staff and consultants are doing research and preparing recommendations on the following subjects:

1. the rationalization of social benefits appeals tribunals;

2. minimum uniform guidelines on administrative procedure for tribunals and the feasibility of establishing an advisory council on tribunals;

3. revisions to the *Statutory Instruments Act*;

4. law concerning the Crown, including Crown proceedings and immunities, prerogatives, privileges and liabilities.

[*English*]

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 136 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 136 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CRIME STATISTICS

Question No. 136—**Mr. Patterson:**

1. Since 1975, by year, how many murders took place in Canada?

2. By year, how many murders involved children under the age of 16 years?

3. Since 1975, by year, how many rapes/sexual assaults on children took place?

4. In the case of child murders, by year, how many involved sexual assault on the victim?

5. (a) Since 1975, by year, in the case of child murders, how many individuals were charged with (i) first degree murder (ii) second degree murder (iii) manslaughter and, in each case, what was the conviction relating to the charge (b) how many individuals (i) charged (ii) convicted had previous criminal records relating to sexual assaults on children?

6. Since 1975, by year, how many crimes of (a) murder (b) rape/sexual assault were committed by individuals released from penitentiary under (i) mandatory supervision (ii) weekend/day passes under the temporary release program (iii) parole?

7. Since 1975, for those persons charged with rape/sexual assault, how many (a) were released on bail (b) committed crimes relating to sexual assault while on bail?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

Hon. Bob Kaplan (Solicitor General of Canada) moved that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, the proposed legislation before us today represents a major turning point for Canada's security intelligence system. We are asking Parliament to provide, for the first time in Canada's history, a legal framework more comprehensive, and more detailed, than that of any other security system in the world. Every other country leaves a large part of their security system wholly within the prerogative of government. With Bill C-9 we have tried to reduce that element to an absolute minimum. This Government believes that such an approach is not only desirable, but essential if we are to maintain the necessary balance between effective national security and the civil liberties that are fundamental to our society.

[*Translation*]

Bill C-9 is the result of many years of research, discussion and debate on the way this balance should be achieved. Since the Second World War, there has been, both in Canada and in the rest of the world, an incredible increase in security intelligence activities, generally without legislative authorization or control. In Canada, the present RCMP Security Service has no legislative mandate and exercises powers that are neither defined by Parliament nor regulated by judicial control. As the issue of security becomes increasingly complex, the absence of a specific legal framework raises concerns about our individual rights and freedoms.

• (1230)

[*English*]

These concerns have been addressed by two commissions of inquiry in the last 15 years—the Mackenzie Commission in 1969 and the McDonald Commission in 1981. Both Commissions concluded that to address effectively threats to Canada's security while protecting Canadian civil liberties, our security service should be split out of the RCMP and become more civilian in nature with a legislated mandate and a new system of control and review of security operations.

Responding to these recommendations, the Government developed a detailed set of proposals to reorganize the RCMP security service as a civilian agency, operating under a new framework of mandate, powers and controls and, for the first time, independent review. These proposals were presented last year as Bill C-157 and submitted for examination to a special committee of the Senate. After hearing the representations of interested groups and individuals from across Canada, the Senators reaffirmed the central recommendations of the earlier commissions and endorsed the basic framework proposed in Bill C-157. At the same time they suggested many amendments which will help to achieve the essential balance between national security and individual liberty.

The Senate committee emphasized the urgent need for this legislation. They said that our present security intelligence arrangements are not acceptable and new legislation "should be enacted in the near future". I recognize this sense of urgency. I have tabled the amended legislation as early as possible to facilitate a full parliamentary debate on Bill C-9.

At this stage it is important to focus clearly on the fundamental principles of the Bill. No doubt a Bill dealing so directly with questions of national security in a free society raises many complex and disturbing issues. In an area where a calm and reasoned approach is vital, it is easy to give way to sensationalism or empty rhetoric and lose sight of what is really at stake in Bill C-9. What is not at question today is the need for an efficient security intelligence service. This need has been fully demonstrated by both the Mackenzie and the McDonald Commissions. There have been many occasions in recent years when our national security would have been

irreparably damaged if we did not have the accurate intelligence supplied by our present security service.

As the Mackenzie Commission said in 1969:

—the duty of the State to protect its secrets from espionage, its information from unauthorized disclosure, its institutions from subversion and its policies from clandestine influence is indisputable; what are matters for dispute are the organizations and procedures established by the State to meet this responsibility in an area which can tough closely upon the fundamental freedoms of the individual.

[*Translation*]

At recent hearings before the Senate, where many people challenged the organization and methods we proposed, there was never any question about the need for some kind of security intelligence organization.

We want to restrict the mandate of our Security Service in order to define more clearly, and in greater detail, the scope of our security intelligence activities. We want to indicate the exact powers the Service will be authorized to use, and we want to specify the conditions and limits of use of those powers. We want these conditions to be defined within a detailed framework that will ensure full respect for the law, and we intend to establish a non-governmental and fully independent committee that will monitor the justification of security intelligence activities and report regularly to the Solicitor General of Canada and to Parliament.

The purpose of this Bill is therefore, to a large extent, to provide a new set of guarantees and controls that do not exist at the present time, in order to protect the rights of Canadians against undue interference. If we are at all concerned about the quality of our democracy and the freedom of dissent and political association that is fundamental to our society, I believe this legislation is necessary. The MacDonald Commission emphasized that, in Canada, the aim of a security and intelligence service is to protect the needs of a free and democratic society. That is the whole purpose of Bill C-9.

[*English*]

There are those who say that the new framework being proposed could be introduced within the present RCMP security service. In fact, some people interpret the separation of the security service from the RCMP as an implied criticism of the ability and integrity of our national police force. I want to make it very clear that this is a fundamental misunderstanding of the Government's position.

The RCMP is the finest police force in the world. It enjoys a well-deserved international reputation. I, for one, am extremely proud of the force that has displayed such integrity and dedication to the cause of law enforcement. However, the very system which makes the RCMP an effective police force makes it less suited as a security intelligence organization. The RCMP has had the job of providing policing for Canada for well over a century. It has had the responsibility for assuring national security developed as a special division within the RCMP since World War II. However, the way in which the debate on Bill C-157 developed shows that Canadians themselves appreciate the distinction between police work and security work.

It became clear early in the decade that interested Canadians want the Solicitor General to know exactly what the security intelligence service is doing at all times and to be responsible down to the detail of every warrant issued by the court for intrusive investigative action against a suspected threat to the security of Canada. The public and the Senate committee made it clear that only in this way is there adequate accountability for the service.

The Government agrees. This sensible demand requires a close link between the Government and the security service—an important relationship or link of overall government responsibility for what the service does. On the other hand, when one looks at police operations, the public expectation and the long-established tradition are the opposite. Parliament has given the police of Canada, including the RCMP, the Criminal Code; and the Government has given the RCMP policy guidelines for intrusive techniques. The law provides that they obtain warrants from judges.

Everyone surely knows that the Minister, the Solicitor General, does not tell the RCMP when to open and close criminal files. The Solicitor General does not tell the RCMP who to investigate or who not to investigate and where or when to seek a judicial warrant to engage in more intrusive investigation. The Canadian people want police investigations to be entirely free of government interference and direction. In other words, people want the RCMP security service to be accountable, but in police work they want the RCMP to be independent.

It has not been easy for the RCMP to contain at the same time these two conflicting responsibility models. Two royal commissions have shown the problems which can arise. It is time to recognize this incompatibility. It is time to permit the RCMP to continue its traditional and fundamental independence in policing. Indeed, as I will show in a few minutes, its policing role in relation to security is to be considerably enhanced by this Bill. At the same time the security service is to be spun out, its powers of arrest are to be removed, and it is to be given the degree of ministerial involvement and greater accountability which security work requires.

● (1240)

The Mackenzie Commission set out its reasons for separation in 1969 as follows:

Apart from a similarity in some investigative techniques, the differences between police and security duties seems to us to be wide. Police forces are concerned primarily with law enforcement, including post factor investigations, with the collection of evidence and with the prosecution of crimes. Security services are primarily engaged in preventative activities and the collection of intelligence . . . We feel, in short, that the professional security service officer is quite different from the professional policeman and that this difference should be reflected in recruiting methods, in training and career patterns and in organizational structure . . . On balance, the best solution seems to us to be the creation of a new non-police agency to perform the functions of a security service in Canada.

When the Commission's report was presented to this House, the Hon. Robert Stanfield acknowledged these differences and expressed "doubts" as to whether the "Mounted Police lends

itself very readily to the sort of modifications" proposed in the report. The Hon. Tommy Douglas, the Leader of the New Democratic Party, also addressed this issue when he commented:

> First of all I refer to the recommendation of the royal commission that there be a civilian, non-police agency because, as they point out, there is a wide difference between police and security duties. Without any reflection whatsoever on the very excellent service the Royal Canadian Mounted Police have performed, there is a great difference between law enforcement and the carrying out of the duties of a security service. There is a difference in the type of training required, the form of recruitment and the structure of a police force, on the one hand, and a security agency on the other.
>
> I submit that it takes a certain degree of training and sophistication to recognize the difference between honest dissent and a desire to subvert our democratic form of society. Therefore, I think that the recommendation of the royal commission for the setting up of a civilian non-police agency has a great deal of merit, and I am extremely disappointed that the government has rejected this proposal out of hand.

This issue was examined again by the McDonald Commission in 1981; they concluded that the type of framework necessary for security operations would "work more effectively for a separate and civilian security intelligence agency than for a security service within the national police force".

The question of separation was reviewed once again by the Senate Committee last year, and once again the conclusion was the same. I think we have to agree with a comment the Hon. Member for Saskatoon West (Mr. Hnatyshyn) made in a press conference following the Senate Committee's report: separation can no longer be considered a major issue. After 15 years of discussing this matter and experimenting with alternatives, all the arguments are in: we need a separate and specialized agency to respond to the increasingly sophisticated threats to our national security.

Mr. Hnatyshyn: Mr. Speaker, I think that should be Saskatoon East. It wasn't Saskatoon West, I can tell you that. You had better get the security service on this one because I don't think you are right!

Mr. Kaplan: I will verify the attribution during the lunch hour.

As I have said, this is in no way a criticism of the RCMP. Members of the present security service have performed outstanding work under very difficult conditions. They have been asked to do a job when no suitable framework is in place to help them do that job properly. Yet they are able to command a high level of respect from the international community. They deserve a better system, and must welcome the prospect of a civilian agency and the improved direction and control such an agency will make possible.

I would like to stress that the RCMP is not, as some critics would have it, being removed from the security intelligence field. Indeed, as Hon. Members know, the legislation specifically provides in Part IV that the RCMP will have the primary jurisdiction to investigate security-related offences, offences which arise out of conduct constituting threats to the security of Canada.

Just as the Mackenzie and McDonald Commissions concluded that the police function is incompatible with the security intelligence function, so too it is necessary to keep a security intelligence agency out of police work. Bill C-9, in making the investigation of security-related crimes the legislative preserve of police authorities, accomplishes this end. In short, in the security field the RCMP role will remain consistent with its well recognized and world renowned primary function, namely enforcing the law.

[*Translation*]

The new organization must at least be told, in the form of clear and unambiguous legislation, what it is supposed to do. That is why the proposed mandate is such an important part of Bill C-9. This mandate will be a definition by Parliament of the scope and limits of security intelligence activities. For employees of the Security Intelligence Service, it will be the definitive guide to their duties and also constitute a clear point of reference for assessing the efficiency and accuracy of security intelligence activities. By exchanging the present mandate, established by a Cabinet directive, and thus subject to amendment by Parliament and by Cabinet, for a legislated mandate that can be changed only by Parliament, we are taking a giant step forward in protecting the rights of Canadians.

[*English*]

The primary purpose of the service will be to collect and analyze information and threats to Canada's security. The current RCMP security service is mandated—and here I am quoting from the 1975 Cabinet direction—"To maintain internal security by discerning, monitoring, investigating, deterring, preventing and countering individuals or groups"; and then follows a list of security threats. I would like to remind Hon. Members that, in keeping with the recommendations of the McDonald Commission, the words "deterring, preventing and countering" do not appear anywhere in Bill C-9. The new service will have no powers, using the McDonald Commission's phrase, to "take measures to enforce security". The primary purpose of the service will be restricted to the collection, analysis and reporting of security intelligence.

In Clause 2 of the Bill you will find carefully worded definitions of these threats: espionage and sabotage, foreign interference, terrorism and subversion. While each of these elements is important, the definition of subversion requires special attention. Other areas of the mandate are generally concerned with activities of foreign agents or activities directed by foreign agents; but subversion may involve Canadian citizens more directly. The definition of subversion draws the critical line dividing legitimate dissent from subversive activity, which may be put under surveillance.

There must be no doubt that Canadians are assured the basic right to engage in political dissent, and to advocate radical change in social practices, government policies or political institutions, without being subject to surveillance for so doing. The McDonald Commission describes the exercise of this right as "the lifeblood of a vibrant democracy", and we could not tolerate any system that threatened to interfere with this right.

Some people have suggested that, because subversion is so difficult to distinguish from legitimate dissent, we should exclude subversion from the mandate of a security service; but this is surely dangerous. Genuine subversion is a genuine threat to national security, and we must be in a position to deal with such a threat. As the Senate Committee observed:

—it was suggested by some witnesses that subversion should not be a concern of the CSIS at all, specifically because it is so hard to distinguish from legitimate activities. The Committee does not agree with this approach. Even though the limits of subversion are hard to define, it can represent a threat to the security of the state. A state should be in a position to protect itself from illegitimate attempts to weaken its institutions.

● (1250)

Therefore, I have tried to formulate a definition that focuses precisely on that aspect of subversion which can seriously endanger a democratic society. The McDonald Commission emphasized, and I quote:

The key element in the subversive activity which is the proper subject of security intelligence activity is the attempt to undermine or attack, through violence or unlawful means, the basis values, processes and structures of democratic government in Canada.

The definition I have proposed accurately reflects that key element, and just that element, of subversion.

[*Translation*]

I am convinced that the mandate described in the Bill amounts to the best possible protection of civil liberties in Canada. Never in any instance will it be possible to equate protest or non-violent and legitimate unrest with a threat to national security. Still, to avoid any possibility of misleading interpretation, no mater how remote, we have clearly indicated in the Bill that no one can be investigated by the Service only because he or she has taken part in activities related to lawful advocacy, protest or dissent.

[*English*]

I should also point out that the mandate, as reworded in the Bill before you, limits all security investigations to those that are "strictly necessary", in the interests of national security. This is a clear signal that the mandate is to be interpreted narrowly. Only if it is demonstrably necessary for national security will an investigation be supported by this mandate.

While the mandate defines the job the security service is expected to do, we must also tell the service how this job is to be performed. Bill C-9 sets out the specific powers of investigation available to the service, and it sets out the conditions which will govern the exercise of these powers. These powers are admittedly considerable, and many people are understandably uneasy about giving any agency this capacity for investigation. But such a capacity is necessary. The McDonald Commission, whose unquestioned concern for the basic rights and freedoms of Canadians permeates its report, was equally concerned that the security agency be given full investigative powers appropriate to its legitimate and mandated function. The Commissioners observed, and I quote:

Because of the secrecy maintained by those who pose the most serious threat to Canada's internal security, the security intelligence agency must be authorized to employ a variety of investigative techniques to enable it to collect information. The means available to it must range all the way from studying open sources of research material and obtaining information from citizens, police forces and government agencies . . . to using much more covert and intrusive methods that may involve the use of powers not available under law to the ordinary citizen.

The Senate Committee reached the same conclusion last year. It said:

While the utility of any given technique varies with the circumstances, to absolutely deny one or the other to the agency would be to unreasonably restrict its operations. The Committee is aware of the dangers inherent in allowing such powers to be given to anyone. But . . . the proper way to avoid abuse is to restrict (these powers) to specific and exigent circumstances . . . Thus mail-opening, for example, will be available but only in a proper case where the agency meets a strict set of conditions, and where the prescribed mandate and functions of the agency allow it.

In weighing the implications of these powers, Members should note that Bill C-9 sets out an exceptionally strict series of conditions for the use of these powers, and for the first time these powers will be subject to judicial control through the warrant process. I note that the imposition of judges as a safeguard on the use of these powers has no counterpart in present arrangements. It represents a great step forward in the protection of rights. The service will not be allowed to exercise any intrusive powers without a judicial warrant, and every application for a warrant must first be approved by the Solicitor General. A judge who issues a warrant must first be satisfied that its use falls within the mandate of the service, other investigative techniques have been tried, or that there are special reasons why the technique in question is uniquely necessary.

There are still more conditions which would help to ensure that these powers are not abused. For example, to prevent "judge-shopping" all warrant applications would have to include details of any previous applications, and all warrants would have a maximum time limit of one year. Taken together, these conditions represent a substantial set of safeguards against the potential for abuse in intelligence operations, and, I might add, these safeguards have no counterpart in our existing arrangements. They are a great step forward in the protection of rights.

Bill C-9 also introduces a new set of provisions for monitoring and reviewing security intelligence operations. The Solicitor General will be fully responsible and fully accountable for the security service, as in the present system. But the Bill would introduce two additional elements to ensure that the system as a whole is operating as intended. These are perhaps the most innovative features of our proposed legislation, and I believe they are vital as an effective and credible guarantee that intelligence operations remain within the rule of law. Compared to present arrangements, they are a further protection of the rights of Canadians.

First, there will be an Inspector General, who will monitor and review the operational activities of the service. He will have full access to information on intelligence operations, and his job will be to ensure that existing policies and procedures are being observed by the service. The Inspector General must advise the Minister of any activities he feels are unauthorized or unlawful, or which involve an unreasonable use of investiga-

tive powers, and any illegalities must be reported by the Minister to the Attorney General.

Second, there will be an external Security Intelligence Review Committee, made up of respected "outsiders" who have no vested interest in the service. At least three and up to five Privy Councillors who are not sitting in Parliament will be appointed by Order in Council, after the Prime Minister has consulted with the Leader of the Opposition and the leader of each Party in this House with at least 12 sitting Members.

The Review Committee will have full access to detailed information on the activities of the service. It will receive regular reports from the Director of the service and from the Inspector General. It will conduct an ongoing review of policies and procedures, making recommendations to the Minister as it sees fit. It will investigate complaints against the service and will review the security screening process affecting immigration and government employment, investigating specific cases, if necessary. This opportunity to seek review by citizens who are denied government employment, denied promotion within the Government, or denied various immigration possibilities, is something new, created for the first time by this legislation. It should also be considered a great step forward for civil liberties.

Finally, this Review Committee will report annually to Parliament and under present rules this report would be referred to a standing committee. Thus, an important role of the Review Committee will be to highlight any concern about abuse of powers within the service and to bring particular issues of policy into the field of public and parliamentary debate.

[*Translation*]

At the risk of appearing to be repetitious, I would like to emphasize the fact that all the provisions of the Bill, including the legislated terms of reference, the powers defined by Parliament, the judicial control and the review by an external organization, are new and are all necessary to maintain a proper balance between national security and the civil liberties of Canadians. None of these guarantees do exist at the present time. We are breaking new ground with this Bill, and as always, this is not easy to do.

Every Government in the world is reluctant to provide a detailed legislative framework for security intelligence activities. The reason for this is obvious. Whenever people are asked to think about the powers required to ensure the efficiency of security intelligence, they feel deeply concerned. It is thus easy for critics to keep stressing the dangers inherent to these powers and to avoid mentioning the provisions set up for their use.

[*English*]

Shall I call it one o'clock?

The Acting Speaker (Mr. Herbert): It being one o'clock, I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*Translation*]

The Acting Speaker (Mr. Herbert): The Hon. the Solicitor General.

Mr. Kaplan: Mr. Speaker, having almost completed my remarks, I should like to resume where I left off.

The Government is attempting to deal openly and frankly with the issue of national security. We believe that the best way to protect civil liberties is to establish publicly a legal framework which will enable us to define and control intelligence activities. We also believe that such a framework cannot be effective unless we have the support and understanding of the public.

• (1410)

[*English*]

Few people would deny the need for legislation in this area. With the Charter of Rights and Freedoms we have demonstrated and affirmed our commitment to individual liberty. We have acted on that commitment with initiatives such as the Freedom of Information Act, the Privacy Act, and the Young Offenders Act. In the context of these accomplishments, Bill C-9 responds to a significant gap, a gap that could seriously undermine the genuine achievements of this Parliament. That is why this legislation is vitally important.

Bill C-9 is the result of a long and difficult process which began 15 years ago. The Government has shown its good faith on the issue. We are not after Orwellian security service and we are not out to transform Canada into a police state. On the contrary, we have listened to public comment on our proposals and, while I may have felt that some criticisms were exaggerated, I recognize that the concerns were real. I have done my best to accommodate those concerns in Bill C-9 and I believe this Bill is a better piece of legislation as a result.

These are the proposals, Mr. Speaker. I would like to see these important safeguards put in place and as soon as possible; but that is up to Parliament. After 15 years of discussion and debate I think the real issue today is this: We can give the people of this country clear statutory assurance that their rights and freedoms will be respected, or we can leave our security intelligence system in a prolonged state of uncertainty, with no legislative framework, no public mandate, no judicial approval role, no independent or external review; in short, none of the safeguards we all believe are important to the rights and freedoms we enjoy in this society. Whatever we do during this parliamentary session, we will be forced to make one of these choices. I think, Mr. Speaker, the right choice is obvious.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I am pleased to finally—and I underline the word "finally"—have the opportunity to enter into debate on the floor of the House of Commons on this most important piece of legislation. There should be no mistaking the fact that this Bill under consider-

ation today deserves full and carefull scrutiny. The Solicitor General (Mr. Kaplan) made reference in his remarks today to the fact there has been a long period of time under which the security service and the security capacity of our country has been under examination. I propose to deal at length later in my remarks with respect to this aspect of the matter, but the fact is that we finally have the opportunity of looking at this legislation on the floor of the House of Commons for the first time. This is the first occasion that the elected representatives of the people of Canada have had to enter into this particular debate over the 15 years referred to by the Solicitor General during which this matter has been under consideration.

This legislation seeks to establish a new civilian security force for Canada. That force, if formed, would differ from a standard police force in two critical respects: it would be granted powers to engage in intrusive surveillance far greater than those available at the present time to law enforcement agencies; secondly, it would use those powers as a means to achieve an objective which differs in kind and substance from the objective of police forces. Instead of investigating crimes and bringing criminals to justice, the new agency would be charged with the collection of information on Canadian groups and individuals as well as foreign nationals who have been targeted for surveillance. There can be no question about the fact that, even in a democratic society, knowledge is power. Governments and government agencies thrive on information and collect it assiduously. Once they have it, they are reluctant to divulge it except for their own purposes.

We have had a recent and clear example of how confidential information can be misused by this Government, Mr. Speaker. The Minister of Finance (Mr. Lalonde) saw fit to direct his minions to scour the departmental files in an attempt to find written materials which could be used in a political way, and other ways, against the Leader of the Opposition (Mr. Mulroney). Ultimately that attempt failed. In fact, the ruse that was used by the Minister of Finance backfired; he has been subjected to great criticism across this land for his actions in an attempt to sustain the life of a dying government in the dying days of a Parliament.

The fact that the Minister was unable to achieve his ends through the unauthorized use of confidential material is really not the point in this context, however. What is important is that there was an attempt made to use information submitted to the Government in confidence in order to achieve what I can only describe as crass political objectives. If the Minister of Finance or any Minister of Finance is prepared to stoop to such levels and hunt through Government files in order to find material which may be damaging with respect to any citizen of Canada, it is absolutely critical that information collected clandestinely by a security service not be subject to similar abuses.

That is why this Bill is so important. When we are dealing with legislation which proposes extraordinary powers for a branch of government that will operate of necessity in the shadows, we must be extremely vigilant to ensure that there is no chance that those powers might be abused.

Unfortunately, Mr. Speaker, as I mentioned at the outset, we have waited far too long for specific government initiatives in this regard. On June 26, 1969 the report of the Royal Commission on Security, the Mackenzie Commission, was tabled in this House. After four hours of debate it apparently suffered the fate of a great many royal commission reports; it was shelved and its recommendations were ignored by the Government.

It is some 15 years since that report was received. During that time the security service branch of the RCMP has continued to operate in a form of limbo. It has seen, among other things, the appointment of a civilian director and the hiring of civilian personnel for non-operational positions. In 1977 another royal commission was appointed, that being the McDonald Commission, as the result of events which took place primarily during the 1970s and primarily related to the activities of the FLQ in the Province of Quebec. By virtue of questions that were raised on the floor of the House of Commons, the Government had no recourse but to establish a royal commission to look at the circumstances surrounding allegations of impropriety that occurred at that particular time. I will refer to this matter later on in my remarks with respect to this legislation.

● (1420)

However, I think it is important for us to remember, Mr. Speaker, that during the course of the debate in the House of Commons leading to the McDonald Commission, not once did a member of the government of the day led by the present Prime Minister (Mr. Trudeau), the Solicitor General or any member of the executive branch of the government of our country, stand and accept any responsibility whatsoever with respect to any of the occurrences that took place in the security branch under the direction of the Government of Canada.

Part of the mandate of the McDonald Commission was to report and advise regarding the policies and procedures governing the activities of the RCMP in the discharge of its responsibility to the security of Canada. The McDonald Commission reported in 1981 and presented some specific recommendations with respect to security matters. Yet it was not until May of 1983 that the Government got around to presenting the first draft of any legislation whatsoever. This was a delay of some two years, during which time heaven knows what went through the mind of the Minister. The Commission had spoken. The Minister sat mute for two years cogitating, reflecting and considering a response with respect to recommendations made by that Commission. It is hard to believe that after two years the Minister had to give the most serious consideration worthy of that Minister sitting in the other place, a place of sober thought. He had sufficient opportunity and time to consider his response, but it took him two years. It is hard to believe that with two years to draft legislation a Bill as flawed as Bill C-157 was the best that could be produced by this Minister and the Government.

It is just as appalling, 15 years after the Mackenzie Commission and two and one half years after the McDonald report, that this is the first opportunity the elected representatives of the people of Canada have had to debate the most critical of issues. That is a dereliction of responsibility on the part of the Government. That is far too long for us to wait to come to grips with respect to this type of legislation.

There is no question in my mind that, as a result of the ineptitude and inefficiency of this Minister and the Government, the morale of individuals who have served on our security service has suffered. They have been scrutinized by royal commissions. The service has been scrutinized by a Senate committee. Instead of producing legislation which was appropriate and realistic, the Minister intoduced a Bill which was poorly conceived, planned and drafted. In the area of national security, which is critical to any country's continued existence, this Government has bungled badly. It has not lived up to its responsibility. I suggest that we are paying the price now.

On the first occasion that we have had to consider this important legislation the Minister has suggested, both inside and outside the House, that we should close our eyes and not consider the matter of the responsibility invested in us by the electorate of Canada. This is unworthy of any minister of any cabinet. We on this side of the House take our responsibilities seriously. We are going to give this matter careful and reasonable consideration. We are not going to close our eyes and let legislation pass which is not satisfactory, appropriate and precise. The Minister should understand this. It has taken him a very long period of time to come up with his own proposals. It is a matter of right that we should give fair and reasonable consideration to this legislation on the floor of the House of Commons and in the course of committee hearings. It is not only the Members of Parliament but also the people of Canada who are interested in having appropriate and affective legislation and they should be given the opportunity of making their views known, notwithstanding the fact that we have had royal commissions and a Senate report. What we have before us now is a so-called new proposal brought forward by the Solicitor General after much surgery has taken place with respect to his original proposal, Bill C-157.

I would have hoped that after the Minister had gone through this process and chosen to act when he brought in this legislation, he could have gotten it right. Perhaps this is being too kind. When the Minister introduced his original legislation, Bill C-157, he said it reflected a fair and reasonable approach. He now says that the criticism of that particular proposal is exaggerated. I can only say that Bill C-157, which was introduced on May 18, 1983, was totally, abysmally and terribly wrong.

I would like to deal with that legislation, Mr. Speaker, because I think it is relevant to what we have before us today. After the 15-year period of consideration by a variety of royal commissions, that legislation was met with universal disapproval and disfavour. It was roundly and soundly criticized by every conceivable force. Provincial attorneys general were united in their opposition to that Bill. Civil liberties groups condemned it. The Canadian Bar Association is adamant that the Bill either had to be withdrawn or amended in a very substantial way. If I tried, in the time I had allotted to me today, it would be impossible for me to list all the groups, individuals and agencies that have shown deep concern with respect to the thrust and import of the proposal brought forward by the Minister.

The unified response by Canadians did not occur by accident. It was not a result of knee-jerk reaction. That response took place because the Bill was the most poorly thought out and seriously flawed piece of legislation that I have had the misfortune of seeing introduced in this House. Bill C-157 bore little resemblance to the recommendations made in the report of the McDonald Commission. In section after section fundamental safeguards necessary to protect the rights and liberties of Canadians have been omitted. From any perspective the Bill was an unmitigated disaster.

It was at this point that Members on this side of the House approached the Minister and suggested the subject matter of the Bill be referred to the Commons Committee on Justice and Legal Affairs in order to obtain the full scrutiny of the elected representatives of the people of Canada. We would have liked to have an all-Party committee which would go forward and consider the subject matter of that initial proposal. It seemed logical that a committee of the House composed of elected representatives would be an appropriate place to study this legislation. That offer was rejected out of hand by the Minister.

Mr. Kaplan: I rise on a question of privilege, Mr. Speaker. I would like the record to be corrected in the assertion that it was the Government that rejected the establishment of an all-Party committee. The NDP were willing. It was the Conservatives who prevented it from happening.

The Acting Speaker (Mr. Herbert): That is certainly not a question of privilege. The Hon. Member for Saskatoon West.

Mr. Hnatyshyn: Mr. Speaker, the air is strange in the House today. There are hallucinatory activities taking place here of which I have no knowledge. I would like to say to the Solicitor General that I was privy to some of the discussions which took place. My colleague from Durham-Northumberland (Mr. Lawrence), who was the critic at the time, put the proposition to the Solicitor General that we should indeed have a standing committee of the House of Commons consider this matter.

The question of privilege is preposterous, as you have pointed out, Mr. Speaker. It has no relevance and is in fact without substance. If the Minister cares to dispute it, that is fine. I say that that is the fact. The record will show that the Solicitor General did in fact refer the matter to another body of appointed people. That is, to the other place. A select committee of the Senate was then created for the purpose of looking at the provisions of the original legislation. During this period

of 15 years we have had appointed bodies of every description looking at this legislation.

● (1430)

I am making a specific point of this because I think it is important for the people of Canada to understand that this is the first time that people who must seek election from the people of Canada, who reflect their point of view and are sensitive to the points of view of average Canadians, have had an opportunity to consider this legislation. If ever there was any evidence required to show this administration's disdain and contempt for the House, it is shown in the way we were treated with respect to this legislation.

I want to talk about the work of the Senate committee. I think it was immediately obvious to the honourable Senators from both sides as well as independents on that committee that the legislation they were to study was a complete catastrophe. When the committee finally reported, it was unanimous in its castigation of the Bill. In what amounted to a clause by clause analysis and denunciation, the report recommended changes to almost every aspect and area of the Bill.

While it would take far too long for me to discuss all the recommended changes, let me touch upon some of the major proposals for reform. There was no question in the Senators' minds that the mandate for the force was far too loose and ambiguous. How could a force with such extraordinary powers operate under a sense of direction that did not make clear when those powers could be used? Of course, that could not happen if we want to retain freedom and liberty in this country. The Senators responded by making and proposing certain changes to tighten the mandate. They wanted to make it clear just what was meant by "threats to the security of Canada". They wanted to ensure that the force would do what was strictly necessary and no more. I want to deal with that particular and important aspect of the response of the Minister in due course.

The Senators also tried to grapple with the powers that the new force was to have. According to the old Bill, once a warrant was obtained employees of the force were pretty much free to do what they pleased. They could have access to income tax returns, statistical reports, census reports, doctors' files and psychiatric files, just to name a few. It would have been able to eavesdrop and wiretap anybody, any place, anywhere and at any time.

Mr. Kaplan: With judicial approval.

Mr. Hnatyshyn: You may think that these are pretty broad powers, Mr. Speaker. Indeed, I think any reasoning Canadian would say they are broad powers.

Mr. Kaplan: With judicial approval.

Mr. Hnatyshyn: You might think that such powers should be handed out only with a great deal of care and only under exceptional circumstances.

The Solicitor General says "by judicial warrant". He has made so many amendments with respect to this provision, after the scrutiny of the Senate, that one can only wonder what was in his mind when he used the term "judicial warrant" in the original proposal.

I want to deal with that because I think it is absolutely fundamental and essential. As I estimated, over half of the Solicitor General's remarks today concerned an area with respect to the vehicle upon which this agency should operate and whether it should be civilian or attached to the RCMP. I suggest to the Solicitor General that he should direct his attention to the primary condiserations that we should be giving to the Bill, which are the implications of the powers, the accountability and the mandate of this new security service. I suggest to the Minister that these are the areas for which we, as legislators, have a very important responsibility.

In the original proposal the Solicitor General made provision to allow a judge to hand out a warrant authorizing such powers if he was convinced that it was necessary to allow the Force to perforn its duties. Therefore, of course, there is judicial involvement. But the guidelines were absolutely missing from that whole scenario. It was highly discretionary on the part of the judge who would be considering that application.

The Senate committee characterized that standard as unreasonably low. I would go further. I would call it unconscionably low. It is, perhaps, a good example of what I would call the indifference to basic principles of justice that characterized that entire Bill.

There was a response to that flaw. The report in fact recommended stiffer standards for obtaining warrants, fixed time limits on the life of warrants and provisions to eliminate the potential for judge-shopping. The Solicitor General referred to that this morning.

The committee did not make any suggestions, however, regarding the tremendous power the force was to be granted. The report of the Senate committee dealt with this particular issue in one or two paragraphs. I believe this is an area that we in the House of Commons should carefully scrutinize. Indeed, the chairman of that committee, Senator Pitfield, has said himself, notwithstanding the fact that he had completed his responsibility of chairman of that committee, that there are areas that still require serious consideration by the House of Commons. If the chairman of the Senate committee believes that we still must give serious consideration to these matters, I am not one to question that.

With respect to the question of mail opening and access to medical records, the fact is that I want to have an opportunity to look at these items as a member of the committee so we can consider the appropriateness of these legislative proposals.

The Hon. Member for Sarnia-Lambton (Mr. Cullen), who served on that committee, I know will share my concern even though he is on the government side. He has demonstrated very often his independence and consideration for the rights of civil liberties for Canadians.

There was a storm of public controversy over the clause of the Bill that would have provided security service agents with a *carte blanche* to break the law. In response, the Senate proposed that agents have no more protection in this regard than is granted peace officers under the Criminal Code. That *carte blanche* provision that I have referred to may have caused a great storm of public controversy, but I suggest that it was not the most dangerous clause in a Bill filled with potentially dangerous provisions. That distinction goes to Clause 6 of the Bill which, if enacted, would remove one of the linchpins from our parliamentary system. This deals with ministerial responsibility and the concept of ministerial responsibility. I want to deal with that in relation to the new Bill as well because I am not satisfied with that element in connection with this legislation. We must give serious consideration to the element of ministerial responsibility because ministerial responsibility is absolutely fundamental to our system of parliamentary government. It is one of the bedrocks of our democratic system in Canada.

A Minister must be responsible to the House for his actions and the actions of the Government. The original proposal was to remove that particular fundamental principle, which would have allowed an appointed official, the Director of the service, to prevail over the Minister. The Solicitor General would have then been at arm's length from any of the activities of this service. When one sees this legislation as it was proposed, one does not have to wonder too much about why it was received with such universal disdain. If this provision had been enacted, the Solicitor General would have ceased to be responsible for his actions to the elected representatives of the people in the House of Commons. There can be no justification for attempting to include such a provision in any piece of legislation, let alone one this important.

Mr. Kaplan: It has been removed.

Mr. Hnatyshyn: The Senate committee recommended a 180-degree turn in this area. In the words of the report, the agency should be an open book to the Minister. There is absolutely no question that that is how it must be. The Minister must have full political responsibility. Accountability must be absolute.

I want to deal with one final item of the proposals that were brought forward by the Minister before I deal with the current revised legislation. According to the original Bill, the Inspector General would review the ongoing operations of the force. In effect, he would be the eyes and ears of the Ministry. As with every other section of the Bill, this provision too was fatally flawed. The individual charged with a review of the day to day operations would not have access to relevant Cabinet documents. The service might have control of such documents and they may well base their operational decisions on them, yet this review mechanism could not see them. It could be, for all intents and purposes, hamstrung. The Senate committee recommended full access to Cabinet documents.

The Solicitor General, in the current incarnation of the legislation, has chosen not to accept this most important of the Senate recommendations, in my estimation.

• (1440)

This, then, is the gist of the recommendations made by the Senate. The Senate considered them carefully and in some detail. In so doing, the depth of general opposition could be fathomed. Whenever I see the Deputy Leader of the Senate on the government side, Senator Royce Frith, arm in arm, shoulder to shoulder with opposition critics, and when I see Liberal Senators castigating the Solicitor General and the Prime Minister with respect to this legislation, I know we have a problem. You do not have to take it from me, Mr. Speaker, even if you regard me as being partisan; when I see Liberals concerned with respect to the thrusts and the initiatives that have been taken, I know there must be something rotten in the state of Denmark, Canada. Everyone from Senator Pitfield on down were opposed to the legislation. It is impossible to find anyone except the Solicitor General and the Prime Minister who will say anything good about it. As a matter of fact, it is becoming more and more obvious that this must be the personal project of these two individuals. There is no one else sitting on that side of the House who will come close to admitting that they support the Bill.

Mr. Pepin: I do.

Mr. Hnatyshyn: The Minister promised then to deal with the matter in an urgent and expeditious manner as soon as he received the report. We had first heard it was going to be December 1, 1983; then it was moved over until just before Christmas, and subsequently we now have the Bill before us today. I said in response on behalf of my Party that there are a number of items that have caused us the most serious of concerns. We in this Party are not able to support the legislation in its present form.

I want to give you some ideas, Mr. Speaker, because it is a complex piece of legislation and a complex Bill. I want to deal with some of the general themes that run through the Bill and some of the principles that I think should be contained in this legislation. I have alluded to some of them already in the course of my remarks today.

I want to say to the Solicitor General that we regard this legislation as important. We take our responsibilities seriously. We want to give this matter proper and responsible attention. In at least three critical areas, that is mandate, powers and accountability, there remain serious deficiencies in this legislation.

Let me begin with the first of those areas, the problem of how the force's mandate should be defined. Surely this is a key area, one that should have been given the utmost consideration. If we grant such enormous powers to an agency that operates outside the normal channels of public scrutiny, we must be clear, precise and unambiguous in setting forth what they are to do. This Bill fails to do that. Instead of resolving the problems surrounding this issue, it falls short of the mark

of giving the precision of law that is absolutely necessary in this type of legislation.

I want to give some examples of definition and of what constitute threats to the security of Canada. The word "espionage" is used; it is a key part of the definition. You can target someone who is engaging in espionage that is against Canada. But what does it mean?

Mr. Kaplan: It is in the Criminal Code.

Mr. Hnatyshyn: If you check the dictionary, Mr. Speaker, you will find it means spying. But if you look at the Official Secrets Act, you will find that spying means just about anything you want it to mean. This does not make any sense at all.

Mr. Kaplan: Move your amendment.

Mr. Hnatyshyn: Why not say to the Minister: "We require precise and specific definition with respect to these activities in the mandate of the force?" The same section in another part of the Bill has the same problem. It leads to a preposterous conclusion. It says, in effect, a Canadian citizen who supports the aims and activities of, for example, the Afghan rebels is a threat to the security of Canada. If the Minister will look at the provisions in terms of threats to the security of Canada, subclause (c), and if he follows that definition through, he will find that any person in Canada who supports any group or agency in a foreign state that is opposed to a tyrannical regime becomes, by that definition, a threat to the security of Canada. Does that mean that if we in this House support the existence of "Solidarity" in Poland, the trade labour movement, that we are suddenly, by virtue of the fact that there are incidents of violence that have occurred with respect to martial law, which the Prime Minister of this country has endorsed in that country, becoming threats to the security of Canada?

Mr. Cullen: No.

Mr. Hnatyshyn: Are groups which support the Sandanista rebels a threat? I say the wording is still too vague. That has still to be thought out and given the kind of consideration that we say is required.

This is a very serious issue. There has been criticism already with respect to each of the definitions of what constitutes a threat to the security of Canada by such groups as the provincial attorneys-general, who say it is vague and unspecific. What about the definition:

—(*b*) foreign influenced activities within or relating to Canada that are detrimental to the interests of Canada and are clandestine or deceptive or involve a threat to any person—

I think we have to look at these definitions to make sure what we are getting into as far as the powers of this particular agency are concerned. That subclause is unacceptable to me and my colleagues in this Party.

Mr. Kaplan: Did you bring your proposed amendments with you today? Let us have your proposed amendments.

Mr. Hnatyshyn: I say it is unacceptable to the people of Canada. we are going to take our responsibilities seriously. We are going to help the Solicitor General because, God knows, he needs help, I can tell you that. Watching him operate over the course of the last few years, I do not often agree with the Prime Minister, but when the Prime Minister referred to the Solicitor General as politically naive, for once the Prime Minister knew what he was talking about.

This piece of legislation grants enormous powers to the agency once a warrant for inclusive surveillance is granted. In this respect it does not differ from its predecessor. If passed, there would be no limit on the portions of a person's life and history that could be delved into. Mail could be opened and copied. Access would be available to all sorts of confidential files, from psychiatric reports to income returns. There would be a right to eavesdrop and wiretap.

The question that has to be raised is: Are all these powers necessary in every instance? Is there a need for such a wide range of extraordinary powers? Representatives of the people of Canada are entitled to have unequivocally, information with respect to this matter in order to pass judgment on it and make sure that the legislation is precise and clear. These are questions that deserve serious and sober consideration. They should not be dealt wiht glibly and without proper reflection. Surely in deciding powers of this magnitude, we should take all the care that is necessary to ensure that we provide the force with the powers that are essential for it to fulfil its functions. At the same time, we should be diligent in making sure that those powers do not exceed what is necessary.

It is interesting to note that the new Bill differs in this area in one substantial way from its predecessor. It exempts information submitted under the Statistics Act from the scrutiny of the service. This is not recommended by the Senate committee, but all of a sudden information under the Statistics Act is exempted from the scrutiny of this new security agency. It leads one to wonder what is the basis for it. Why this one exception to the situation where the people of Canada are obliged by law, under penalty of fine or indeed imprisonment, to complete census reports? People also have to fill out income tax returns by law. They have to complete a number of returns by law. Is that the theme or the principle that is running through this legislation? These questions have to be answered. Why only the Statistics Act? The Minister, I think, will understand if Members of Parliament are curious as to what the theoretical or philosophical basis is of that particular provision.

As I mentioned earlier, the absence of full ministerial accountability in the earlier Bill was absolutely unacceptable. The Solicitor General has in his latest incarnation adopted some of the Senate recommendations in this regard. I submit he has given only part of the answer with respect to the whole question of ministerial responsibility.

● (1450)

The truth of the matter is that neither the Inspector General nor any review committee under this legislation will have

access to Cabinet documents in the control of this service. This means that the Minister and the Government can effectively hide behind Cabinet documents and in that way escape full accountability for their actions. Until there is full access to such documents, there cannot be full review. Without full review, there cannot be complete accountability.

I remind the House that we are here today because of the fact that over the course of the last decade the Government refused to accept any semblance or scintilla of ministerial responsibility with respect to its activities. We are precluded by virtue of the exclusion under freedom of information or any other legislation to look at the documents and gain any assessment of the pressures put on the security service to produce the goods regardless of the tactics used.

It is inconceivable that a Cabinet could sit around and be oblivious to what was going on, with what was happening and the kind of information it demanded from the security service of the RCMP in the early 1970s. There is no question in my mind that the Government and the Prime Minister put the finger on the security service to get the goods on the FLQ. When we do not have access to Cabinet documents, accountability in this country is a very pale shadow of the standard one would expect in a free and democratic society.

I could speak continuously about specific provisions of the legislation. They are woolly; they are not precise. There are certain principles for which we in the Progressive Conservative Party stand. One is that government under the rule of law is absolutely fundamental and essential in a free and democratic society. We in the Progressive Conservative Party have been concerned about the activities that have taken place. In terms of this legislation we understand that we have an awesome responsibility as the Opposition, because the Minister has stated on the floor of the House that he is prepared to put through this Bill as perfection in its present form. I am not alone in terms of my apprehension and concern with respect to this legislation. This is why I said on behalf of my Party that there are a number of reasons, which we will be able to examine during the course of this debate and during the course of committee hearings, why this legislation in its present from is unacceptable to us.

We want to be reasonable and to take our responsibilities seriously, but different signals are coming from the Government side. In conclusion, the Chairman of the Standing Committee on Justice and Legal Affairs, the Hon. Member for Rosemont (Mr. Lachance), had the following to say about Bill C-9:

> It's not the kind of topic six months or eight months before an election that is really very high on the priority; you just don't, I guess, win an election with the passage of that kind of a Bill.

He continued:

> So I don't sense very much of a pressure on the part of the caucus, be it on the Quebec side or the rest of the Liberal caucus, to have this Bill passed expeditiously.

As a member of the Opposition, I have a responsibility in our parliamentary system, as do my colleagues, to give careful scrutiny to legislation which comes before us to ensure that the rights and liberties of individual Canadians are fully protected. We intend to carry out that responsibility and to become involved as Members of Parliament to ensure that the right balance between national security and the fundamental principles of a free and democratic society will be achieved. We in the Progressive Conservative Party can settle for nothing less.

Some Hon. Members: Hear, hear!

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise today to take part in the debate on what is undoubtedly one of the most important pieces of legislation to come before this Parliament. The Senate committee, in examining the predecessor Bill, Bill C-157, referred to a delicate balance between on the one hand the security interests of the nation and on the other hand the fundamental civil liberties and rights of all Canadians. In examining the provisions of Bill C-9 which is presently being debated in the House, I believe that we must carefully question whether or not that delicate balance has in fact been achieved. Having reviewed the provisions of the legislation, not using as a yardstick the previous Bill or even the Senate committee report, but using the recommendations of the McDonald Commission and the basic standard which must be applied out of respect for civil liberties, it would be my submission that this Bill falls short of the minimum standards in this essential area.

Previous speakers have given some background of how we arrive at this position today. Not many people would have expected, when Corporal Robert Samson blurted out in a Quebec courtroom in 1976 that he knew of a few activities by the security service in which perhaps the Canadian people might be interested, what kind of Pandora's box he in fact was opening. As a result of the events which flowed from that outburst in a Quebec court, Hon. Members will know that the government of the day appointed the McDonald Commission in July, 1977 to conduct a comprehensive review of all aspects of security legislation in Canada, in particular to examine those activities which were not authorized by law.

The McDonald Commission held extensive hearings, heard from a broad cross-section of the community and from many different witnesses, and issued its report to the Government. In August, 1981 the Government responded to the recommendations of the McDonald Commission by saying that it was prepared to accept the fundamental recommendation of a civilian security service, that is, separation of the security service from the RCMP. However, in what was at the time certainly viewed by many as a monumental act of arrogance, the Government rejected the central underpinnings of the McDonald Commission report. It went so far as to obtain a second legal opinion, an opinion written by former Supreme Court Justice Spence and Toronto lawyer, Robert Wright, which effectively discarded the reasoning of the McDonald Commission. Certainly that was an immediate cause for concern to those of us who recognized our responsibility to move forward with changes in this area but not at the price of civil liberties.

Despite the widespread evidence of institutionalized wrongdoing, which was clearly documented in the report of the McDonald Commission, despite the evidence of wilful blindness on the part not only of senior members of the RCMP security service but, more important, their political masters, it is important to look at the record of what has taken place as a result of those revelations.

According to the report of the McDonald Commission, it found a willingness on the part of members of the RCMP to deceive those outside the force who had some sort of constitutional authority or jurisdiction over them or their activities. The McDonald Commission documented a series of wrongdoings and criminal activity, whether it be arson, theft, breaking and entering, kidnapping, illegal opening of mail, illegal access to government records, and unfortunately the list went on and on. As the Commission noted as well, one of the most reprehensible kinds of wrongdoing carried out by the RCMP was the wide range of illegal and improper acts carried out by the security service to disrupt radical political groups in Canada suspected of being threats to national security. Most of these activities were carried out in the early 1970s, following at least the tacit urgings of the government of the day to crack down on this kind of activity even though it was entirely legal.

I think it is important in establishing a historic context to remind Canadians of what it was that led us to this particular legislation. The McDonald Commission said:

● (1500)

> These methods violated the rule of law, inflicted damage on Canadian citizens and involved secret attempts to manipulate political events and the news media. Such practices not only violate important precepts of Canadian democracy but they may also seriously damage the security agency itself.

It concluded by saying:

> Approval of such tactics will reduce the public support for any kind of secret security intelligence activities.

What was the response of those who are constitutionally obliged to uphold the law in this country, to ensure that the principle of the rule of law which is now entrenched in the preamble to our Constitution is upheld? To this date there has not been a single prosecution of any breach of federal statute by the Government of Canada. The Government has decided that despite clear and compelling evidence of breaches of a number of statutes, whether it be the Income Tax Act, the Post Office Act or the Unemployment Insurance Act, there was to be no prosecution whatsoever for the breaches of those federal statutes.

At the provincial level, in the four provinces in which there was evidence of criminal wrong-doing—British Columbia, Alberta, Ontario and Quebec—it was only in the Province of Quebec and only following the report of the Keable Commission that the Attorney General of Quebec laid charges for the very serious breaches of the Criminal Code in that province. To this date it remains, and I put it at its most charitable, unclear as to whether there has been any disciplinary action taken within the RCMP security service as a result of the very clear breaches of the standards which must be upheld by a security service in a democratic society.

In August, 1973 the then Minister of Justice stated clearly and unequivocally that there was to be no disciplinary action whatsoever against any member of the RCMP security service for the breaches of the law and the breaches of the standards of the force, which were so clearly documented by the McDonald Commission. Just last week we heard from the Solicitor General (Mr. Kaplan) the suggestion that in fact there was disciplinary action taken, but he was not going to tell us the nature of the disciplinary action, who it was taken against, when it was taken or why. Effectively what he said was, "Disregard the statement of the Minister of Justice who said there was to be no disciplinary action and trust me when I tell you that we have disciplined those who should be disciplined, but I am not going to tell you how or when".

What does that do to the rule of law? What does it do in terms of a deterrent to other members of the force who may be tempted in similar circumstances to breach the high standard of ethics of the security service? As I said, there has been no disciplinary action and certainly no prosecution whatsoever. In fact, they have made a mockery of the rule of law in this country.

There are 800,000 Canadians who have had files opened on them. According to the report of the McDonald Commission, the vast majority of those Canadians had committed no illegality whatsoever, yet we still do not know how many of those files are being destroyed or even the extent to which Canadians are being informed of the existence of such files or how they were used against them.

For almost two years the Government pondered and studied the recommendations of the McDonald Commission and somewhat ironically set up a transition force, whose chief policy adviser was one of the senior members of the RCMP security service who had first called for the establishment of the McDonald Commission. These deliberations finally gave birth to Bill C-157, tabled in May, 1983. This legislation constitutes a massive and unprecedented assault on the civil liberties of all Canadians. The Hon. Member for Saskatoon West (Mr. Hnatyshyn) pointed out that it was denounced across Canada by a broad cross-section of the community, whether it be provincial attorneys general, academics, civil libertarians, trade unionists and many others. However, when the official spokesperson for the Conservative Party stated that Bill C-157 met with universal disapproval and when he said that it was recognized at the time as being totally wrong, there was one slight omission from his speech. There was one very important group in this country that remained totally silent on this affront to civil liberties. One group refused to speak out, one group which sat silently as provincial attorneys general, civil libertarians and a broad cross-section condemned this Bill. The group that remained silent and in derogation of its responsibility to the people of this country was none other than the Conservative Party.

I challenge the Hon. Member for Saskatoon West and his colleagues, the Hon. Member for Durham-Northumberland

(Mr. Lawrence) and others who are now saying what a terrible thing Bill C-157 was, and it was, and what an assault it was on civil liberties. I ask those great defenders of civil liberties, where were they in May, June, July, August, right on through until January? They kept their heads in the sand and refused to take a stand. When the Hon. Member for Saskatoon West piously stands up and suggests that—

Mr. Friesen: Mr. Speaker, I rise on a point of order. In answer to the Hon. Member's question, I was in Toronto speaking against the Bill.

Mr. Deputy Speaker: Hon. Members should not interrupt the Hon. Member who has been recognized to make a speech.

Mr. Robinson (Burnaby): Mr. Speaker, once again I am pleased to see the Hon. Member for Saskatoon West. I am sure he will want to clarify the record if indeed he has taken a stand on behalf of his Party, or if the Hon. Member for Durham-Northumberland, who I believe was the critic, took a stand. Certainly I would be delighted to see the House enlightened as to the position that they took.

That silence was broken on one occasion by Elmer MacKay, the former Member for Central Nova, a couple of days after the Bill was tabled. First, he strongly supported the establishment of a civilian security service. He went on to say that in his view, Bill C-157 probably contained too many civil liberty safeguards which would hamper the work of the new security service. I should not have suggested that the Tory caucus was totally silent. I should have made reference to the remarks of the former Hon. Member for Central Nova. However, at a time when the Conservative Party had an obligation to speak out forcefully on civil liberties it remained shamefully silent. I remind Members of this House that that Member is now the senior policy adviser to the Leader of the Opposition (Mr. Mulroney).

There were serious flaws in Bill C-157. The Solicitor General who brought that Bill forward heralded it as a great new innovation, a profound contribution to the strengthening of civil liberties of all Canadians. Of course, we know better. I am not going to take the time of the House to analyse in detail the deficiencies of that legislation. That has been done on a number of occasions, not in this House, but in forums across this country. The provisions of that Bill would have allowed the new security service, for example, under Clause 21 effective *carte blanche* to break any law, federal or provincial in this land. There were provisions in Clause 12 of the Bill which imposed, effectively, a media gag, a gag on the reporting of anything relating to the security service, even illegalities. There were provisions in Clause 2 of Bill C-157 which suggested that my colleague and friend, the Hon. Member for Winnipeg North Centre (Mr. Knowles), could have had his mail opened, because of the threat to the security of Canada, for suggesting that we abolish the Senate. What kind of Bill was it which had provisions, Mr. Speaker, which would have allowed the director of that security service to tell the Solicitor General to get lost if the Solicitor General felt it was inappropriate for a particular group to be targeted? That is the kind of legislation which the Solicitor General brought forward at the time, the Solicitor General who remains, by some miracle, within the Cabinet and continues to bring it forward.

• (1510)

Bill C-157 was sent off to a Senate committee, chaired by Senator Pitfield who, interestingly enough, was one of the key advisers to the Government in its response to the report of the McDonald Commission. That Senate committee thoroughly studied the provisions of Bill C-157 and made a number of recommendations for improving that legislation, although it adopted the essential principles of the Bill. I should note as well that although this legislation meets some criticisms of the Pitfield committee, there are a number of important criticisms which were made by that committee which have not in fact been addressed. I should note as well that despite the scathing criticisms—which I certainly share—from the Hon. Member for Saskatoon West with respect to a number of provisions of Bill C-9, once again there would appear to be a double standard because the recommendations of the Pitfield committee, which formed the basis for this Bill—with one or two glaring exceptions—were recommendations based upon a unanimous report of the Senate committee. In other words, what the Conservative Party unanimously supported in the other place, it attacks in the House. It is not easy to follow that kind of logic.

At this point, Mr. Speaker, I would like to speak about the provisions of Bill C-9 itself and point to what we in this Party consider to be a number of very serious inadequacies in this legislation.

[*Translation*]

Mr. Speaker, I must say Bill C-9 is still entirely unacceptable to the NDP. I do not think the Bill provides for that essential balance between the protection of individual rights and national security. In fact, Mr. Speaker, the Canadian Security Intelligence Service is going to be a Canadian version of the CIA in the United States, with all the powers of that Agency and the possibility of abusing those powers. For instance, the Service will be given extensive powers such as opening first class mail and access to confidential tax and medical files, for instance.

Despite the improvements in this new version of the Bill, we believe it still constitutes an affront to the civil liberties of all Canadians.

[*English*]

There are three or four fundamental areas in this legislation which I would like to deal with. I would like to point out some of our broader areas of concern without dealing in detail, of course, at this second reading stage with the provisions of the Bill. It is important to examine carefully the proposed scope of this legislation. Under the terms of Bill C-9 there are three primary activities of the new security service. First, the security service would have the ability to monitor effectively and provide intelligence on what are defined as "threats to the security of Canada". Second, the security service would have

the power to provide security assessments for the work of the federal Government. Third, in one of the provisions, which has been largely overlooked by the media, the security service would in effect have the right to operate in an area which has nothing whatsoever to do with national security. This has been in fact acknowledged by the Solicitor General in his testimony before the Senate committee. I am speaking now, Mr. Speaker, of the area of providing knowledge and information which might assist Canada in the conduct of external affairs. That has nothing whatsoever to do with national security. I will come back in a moment to deal with some of the very serious threats which are posed by this Bill under that particular heading.

In dealing with the proposed mandate of the security service with respect to threats to the security of Canada, I note that the definition which is contained in Bill C-9 is still significantly broader in a number of ways than that which was recommended by the McDonald Commission. Certainly there has been an improvement of Bill C-157 in Bill C-9. However, it remains a fact that Canadians who have broken no law whatsoever, but fall within the very sweeping mandate of this Bill, are subject to the intrusive powers which are set out in the legislation. The mandate has been denounced by such people as Attorney General Roy McMurtry, as being dangerously vague. That comes from one who is not known in this country as being a particularly strong defender of civil liberties. It is still the case, Mr. Speaker, under the provisions of this Bill, that a church group, trade union movement or any other organization which chooses to send funds to the African National Congress in southern Africa to support that country's liberation group which is in opposition to a system which is inherently violent, or to a Central American liberation movement, or, for that matter, to Afghan rebels, could have its membership targeted and all the intrusive techniques in this Bill could be used against it. Cruise missile protesters could possibly be targeted under the provisions of subsection (b) in this proposed legislation, if some over-zealous director felt they came under the influence of some foreign power. We need only look south of the border to see there has been some suggestion of that.

In defining the potential targets of this proposed legislation, surely we should be as careful as possible to ensure that we are dealing with legitimate threats to national security, whether it be espionage or terrorism, as is carefully and properly defined because, Mr. Speaker, we have seen all too often that where there exists the possibility for abuse in the surveillance of innocent Canadians, unfortunately that possibility will be taken advantage of. The security service opened files on over 800,000 law abiding Canadians.

I believe that the potential scope of the legislation, in terms of its potential targets, remains far too broad. However, in many ways the heart and guts of this Bill and the most important element of the Bill are the powers which are accorded to the new security service. It is in this area of the powers, which we are being asked as a Parliament to grant to this body—which will not remain accountable to a parliamentary committee—that I believe the greatest danger lies. It is in this area, Mr. Speaker, that the new civilian security service is being given powers far beyond those which are possessed by the present security service within the RCMP. The new security service would have the power literally to break into any place, anywhere in Canada. That would apply whether it be MPs' offices, doctors' offices, government offices—in fact, they would not have to break into government offices under the Bill because they would have access to those records as a matter of right—or into one's home. No place is sacred under the legislation.

• (1520)

Mr. Kaplan: With a judicial warrant.

Mr. Robinson (Burnaby): The Government would have access to literally all government records—I am sorry, the security service would have access to all government records, whether they be family allowance records, unemployment insurance files, income tax records, you name it. There would be *carte blanche* access to government records under the provisions of the legislation. As well, it would have access to all private records, medical records, phychiatric records, records of a lawyer, records of a clergyman, upon application to a federal court judge and upon the issuance of a warrant. Nothing is sacred.

Mr. Kaplan: There is an important safeguard.

Mr. Robinson (Burnaby): Statistics Canada managed to obtain an exemption of the census records but beyond that, all records are subject to the scrutiny of the new security service.

What did the McDonald Commission have to say about the availability of records to the security service? It said that the security service should not be able to use any intrusive technique against Canadians who are suspected of engaging in subversive activities. It suggested that in dealing with those who are suspected of espionage or those who are suspected of terrorism, some intrusive techniques may be appropriate. It said very clearly that no intrusive technique, be it mail opening, be it access to government records, be it wiretapping, must be used against Canadians who are suspected of subversive activity. The Bill rejects entirely that fundamental recommendation and makes everyone the subject of these intrusive techniques.

The Solicitor General asks about the availability of a warrant. He says that they have to get a warrant. Certainly they have to get a warrant, just as the police forces today have to obtain warrants for wiretapping. If one looks at the statistics of applications under the provisions of the Criminal Code, one will find that over the last four years, out of a total of 2,000 or 3,000 applications, perhaps 15 or 16 have been rejected. What kind of safeguard is it when dealing with intrusive techniques to suggest that a federal court judge is going to act as a vetting device?

Mr. Manly: Dial a judge.

Mr. Robinson (Burnaby): Dial a judge, as my colleague suggests. Certainly that is totally inadequate as a safeguard.

The Pitfield committee recommended that before any warrant is issued for the use of intrusive powers, a federal court judge should be required to balance the invasion of privacy, on the one hand, against the information which might be obtained through the use of intrusive powers, on the other. That important recommendation was rejected out of hand by the Government in Bill C-9.

The requirement for some safeguards in the placement of informers, which is surely one of the most chilling and intrusive techniques, is absent from the legislation.

The final major area of the Bill is the question of oversight and review. The Bill falls far short of what the minimal standards must be for proper oversight and accountability. There is an Inspector General and a Security Intelligence Review Committee, but both bodies are denied access to cabinet documents already in the possession of the security service itself.

As Professor Peter Russell said, the sheer arrogance of this provision is simply numbing. We must bear in mind that the Cabinet documents, with which we are saying we are not going to trust the Inspector General and the Security Intelligence Review Committee, are already in the possession of the security service. The people who we are being told are not trustworthy to deal with them are Privy Councillors appointed by the Government of the day. That makes a mockery of effective oversight.

The recommendation of the McDonald Commission for a parliamentary committee is essential if Canadians are to have confidence in the operation of a civilian security service, or any security service for that matter. Such a body has been proven to be effective in the United States and in West Germany. I suggest that a similar body is absolutely essential here. The McDonald Commission made it very clear in its report that in granting the sweeping powers it proposed—and I emphasize that the Bill goes far beyond the McDonald Commission and the powers it would propose—all of these parliamentary committees in the examples it used indicate a democratic desire to subject secret state intelligence activities to review by persons associated with the democratic critics of the Party in power. It is this fundamental recommendation that the Bill would totally ignore.

Another area must be addressed, Mr. Speaker, and that is the potential for abuse through the sharing of information obtained by the new security service with agencies in other countries. At one point the Solicitor General indicated that the present security service exchanges information with agencies in other countries. How can we possibly grant to a new security service the power to obtain sweeping access to information on the privacy of Canadians when we know that this information may end up in the hands of security agencies in other countries which are subject to no scrutiny whatsoever?

I mentioned the provisions of the legislation which would permit intrusive powers to be used against individuals who may have information which would assist in the conduct of the external affairs of Canada with no threat to national security whatsoever. A student group, an ethnic group, a foreign professor who may have information that is of assistance to the Department of External Affairs could have their mail opened, their telephones bugged and all other intrusive techniques used against them. In a democratic society surely a provision of that nature is completely unacceptable.

In three essential areas this Bill is completely deficient, that is, with respect to the potential mandate of the new security service, with respect to the enormous powers which might be used by the service, and with respect to the very question of oversight and parliamentary accountability.

It is most appropriate that the Bill is being debated in 1984, Mr. Speaker; it is most appropriate because it would be ironic if, in seeking to achieve the objective of guarding in Canada against totalitarian influences, we should adopt the very tools of those totalitarian governments themselves. Surely that would be the ultimate irony.

I suggest that the Bill in its present form constitutes a very serious threat to the civil liberties of all Canadians. It constitutes, in effect, an unwarranted invasion into the privacy of Canadians. We in this Party will do everything in our power to prevent the legislation, which constitutes such an affront to civil liberties, from being enacted.

• (1530)

[*Translation*]

Mr. Alain Tardif (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, it is with great pleasure that I take part in the debate this afternoon. First, however, I would like to say that the Opposition has been making remarks, criticisms and comments which unfortunately, in my own humble opinion, are more specifically concerned with the former version of the Bill. I may remind the House, Mr. Speaker, that Bill C-9 is entirely different from the first version, known as Bill C-157. In fact, the objective of over forty amendments made to Bill C-157 was as follows: to restrict the mandate of the Security Service. We also wanted to strengthen ministerial control and ministerial responsibility for the actions of the Security Service. Conditions for the approval and use of investigation techniques were to be more stringent. Furthermore, the amendments confirmed clearly that Security Intelligence Service operations were to observe the law in every respect. Provisions concerning surveillance and the examination of third parties were to be clarified and reinforced. There was also to be a re-affirmation of the powers of provincial Attorneys General to prosecute security offenses, while leaving the federal authority sufficient powers to intervene in the interests of national security. Mr. Speaker, I would say that the new version we are discussing today in the House has achieved these objectives and, for all practical purposes, reflects all of the major criticisms which were reasonable, up to a point, since the Government took the trouble to table a new Bill, as Bill C-9.

As the Solicitor General (Mr. Kaplan) pointed out in his speech this morning, this Bill represents a major turning point for the Canadian Security Intelligence Service. The Bill was drafted with two major objectives in mind, the first being to provide a legal framework for the Security Service and the second, as important as the first, to strike a just and pragmatic balance between the protection of our national security and of civil liberties. About fifteen years ago, Mr. Speaker, the members of the Royal Commission of Inquiry on Security, Maxwell McKenzie, Yves Pratt and the Hon. H. J. Caldwell, stated the following in the Commission's report: The need for security practices exists mainly because the State has a duty to protect its information, institutions and policies against espionage, indiscretion, subversion and clandestine interference. History has shown that there have always been attempts at espionage, subversion and clandestine interference. In fact, such activities are going on at the present time, successfully or unsuccessfully, and they will probably continue in some way or other as long as international relations are based on the existence of sovereign states.

Twelve years later, the McDonald Commission, at the very beginning of its report, mentioned the same dangers described by the McKenzie Commission. In referring to activities of foreign agents, the McDonald Commission stated the following: These activities have not diminished, even though our country has not been at war for years and despite the lessening of international tension as a result of what the more optimistic among us call East-West Detente. In fact, in recent years the number of foreign intelligence organizations has not only increased but more and more, attempts are being made to use them against Canada, both for obtaining information and influencing our policies.

Over the past fifteen years or so, the issue of Canada's requirements for intelligence services have led to numerous and detailed studies as well as public debates which have kept the Canadian people and the Government increasingly aware of the ever growing complexity of threats to our country's security. The reports of the two royal Commissions to which I referred a moment ago have highlighted the painful but undeniable reality of life within the contemporary international community.

Today, Mr. Speaker, I would like to deal specifically with two subjects: first, international terrorism and, second, the so-called transfers of technology. Those two subjects stand as evidence of the increasing complexity of threats against intelligence services, and of the need for security organizations to respond with much more sophisticated and especially much more effective means.

Quite obviously, the technological explosion of the last thirty years has had a tremendous impact on the standard of living of western nations. As all Hon. Members know, we can see that in our daily lives; our defence capabilities and those of our NATO allies are increasingly dependent upon our technological skills.

Despite the many restrictions imposed on the exportation of those skills, much of our know-how has been acquired by East Bloc countries where it is used almost exclusively for military purposes.

Indeed, a number of articles and books have been published recently on that subject. For instance, I might mention *The Falcon and the Snowman* which explains in detail the methods used to make those clearly illegal transfers of technology. We have heard about many cases of such activities in recent years and, with your permission, Mr. Speaker, I will mention a few.

First of all, I would remind the House that a Soviet trade representative was expelled from Canada in 1982 because he had secretly offered to a Canadian businessman a huge amount of money to buy restricted technology data in the field of optic fibres, saying that he would have no problems with Canadian export regulations.

Here is a second example. Three Soviet intelligence officers used Canada as a safe meeting place to obtain from an American engineer top secret information on military facilities in the United States. To accomplish their mission, they resorted to every imaginable traditional spying procedures and devices. Those agents were also thrown out of Canada.

And finally, a third example. As recently as last September, two Soviet diplomats based in Montreal were declared personae non gratae for attempting to obtain top secret high technology.

In my opinion, Mr. Speaker, those three extremely telling examples prove beyond the shadow of a doubt to what extent our secret technology is vulnerable and must be protected. They also indicate just how urgent it is to take action.

The second issue I wish to address is that of international terrorism, and in the introduction to its discussion on this threat to Canadian security, this same McDonald Commission wrote that the internationalization of terrorist activities since the end of the sixties has considerably increased this threat to Canada's security. It is interesting to note that the Royal Commission on Security did not even mention this threat in its 1968 report. It would be most presumptuous to predict the possible disappearance of the terrorist threat, because political fanaticism, instead of being on the decrease, is gaining in strength, and, unfortunately, modern technology often provides small groups of individuals with the means to threaten whole populations. Protection against terrorism will remain for a long time to come and without any doubt one of the major objectives of security measures. Throughout the world, the incidence of terrorist activities has increased dramatically in recent years. Like many other countries, Canada has had its own experience. For instance, Armenian terrorists have claimed responsibility for four bomb attacks, two extortion attempts and two assassination attempts aimed at Turkish

diplomats in Ottawa, one of which unfortunately did succeed, as everyone will recall.

According to Senator Arthur J. Golberg, former U.S. Supreme Court Justice, the threat of modern terrorism goes beyond national boundaries and the interests of sovereign states. He goes even further by stating the following:

> This outbreak of threats and sacrifices in human lives jeopardizes both the growth and the operation of our system of international law. Indeed, modern terrorism, which now has at its disposal highly sophisticated technological means and may one day have access to biological and nuclear weapons, is a positive and real threat to the very existence of civilization.

The McDonald Commission has underlined the fact that modern terrorist groups are continuously improving their methods and have become real experts in the illicit pursuit of political objectives through violent means. This is why the Commission has laid so much emphasis on the need to collect factual information long before the evidence required to lay charges can be obtained, in other words, before acts of violence are committed and the police forces concerned are called in. Bill C-9 takes this fact into account and provides for an effective mechanism to counter the terrorist threat which is on the rise, even in Canada.

Before closing, I would like to mention another aspect of the debate on security intelligence which is the urgency of passing legislation. The Bill introduced in the House provides for the tools which will allow us to fight effectively against the ever increasing threats against Canada's security, including the two provisions which I briefly explained earlier. We must act now. The world of espionage, terrorism and subversion is not a static one; it evolves and gets more proficient even now as we are discussing the problems it creates and the methods by which we could protect ourselves against its attacks. This is why, Mr. Speaker, the Special Senate Committee stresses in its report the extreme urgency of passing security legislation. In doing so, it has joined the increasing number of security intelligence experts and enlightened observers who are urging us to pass legislation and pressing us to safeguard the interests of our country in the area of security. Bill C-9 meets this very vital need. Furthermore, it does so in a way designed to ensure at the same time complete respect and protection under the law of the basic rights and freedoms of all Canadians.

Mr. Speaker, I will say that it is obvious and generally admitted by all those who critized former Bill C-157 that Bill C-9 is an extremely innovative measure, a very good piece of legislation and something which should not be critized or questioned on grounds which, in some cases, might have been valid under the old formula, but which no longer stand.

Hopefully, the Opposition will aim its critics at suggesting other improvements. However, I would remind the House that Bill C-9 as reworded meets all the major concerns.

• (1540)

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, I would like to ask the Member who just spoke a question with respect to his defence of this legislation as being a significant improvement over the previous Bill, and in particular a response to the recommendations of the Pitfield committee. The Pitfield committee strongly recommended that the security service oversight body, the Security Intelligence Review Committee, and the Inspector General, should have full access to all documents in the possession of the security service itself. Despite that strong recommendation, the Government, in Bill C-9, has refused to accept that recommendation. We are left with the incredible provision that even though the security service has access to certain broadly defined Cabinet documents, the body which is responsible in the legislation for their overview is denied access to those same documents. How can the Parliamentary Secretary defend that particular provision of the Bill and the decision of the Government to ignore that fundamental recommendation of the Pitfield committee?

[*Translation*]

Mr. Tardif: Mr. Speaker, as I mentioned earlier in my statement, Bill C-157 received a number of amendments, I even said earlier there were some 40 of them. Clearly, if we use the previous wording to focus on a specific situation, one may find ourself with an insatisfactory answer. However, I would suggest to the Hon. Member for Burnaby (Mr. Robinson) that looking at the new version, Bill C-9, we find a significant number of provisions through which all security measures are made much more flexible, open and consultative.

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, perhaps the Parliamentary Secretary might now wish to answer the question. The specific question was; why was the Pitfield committee's fundamental recommendation that the overview committee should have access to all documents in the possession of the security service, including Cabinet documents, rejected?

[*Translation*]

Mr. Tardif: The answer is quite simple, Mr. Speaker. The Government did not deem fit to act on that.

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, I have another question in another area. Under the provisions of this legislation the new civilian security service would be entitled to exchange information which it obtained through the use of its intrusive techniques with secret security agencies of other countries. Given the fact that the new security agency will have sweeping access to a whole series of confidential information about Canadians, is the Government prepared to indicate precisely with which agencies of foreign countries it is going to be sharing this information?

[*Translation*]

Mr. Tardif: Mr. Speaker, clearly I cannot speak on behalf of the Government. But as far as I am concerned, this is a matter to be settled by the Consultative Committee which, on the basis of circumstances, will decide whether or not such information should be made public.

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, perhaps the Parliamentary Secretary might in fact answer the question. It is a very straightforward question. Is the Government going to be making public the names of those agencies of other countries with which the security service will be exchanging information?

[*Translation*]

Mr. Tardif: I don't believe so, Mr. Speaker.

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, he does not believe so. In other words, Canadians are going to have intrusive techniques used against them and information is going to be given to unnamed agencies in unnamed countries.

● (1550)

My final question concerns a very important issue. Following up on the recommendations of the McDonald Commission, the Minister of Justice (Mr. MacGuigan) indicated that no disciplinary action whatsoever had been taken against members of the security service for the wrongdoings and breaches of the law which were identified in the report of the McDonald Commission. The Solicitor General has said that disciplinary action had been taken. I want to ask the Parliamentary Secretary, which one is accurate?

[*Translation*]

Mr. Tardif: As far as I am concerned, may I indicate to the House that to my knowledge, there are some ten cases where proceedings were instituted in Quebec.

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, I was not referring, of course, to criminal prosecution. I was referring specifically to disciplinary action taken within the RCMP security service.

Is the Parliamentary Secretary now indicating that in fact disciplinary action as opposed to criminal prosecution has been launched against any members of the security service?

Mr. Deputy Speaker: Order. The Chair may not have listened as attentively as it normally does to the Hon. Parliamentary Secretary's speech, but under the provisional rules of the House which allow for this period of questions and comments, questions should relate strictly to the comments raised in the course of the Hon. Member's speech and should not introduce new elements. As I say, I give the benefit of the doubt to the Hon. Member and will allow the Parliamentary Secretary to respond if he so pleases.

[*Translation*]

Mr. Tardif: In response to the last question, Mr. Speaker, I believe the Solicitor General did indeed answer to that, namely that proper steps have been taken concerning disciplinary action.

[*English*]

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is a privilege to rise as a second member of this Party to debate Bill C-9, an Act to establish the Canadian Security Intelligence Service.

Before I begin my remarks I have one or two comments to make respecting the speech made by the Hon. Member for Burnaby (Mr. Robinson). It is always interesting to listen to him because he was trying to allude to the fact that this Party was somehow not defending the interests of Canadians. Yet I personally know that our Members were out across the country speaking against Bill C-157. But that Hon. Member was right out of the saddle immediately, so much so that he was kicked out of the justice portfolio by his Leader. He was actually denounced by his Leader and put on the back-benches. Of course, he was denounced by his Party.

With respect to the divorce legislation, he was up in a flash agreeing with another government Bill on divorce, only two weeks later to find that once again he was repudiated by his Party since they are actually opposed to the Bill, having followed the Conservative Party.

When he talks about those states which interfere with people's rights and how the NDP will protect people's rights, I ask him, who has violated people's rights more than the socialist countries in the world? Who is the vice-president of the Socialist International? His own grand, glorious Leader. What a shame it is.

I believe that we should never forget the history behind this legislation. I think there is no doubt that Canadians have been concerned about this issue for many years. Royal commissions, which began their work 15 years ago, said that we needed to have a civilian security service or one that was isolated from the RCMP.

This ultimately led, some 15 years later, to Bill C-157. That Bill was so defective, in spite of the fact that the Government had been addressing this issue for 15 years, that it did not even dare bring it up for debate on second reading. Following first reading of the Bill, broad segments of the country, after a cursory examination, raised such a ruckus that the Government had to defuse the situation. It did so by referring the matter to a Senate committee, which then made over 40 major changes to the Bill.

While this is a relatively small Bill consisting of some 46 pages only, its effect will change the entire nature of the country over a period of years. I have always been astounded by the thinness of the Bills and the major effect that we as parliamentarians have on the lives and future of our fellow citizens. This is true whether it is a constitutional Bill, the omnibus Criminal Code Bill we are considering or a short Bill such as Bill C-9.

I am anxious to hear other Members speak during second reading debate because I believe this is an issue about which we should be non-partisan. It is an occasion when we should be examining the subject matter of this Bill in an honest attempt to do what we believe is best for the country. I am anxious for the Bill to go to committee so that various groups in Canada, such as Alan Borovoy and the Canadian Civil Liberties Association, can be heard. When we hear from groups through out Canada we will know what they think about Bill C-9.

While Bill C-9 is substantially different from Bill C-157, it contains many clauses which should concern citizens. It is the fundamental nature of the citizens of our country to believe that we should operate under the rule of law. If I can critize the Government for anything, it would be for its breach of that principle of the rule of law by allowing people's rights to be attacked and thus allowing them to lose the presumption of innocence. We have members in the House who have suffered from that loss of the presumption of innocence by what is almost an innuendo. People are worried about the Bill because we have lost that sense of rule of law.

Another fundamental principle for which we all stand is responsible government. Once again, Canadians are worried because they sense that political partisanship is taking over, primarily because the Liberal Party has been in power so long, because of the nature of its federal Constitution, and because of the lack of autonomy at the riding level of its executive association. Canadians have the sense that Liberal backbenchers are not holding the Cabinet responsible for that tradition of a responsible government. That is why Canadians are worried about this Bill.

The primary concern of Canadians to whom I have talked is that the Liberal Government has been in power for so long that it has lost that sense of ministerial responsibility as it exists in the United Kingdom parliament. In Britain, Callaghan resigned as minister because of a report that came in days or almost weeks ahead of the Falkland Islands' issue. As a man of honour he said that although it was only a small memo, ministerial responsibility required him to step down because the integrity of the British way of life was affected. One has to admire him for resigning.

I can relate several cases where this example has not been followed by Cabinet Ministers in the present Liberal Government. If they had done so, they would not have been greatly hurt and it would have maintained that principle of Canadian law which is ministerial accountability. I believe that is why Canadians are worried about this Bill.

If this Bill had been proposed years ago by Prime Minister St. Laurent or Prime Minister Diefenbaker, I suggest that it would have been much better received because Canadians then had a central trust and belief that the Government would do what is right under the circumstances. They do not have that trust today. Hopefully after an election and a change of government there can be a whole new group of persons in the Cabinet who will lead to that restoration of trust so that the Bill could be brought back at that time.

We must face the question as to whether this Bill is needed at all. Those who are in favour of it support that view by referring to the growth of the intelligence service throughout the world. Since the Second World War there has been the Soviet school of thought and the American school of thought, with the fight between the two philosophies.

May I call it four o'clock?

• (1600)

Mr. Deputy Speaker: It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

Mr. Deputy Speaker: Shall all orders and items listed under Private Members' Business preceding Order No. 58, be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

ADMINISTRATION OF JUSTICE

REIMBURSEMENT OF LEGAL FEES

Mr. Jim Hawkes (Calgary West) moved:

That, in the opinion of this House, the government should consider the advisability of introducing legislation to allow the reimbursement, by the government, of all professional fees and other costs incurred by an individual for his defence against any action commenced by the Crown, including by way of indictment or summary conviction and including all appeals, and all other situations where the resources of the Crown caused an individual to incur expenses to defend himself against an action of the Crown:

1. where an individual is so required to take action under any Act of the Parliament of Canada and is subsequently found to be right; or

2. where, following the commencement of proceedings against an individual, the Crown has dropped the action.

He said: Mr. Speaker, I do not intend to speak for a long time because the time for Private Members' debate is rather limited. I hope a few other Members of Parliament will speak to this issue and support it, and I hope that we might finish our debate today in time to move the subject matter to committee so we can commence action in this direction, which is what is indicated.

The thought pattern and the experience which lies behind my decision to bring this motion forward to the Parliament of Canada really arises out of my experience as an elected politician since 1979. As a private citizen, not charged with the responsibility of representing others, I was unaware of the difficulties which we have created in modern Canadian society through what I believe to be the attempt of legislators to do

what is right. We pass in this House of Commons page after page of laws day after day. We have reached a point where the laws of Canada grow in number daily. One of the powers we give to the Cabinet of Canada when we pass a law, and we do it frequently, is the power to make Orders in Council and set regulations. Last year, over 4,000 different regulations of that kind were passed. Then we turn around and we have to hire people to interpret those regulations and in some cases to enforce those laws. People are only human. From time to time some are over-zealous in the interpretation of a regulation. When that happens, quite often there is an enormous stress put on the individual, an enormous psychological cost. Accompanying that there is always financial expense. In many cases that financial expense is massive, sufficient to bankrupt an individual, causing irreparable damage to members of his or her family.

I thought long and hard about what we could do about it. Certainly we cannot eliminate this situation. If we are going to have an orderly society with laws and regulations, then we need to have some system that holds individuals accountable for obeying those laws and regulations. We need in a modern society, given the proliferation of those laws and given the fact that there are well over one-quarter of a million people serving the Government of Canada in the enforcement of those laws, a system where the individual does not suffer what really amounts to a financial fine, not because he did wrong but simply because he was accused of doing wrong.

I did not attempt in this motion to provide taxpayers' dollars to those who have done wrong. I attempted to separate the difference between those who have done wrong and those who are accused of doing wrong. I looked at the recent debates in the House of Commons. We have had a lot of concentration on the tax man. We have talked a lot about reassessments and a lot about appeals. What is happening out there—and I think every Member of Parliament knows it—is that if the tax man comes along and says, "We are reassessing you for $200 more tax, $800 or $1,000 more tax," we encounter individuals who say that that is wrong. We hear people say that that is the wrong interpretation of the tax law. But the bureaucrats say, "If you believe that, appeal". The taxpayer looks at the cost of appealing. It may amount to $5,000 or $50,000, but it is more than the amount of reassessment. It is a pretty normal human reaction to say, "I am right. I would like to prove that I am right. I would like to prove that the tax man is wrong, but it will cost me so much money that I will be better off simply to accept the judgment of the civil servant"—the servant of the people.

I looked at environmental regulations and I looked at the election law itself. In those two areas action can be taken by civil servants against an individual. The individual can feel he or she is right, but that individual has to judge whether the cost of proving he or she is right outweighs the benefits to be gained by knuckling under. Far too often, I suggest, every Member of the House has encountered case after case after case where individuals knuckled under to a determination made by a single individual because the cost of proving themselves right far outweighed the benefits to be gained.

I suggest, Mr. Speaker, that is not the way we should be defining Canadian society. If we are going to have big government, if we are going to have rules and regulations, surely the cost to an individual should not commence at the moment of accusation. It can commence at the moment of conviction. If the taxpayer is proved to be wrong, if a person has broken the criminal law, then perhaps that is appropriate. We should not be the victims of an assertion by a single individual in the bureaucracy who says that we have done something wrong. Those rules and regulations run right across the Department of Justice, from licensing, to transportation, to the fisheries.

One of the first things that happened to me as a Member of Parliament concerned regulations and statutory instruments. I looked at a regulation where a fisheries officer could get on a citizen's band radio and say, "As of this moment, the following tackle is illegal to use". The penalties which flow to the individual at that moment in time are immediate confiscation of the equipment and a fine. That is instant law, Mr. Speaker. That is a difficult kind of law for individuals to protect themselves against.

I have seen Customs hold up shipments of such things as crab destined for restaurants on some kind of technicality which the taxpayer ultimately proves should not have happened. It might be a customs officer who got out of the bed that morning on the wrong side. The recipient of that cargo or the shipper pays. Somebody pays. It is not the civil servant, it is not the Crown; an individual pays. I suggest those kinds of things should not be allowed to continue. I suggest we should have a system whereby, when this big thing called the Crown with all of its resources, with all its civil servants, with all its lawyers and with all its financial clout, attacks an individual and the individual is subsequently proved right, we, the taxpayers of the country, collectively have at least the responsibility to reimburse that individual for the costs incurred to defend themselves from the action of the Crown. Today the Government and the individual are like David and Goliath. In most occurrences in Canadian society, David is fined the minute a bureaucrat takes an action, even when the bureaucrat is wrong.

• (1610)

If my motion were to be adopted and we had such a system, we would be able to spot over-zealous bureaucrats if their personal records indicated they had been frequently wrong. They would be costing taxpayers money time after time by making accusations or interpreting regulations in a manner which the lawmakers did not intend or in a manner which was unfair to the individual. Society would be better off with a system of accountability for the tiny minority of bureaucrats or public servants who are over-zealous from time to time and cause difficulties to individuals.

I know other Hon. Members of the House would like to speak to today's motion. As the debate continues this afternoon, I hope they speak positively about it. With their experi-

ence as elected representatives, I hope they understand the wisdom of it and the need for it in modern society. I sincerely hope that the debate concludes prior to five o'clock so that we can move a motion to have the subject matter referred to committee. We are not prejudging what the committee will decide, but if the subject matter were referred, an investigation could begin as to its principles, the costs in relation to it, and the need for it. Hopefully the committee would report back to Parliament in the not too distant future.

I commend the motion to the House. I sincerely hope it is referred to committee by five o'clock this afternoon so that we can get on with trying to correct something which really needs correcting in modern Canada.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, I am happy to participate in this debate this afternoon. It is almost a case of déjà vu. However, I commend the Hon. Member for Calgary West (Mr. Hawkes) for bringing this particular subject matter to the attention of the House and those people who will follow it on television, read about it in the newspapers or listen to it on the radio. It is an area of concern to more and more Canadians. Certainly it is of concern to more and more of us serving as elected representatives.

In a previous motion not unlike that of the Hon. Member, it was suggested that costs should be charged as an expense against a Department in cases where the particular Department, be it the Department of the Environment, the Department of Fisheries and Oceans, the Department of National Revenue or whatever, moved into an area or went against a Canadian for a particular breach or action which it saw as inappropriate and in which the Canadian was proven to be correct in the final analysis. As the Hon. Member wound up his comments, it reminded me of the earlier debate concerning people who take an initiative but in effect do not suffer any consequence if they are wrong; in effect they have nothing to lose. Obviously I do not think that it should come out of their own pockets. They have a role to play, but I wonder whether they would give the situation a sober second thought when initiating an action, be it the seizure of goods at Customs such as fishery equipment about which the Hon. Member talked a suggesting that there has been a violation of an environmental regulation or law, if they knew that, in the event they were wrong in their interpretation or the action they took, it would be the responsibility of the particular Department for which they worked. In that way we might have a little more consideration for the ordinary Canadian in terms of this particular subject.

I am sorry the Hon. Member has not given his particular motion more focus. Frankly, it is too broad, it covers the entire waterfront. Seemingly he is trying to solve the situation by having the subject matter referred to a committee, but we must remember that a whole series of subject matters are covered by the Hon. Member. Whether it is that people prosecuted under the Criminal Code should have some basis for compensation if they are ultimately found innocent, whether it is a tax situation or a fisheries move, he should have focused his motion upon one particular area. Then we could have come to grips with how much it would cost, what would be the impact of sanctions on a particular Department or how many people would be involved.

When we embark upon a new idea such as this, obviously we meet a lot of obstruction from governments, whether they be federal, provincial or municipal. We have to start small with a pilot project to show that it is a good move, that it is in the best interests of the Canadian public or at least the people who find themselves subjected to such action.

The Hon. Member suggested that someone might discover that to fight a reassessment of $200 or $400 more in taxes would cost him quite a bit more. That is not unusual. At the provincial level I know of people who did not make an improper left-hand turn or were innocent of careless driving but were advised that if the matter were taken to court the legal fees, or the costs and fines if they lost, would be such that the old phrase used in grade B movies, "pay the $2" applied. The ordinary person would say that he was satisfied he was right but that it was not worth $200 to try to save $50, so he abandoned the initiative. Frankly that is too bad. With the legal aid system in most provinces now, there are probably more actions being taken by individuals, particularly those at the low end of the economic scale, who have counsel and are able to go to court at no great expense to themselves.

I do not think most Canadians who have been on the receiving end of an action by government or a government agency need to be convinced that some form of assistance should be available to individuals wrongly charged. It is not so much charged; this is where I lose my hon. friend in criminal proceedings. It would have to be the more heinous type of crime where in the prosecution of it the Crown attorney or whoever deals with the matter might have been a little more careful, but I am uncertain whether I could go along with the Hon. Member on the prosecution aspect. I am thinking more along the lines of civil matters where a better case could have been made. Often we are called upon as Canadians to accept interpretations because we do not have the wherewithal to proceed. I think that is the point of the Hon. Member's motion today. As I said, it should have been a bit more focused.

The Hon. Member talked about costs to the individual. I wonder what his motion would represent in the form of costs to taxpayers, in terms of clogging up the court system or administrative tribunals. Has he thought beyond the fact that in the final analysis the cost to the individual may be difficult to bear? Has he thought about what would be the cost to taxpayers? Would a clogging up of the courts system or administrative tribunals flow from the things suggested in the Hon. Member's motion? Frankly, I cannot see this motion or its subject matter going to a committee. I could see a motion with more focus in one particular area so that we could examine what it would cost and what would be its impact on tax tribunals or the courts of the land. In that way we could make a better case for the type of thing the Hon. Member is trying to bring about.

On the face of it I find it difficult to determine what the motion is endeavouring to include. It would appear that it

contemplates the establishment of a general legislative scheme to cover criminal prosecutions in which the Crown does not proceed with a prosecution or in which the accused is not convicted. Certainly that is the focus of public concern in recent cases about which we have heard, particularly the one in the Atlantic provinces where an individual charged with murder was found some 10 years of 11 years later to be innocent of the crime. If ever we need an argument for capital punishment, I am sure that case would be used in future debate. Beyond that, the terms of the motion would appear to extend to civil matters, to interlocutory proceedings and so on.

• (1620)

In this context the question must be asked: In what circumstances an individual is considered to be required to take action, to use the term of the motion itself? One would wonder what the phrase "other costs', may mean in the context of these various situations. We could determine that if we were dealing only with income tax interpretations by the Department of National Revenue. In that area we could bring about a focus and determine what is meant by the Hon. Member when he uses words like "other costs".

Assuming that a clear understanding could be reached as to the precise scope of the scheme that is contemplated in the motion, I believe that the proposals still give rise to a number of substantive and complex considerations which merit further exploration. Let me first address the question of criminal prosecutions. As Hon. Members are aware, the Criminal Code is federal legislation and is therefore covered by the terms of the motion. Indeed, under the Constitution Act, 1867, it is the jurisdiction of the Parliament of Canada to make criminal law and procedure.

Consideration of whether the state should provide a scheme for the reimbursement of all those who are charged with a criminal offence and who are not convicted—either by reason of a stay of proceedings or withdrawal of charge, the finding on a preliminary inquiry that the matter should not be sent to trial, an acquittal or a later determination that a conviction has been entered in error—must begin with a recognition of the traditional stance adopted in a common law jursidiction such as ours.

Traditionally, the law has not provided compensation for accused persons who have either been discharged at a preliminary inquiry or acquitted at trial, because it was felt to be in the public interest that persons involved in the discovery and prosecution of crime should not be constrained unduly by the fear of civil proceedings, particularly in view of the unpredictable outcome of any criminal proceedings. However, it would be wrong that a citizen should have to bear the expense of a criminal proceeding where, at the outset, there were not reasonable and probable grounds to commence the proceedings and they were conducted with malice or for a purpose other than that of carrying the law into effect. The law has for these reasons permitted a private action for damages in cases of malicious prosecution.

In deciding whether to supplement or replace this private action with some form of public compensation measure, a number of factors have to be taken into account. One factor we simply cannot get around in the Canadian context is that of the division of responsibilities for criminal justice in Canada between the federal and provincial levels of government. While the legislative responsibility for criminal law and procedure lies clearly within the federal Parliament, the decision whether to prosecute in any given case under the Criminal Code generally rests with provincial authorities, in particular the provincial attorneys general.

I think any discussion at this point, and here I am restricting my comments to criminal prosecution, must also take into account the fact that many thousands of people accused of criminal offences do have their legal costs paid by legal aid schemes established by the provinces and cost-shared by the federal Government. I found an interesting statistic when preparing for this address. In 1981-82, the federal Government contributed almost $30 million toward the cost of providing criminal legal aid services in over 200,000 cases across the country. I believe this consideration is important to take into account in determining the scope of the problem in light of the extent of the actual need. This is without those things which the Hon. Member for Calgary West (Mr. Hawkes) is talking about. In one year we are looking at 200,000 cases and $30 million. What would be the scope of the recommendations contained in the Hon. Member's motion? I think it is worth repeating that there has to be more focus.

Quite apart from questions of constitutional responsibilities, there are questions of program design, which I believe is important to sort out in considering these issues. For example, should the legislative scheme suggested by the terms of the motion extend to all those individuals who are charged with a criminal offence and not convicted, or should assistance be provided on a more restricted basis? If the basis is to be restricted, according to what criteria should it be limited? Should it cover compensation for all costs incurred by an accused person in the case of his or her defence, or should there be a ceiling on such expenditures? The terms of the motion as it is stated do not make this entirely clear. Should ability to pay figure in the design of the scheme? Should there be separate provision made for those who are later found to have been wrongfully convicted, or should such cases be dealt with by a general scheme where primary emphasis would be on successful defendants at trial or on appeal?

One option in respect of this entire subject is, of course, to use executive discretion, for example in the case of *ex gratia* payments to deal with, thankfully, rare instances of serious miscarriages of justice. Such an approach, of course, allows for a flexible, specific, case by case examination of particular circumstances. Whether the flexibility afforded by this option outweighs the certainty provided by legislatively created schemes such as that contemplated in the motion is a matter that should be considered in light of the factors of relevance.

Having raised a number of these points, again restricted to the topic of criminal prosecutions rather than civil or any other

actions, pursuant to federal statutes, I would draw to the attention of the House the fact that a number of examinations on this subject have already been undertaken in Canada. The Law Reform Commission examined the matter some years ago in its study paper on costs in criminal cases. I believe the Commission will be looking at the matter again in the context of its phase one consideration of issues relevant to the criminal law review. In addition, the Canadian Bar Association has been doing a considerable amount of work in this area and may shortly be making the results of the examination more widely available. The Government of Ontario has also considered the many complex issues involved and will, according to the media, be making the results of this examination public before too long.

In view of this activity and in view of the fact that the federal Department of Justice is continuing to monitor the issues involved, it may be advisable to defer any formal action with respect to the suggestion put forward in the motion until the results of these various studies and reports are known. There is always a criticism of the fact that we study things to death, that we have too many studies or that we have a committee. I believe it is better to have these studies and act from a base of intelligence and knowledge on the subject than it is to adopt a shoot-from-the-hip kind of approach where we do not know the costs involved and do not know the complexities because we have not given the subject proper study.

Because of the uncertainties which I believe are contained in the terms of the motion—and I have not touched on anything but the criminal side in my remarks this afternoon—I believe it would be the best course to seek clarification on the part of the mover of the precise scope of the scheme which he has in mind and to review the situation in light of various other studies that are being undertaken both by private bar and by provincial governments which, on the criminal side, carry the main burden of responsibility. I think it would be premature for the federal government to take generally applicable action in a field where a major, indeed perhaps the primary, impact would be felt by the provinces.

I do not want to take any more time of the House. I know other of my colleagues are interested in this subject. They feel there is some kind of assistance that might be made available to various Canadians. I believe some form of executive discretion is probably the best system at this stage. I would like to see it exercised on more occasions than it is at the present time. There are hardships which, with any kind of presentation or representation, should receive serious consideration. Where it is an area of mixed federal and provincial jurisdiction, surely the Minister of Justice and provincial attorneys general could get together and work out some kind of scheme so that funds could be made available in classic cases where there has been a miscarriage or truly an expense to an individual. As the Hon. Member for Calgary West said, it may very well affect the rest of their life. I again thank the Hon. Member for bringing this subject matter forward. I would be very interested—

Mr. Gilchrist: Let the committee decide it.

Mr. Cullen: The Hon. Member says, "Let the committee decide it". My point is that no committee could decide this because it is so vague and covers so many areas. The next time the Hon. Member brings the motion forward, he should focus on one area. Let us look at that, make a pilot project of it and see if we can make it work.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I rise to support Motion No. 58 presented by the Hon. Member for Calgary West (Mr. Hawkes). I fully endorse the intent of the motion. I will speak very briefly because it is important that this matter go to committee. I had the occasion of working on a case which I believe this House should be very concerned about. It is directly related to what this Hon. Member is trying to do. There is a young married woman with two children in my riding. Her husband passed away and she was not given the survivor's benefit from Canada Pension. It went to her husband's common-law wife. After almost a year of writing back and forth, she finally came to me with this problem, and I represented her at a board of referees' hearing held to decide whether she is entitled to this pension because of her marital status. There was representation there by myself, a representative of the Government of Canada and an independent judge on that panel. The unanimous decision of that review board was that this woman was to receive the survivor's benefit.

• (1630)

The Department of the Minister of National Health and Welfare (Miss Bégin) appealed that decision, which forced this young woman to seek legal advice. Almost a year later, after going through the agony of discussing these matters with legal people and contacting various people to back up her submission, the case was finally heard and she won through the judge's fair decision. She was reimbursed in full retroactively. However, Mr. Speaker, there were lawyer's fees of $1,600 which were incurred through no fault of her own. This expense was incurred through the process of appeal which was caused by the Department of National Health. I would like to read into the record a letter which I wrote to the Minister of Health on February 3, 1984. I will not use the woman's name because I think that would be wrong. It reads:

I am writing to you regarding—

A constituent—

—of Revelstoke, British Columbia.

Her case—

—went to a Review Committee which ruled unanimously in her favour, that she should receive Canada Pension Plan survivor's benefits payable on behalf of—

—her late husband.

Your Department appealed this decision to the Pension Appeals Board, which has also ruled in—

—her—

—favour, and I understand that she has received retroactive payments. Because of your Department's appeal to the Pension Appeals Board, it was necessary for—

—her—

—to hire a lawyer to protect her interests. This cost her over $1600, which I feel should be paid by your Department.

I am enclosing an itemized statement of her account and I trust that your Department will deal with it in the appropriate way.

There were many hardships created which this woman had to go through and it was only through my persuasion at the very end that she, very reluctantly, continued on with it. Therefore, I want to congratulate the Hon. Member for Calgary West for his motion. I urge this House at least to allow it to go to committee so that these kinds of things can be discussed and, hopefully, something will come out of it so that individuals such as my constituent will not have to go through this kind of procedure.

Mr. Dave Nickerson (Western Arctic): There is within Canadians, Mr. Speaker, something we might call "an innate sense of fairness". When we see something happening which works against an individual, which puts him at a grievous disadvantage, even though strict legality was adhered to, we feel that something has gone wrong and amends have to be made. Part of our job as Members of Parliament is to bring these things to light. Over certain years or certain months we hear countless horror stories. We have heard some this afternoon. I intend to give you other examples of where Canadian citizens have found themselves holding the short end of the stick when they have been up against the state, the Government.

I am pleased that the Hon. Member for Calgary West (Mr. Hawkes) introduced this motion this afternoon. I am pleased that the Hon. Member for Sarnia-Lambton (Mr. Cullen) went into the basic idea in some detail. It gives us an opportunity to address these issues so that perhaps in future we do not have to raise them day by day as we presently do. It seems there is a difference in what we might call the general criminal law—and I do not use the term in a technical way. Perhaps a better idea might be to call it the "traditional law"—cases of assault, break and enter, robbery and these type of criminal offences. We have in our legislation a great deal of protection for the individual, whether that individual be the victim or the accused. When it comes to victims, we have provisions for restitution. We have provisions at the provincial level by way of criminal injuries compensation. If someone is wrongfully accused, he can sue for wrongful arrest. Available to people who are accused of these types of offences is legal aid. This is something generally made available by the provinces or territories.

Over the generations there has come into being a system which respects the protection of the individual. However, when we are faced with what we might call administrative law—and much of the new law which is made is of this nature and deals with government rules and regulations—we have quite a different situation. Everything appears to be weighted in favour of the administrator, in favour of the state. When someone finds himself fighting the monolithic government, it puts him into a very difficult position and he can incur considerable expense. Justice in these cases is often much more expensive than justice under the criminal law or, as I have called it, the traditional system. If one is accused of breaking and entering, the process is fairly simple. One can act on one's own behalf in court and one is given every opportunity. When it comes to administrative law, very often it is up to the individual to initiate proceedings. That is much more difficult than just appearing in court and arguing your case. When it comes to the issue of wrongful denial of licences, for example—and these days you need a licence or permit to do almost anything—one needs a much greater level of expertise. Legal counsel has to be better informed. Very often there is a need for expert testimony from witnesses. These legal proceedings can be quite difficult and complex and frequently are very expensive.

• (1640)

Matters relating to taxation fall into this category even if a charge is laid under the Criminal Code. Not very long ago I spoke to someone who had been accused of tax evasion in the amount of $25,000—not a great amount of money in view of the nature of the business involved. That individual had spent approximately $250,000 in legal and accounting fees in an effort to clear his name and so that he would not have to pay the $25,000 that the Crown wrongfully alleges is owing. I do not know how this case will end, but in my opinion if the court finds the accused innocent, there should be some recourse against the Crown.

Another example occurred recently in my constituency concerning fisheries. We have heard about fisheries cases before—it seems the Department of Fisheries and Oceans is so determined to obey the letter of the law when it comes to rules and regulations that it is inclined to proceed first and ask questions afterwards. Approximately 1,000 fish were seized from a purchaser of fish in my constituency. I presume it was alleged they were caught illegally, but so far no charges have been laid and in all probability will not be laid. It may be that there has not been sufficient wrongdoing to make charges stick or it may be deemed that the public interest would best be served by not proceeding with the case. In the meantime, the person accused is unable to carry on his normal business. He does not know whether he will get the fish back or not. If the case is not proceeded with, what recourse does he have against the Crown?

Those are just a few examples, Mr. Speaker. I do not want to proceed at great length because we have already heard most of the arguments pro and some con this afternoon. I listened carefully to what the Hon. Member for Sarnia-Lambton said. I think he had some good ideas and perhaps some valid criticisms of the motion. Perhaps it should have been more focused and perhaps we should have started out with matters relating to taxation instead of trying to include everything in one motion. There is a question of how a scheme such as that envisaged in the motion could be implemented and what the implications of it would be in costs to the Crown and the public Treasury, for instance.

Because I think it is necessary to delve into the question in greater detail, I think the subject matter of the motion should be referred to a committee. I should therefore like to introduce the following motion. I move, seconded by the Hon. Member for Leeds-Grenville (Mrs. Cossitt):

That the subject matter of the Private Member's motion No. 58 which stands in the name of the Hon. Member for Calgary West be referred to the Standing Committee on Regulations and Other Statutory Instruments for examination and for report back to Parliament at the earliest possible date.

Mr. Deputy Speaker: The Chair cannot accept the amendment moved by the Hon. Member for Western Arctic (Mr. Nickerson) and I will give my reasons in a moment. The situation would be similar to that when the House discusses legislation on second reading where, in some case, the subject matter could in fact be referred to a standing committee for further consideration through this means. We are not dealing with a Bill at any of its stages, however; we are dealing with a motion. There are precedents, which I will quote if it is the desire of Hon. Members, but I do not wish to take any more time than is necessary.

May I draw the attention of Hon. Members to Beauchesne's Fifth Edition, Citation 435.1, which provides "It is not an amendment to a motion to move that the question—" or subject matter in this instance"—go to a committee.

There are other precedents which I may quote, one going back to 1926, where a similar situation arose and in the course of debate an Hon. Member moved, and it was seconded, that the subject matter of the question be referred to a standing committee. The Speaker at that time moved the motion out of order for the same reason that I have invoked under Beauchesne's. That is the precedent on which Beauchesne's jurisprudence rests.

Therefore, I must rule the amendment out of order in this instance.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I commend the mover of the original motion. It seems to me there is a very strong case for what he is attempting to do. If we talk it out it is not because we do not appreciate it. On this side of the House I think we all appreciate it. I have witnessed two or three cases recently where friends of mine who are Members have had a tremendous amount of damage done to their reputations only to be proven completely innocent. The actions of the Government have cost them a tremendous amount of money, but there is very little they can do to recover. In some cases it will affect them financially and, in terms of their reputation, for the rest or their lives.

There is the case of the Sick Children's Hospital in Toronto where one nurse was charged, found not guilty and subsequently it has been shown very clearly that she had no involvement. The case did tremendous damage to her family, however, and had a good deal to do with the death of one of her parents. In every way that I can think of this woman has had a terrible two or three years. She is completely innocent, yet there is no recourse at this point to any kind of support or reimbursement for the hundreds of thousands of dollars she spent on the case.

I am not a lawyer but I gather that in some civil cases there are ways that one can recover court costs. There are other ways that the motion, if it were amended or adopted in its present form, could support people who are having difficulty. I can think of cases where subparagraph 1 of the motion would apply, where an individual is required to take action under an Act of Parliament and is subsequently found to be right. As the Hon. Member opposite indicated earlier, we have had many cases of individuals who had to get legal advice simply because they were not capable of presenting an appeal. There are many examples of people dealing with cases concerning taxes or bringing a claim for workman's compensation and very often the claim is proven and yet it has cost them a lot of money and they have had a great deal of anguish. In those cases it seems to me that we could provide some kind of advocacy system. This has worked very well in the Department of Veteran's Affairs in the matter of pensions. There are a number of ways of providing this help, as the Hon. Member suggests.

● (1650)

In criminal matters, Mr. Speaker, the Marshall case in Nova Scotia is one that has concerned me. This individual, who is not guilty of the crime he was convicted of, spent some 11 years in prison, and then we found that someone else is guilty. There are strong feelings that the Crown was remiss in this matter. I do not think there is any question that in this country we always try to be fair. We have tried to plug loopholes in our social services, we have tried to make sure that no one is actually without food or some kind of shelter even if it is temporary. But this is one area where we have done very little about the problem. The two cases I mentioned, the Nelles case and the Marshall case, have come before the public eye, and I know there are many other deserving cases we do not know about because they have not come to our attention. But it seems to me that a lot of people just seem to fall through the safety net in this area more than in any other. It is difficult to deal with because there are some people who fall through the net because they do not do anything to prevent it, they just let it happen. However, I think we should be moving ahead in this area fairly rapidly.

I welcome this particular motion, Mr. Speaker, and I think it behooves us to push the people who can come up with the answers. There are no simple answers, which is part of the difficulty. Perhaps the answer lies in having a better advocacy system. Certainly the whole question of criminal cases must be dealt with, perhaps separately from those of cases involving matters of regulations.

One of my other colleagues wants to say a few words on this subject, Mr. Speaker, so I will sit down and give him an opportunity to make a short statement.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, with friends like that, who needs enemies? I would like to congratulate the Hon. Member

opposite. I think he has brought before the House a very important subject. It has now been drawn to the attention of the Minister responsible, and I am sure he will want to look at all the options available to him. Certainly it is a subject which has been commented on much more frequently in recent months and years. All of the individual cases raised here today certainly have caused a great deal of public attention and public concern. This has all been to the good because the Law Reform Commission has, I know, examined it; the Government of Ontario certainly has; the Law Reform Commission in British Columbia has looked at the whole issue of compensation in cases where individuals are wrongly accused, or they are accused and the court case does not proceed.

In the matter of certain actions taken by the Government Departments, whether they be Customs and Excise or Revenue Canada, certainly some errors have been made which would, under the regime suggested by the Hon. Member for Calgary West (Mr. Hawkes), certainly result in restitution. I may be diverging a bit, but I would like to say that there are a great many cases which have been brought before this House in the last little while regarding specifically Revenue Canada. I suggest that not all the facts have been brought forward and I would think that some of our comments in the House have done serious damage to the Public Service.

Mr. Deputy Speaker: Order, please. The hour provided for the consideration of Private Members' Business has now expired.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 13, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

The House resumed from Friday, February 10, consideration of the motion of Mr. Kaplan that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, when we adjourned on Friday, I had just nicely gotten into the substance of my speech. I had made the point that discussions with my constituents and other people had shown that the primary concern that Canadians have about this Bill relates to their total lack of trust in the present Government. I can understand why that mistrust exists.

There is no doubt that Canadians trust the RCMP and believe that the current Liberal Government let the RCMP down concerning all of the events that occurred in the early 1970s with the FLQ and separatism threat in Quebec. I was arguing that the Government has given much evidence that it cannot be trusted. People can remember the wage and price control promise and the gas taxes that were not going to rise but then rose enormously. People from the east and west remember that first constitutional proposal that would have forever in our constitutional history locked an absolute veto into two provinces, leaving out the other eight provinces and all other new provinces. That provision ultimately had to be removed from the Constitution because it violated that sense of fairness which Canadians possess. But this too has built up this perception of mistrust in the present Liberal Government.

I am sure you were as horrified as I, Mr. Speaker, when the Prime Minister (Mr. Trudeau) stood in the House last week and said that he saw no problem at all with the Prime Minister's Office personally handling extreme patronage in cases where Liberal Members of Parliament were allocated $500,000 each but not members of the Opposition. We must have an enormous gap between what the Prime Minister believes his role should be and what I as a Member believe. I think the Prime Minister should stand up and defend the whole country and the interests of all the people, even though in some parts they have not elected members of his Party. You cannot get around the fact, Mr. Speaker, that when the Prime Minister came to power he had 27 members in the west. Now he has none. He did not lose those seats because people in the west are perverse, nor did he lose them because there was anything wrong with the Constitution. He lost those seats because of the policies of his Government.

• (1110)

Mr. Evans: How many do you have in Quebec?

Mr. Thacker: When the Conservative Party meets those regional perceptions and needs of the people of Quebec, we will get members there as the next election will show. By the same token, the Liberal Party has to meet the needs of the people of the west if it expects to get members elected there. That is why I am saying the Prime Minister, in occupying the highest office of the land, surely has a duty to go out of his way to make sure those people feel comfortable. He has not done that. That is why he lost those seats in the west and that is why he will lose the next election.

I suppose I should come back to the major question as to whether we need a security service at all. That question was answered many, many years ago in the affirmative after the Second World War. We have a major security service within the RCMP. We have some important equipment in the Department of National Defence. Security work is being done. The question is whether that security service should remain within the RCMP or moved and set up as a civilian agency.

We have been told, and we all know, that other countries have separate civilian agencies. I am thinking of the United States and the United Kingdom. The United Kindgom has a separate service despite its long historical attachment to Scotland Yard, just as our attachment is to the RCMP. The question is whether there is something unique or something that has changed within Canada that makes it imperative we move the service away from the RCMP and into a private civilian agency. The people who want this separation argue it is because of police barn burning and incidents where the police actually broke the law and therefore we should have a separate civilian agency with checks and balances.

That argument does not wash generally in the west. People believe the RCMP were betrayed by the Government. They believe that the highest ranking authority in the Liberal Cabinet told the RCMP to get the FLQ, to get behind it and find out all the evidence so they could get a handle on it. When the RCMP broke the law and were caught, was there minis-

terial responsibility? Was there any form of political acknowledgement that the politicians were at fault even to the slightest degree? Not one bit, Mr. Speaker. A commission was set up and millions and millions of taxpayers' dollars were spent all in the whitewash of political forces. We all know in our daily affairs and understanding of human beings that the RCMP would not have unilaterally and on its own committed that whole series of breaches if it did not have direction, authority and tacit approval from the government of the day. That is why Canadians believe the agency should remain with the force. People feel that the security service was betrayed and there was no such thing as ministerial responsibility.

Contrast our form of government, which is a responsible form of government where ministers are responsible—which we do not have—to that in the United Kingdom, the mother of Parliament. There ministers resign regularly because of errors and faults that occur within their departments. The rule of law and our form of government insists that the minister should resign. The Carrington affair, I suppose, is the classic one. A telegram arrived from the Falklands suggesting that there might be some activity in Argentina. No reasonable person would have acted differently from what the minister did. Yet when the Argentinians attacked, the minister was the first one to stand and say: "I know you would not blame me". Nevertheless ministerial responsibility insisted as a tradition that he step down, and he did so with great pride. That is what is lacking in this Government.

• (1115)

The second bottom line issue is that if there is a security agency, be it a civilian body or if it remains with the RCMP, what types of changes do we have to bring forth in order to balance the rights and fundamental freedoms won as a result of the battles fought and the lives sacrificed by our ancestors and be able as a state to collect information and get at security agents who we know are out there? We have an enormous Russian embassy and there are embassies of other governments as well which are looking into our internal affairs. Their goal is to undermine our very way of life. So we require the agency but we must have very careful discussions.

At some point this Bill has to go to committee. It cannot be decided upon quickly, as the Hon. Member for Saskatoon West (Mr. Hnatyshyn) pointed out. Today is the second day that elected Members have had to discuss this entire issue. The Government claims that people have been discussing it for 15 years. It went to a Senate committee where over 40 changes were made to the original proposal. Nonetheless, this is only the second time it has been discussed in the House. We know from past experience that it takes several weeks, once the debate has commenced here, for Canadians to think about the issue generally and to get their views back to us as their elected representatives so that we can come to some conclusion as to how we should go. This is why I think there has to be a reasonable debate in the House on second reading and why the Bill has to go to committee. We have to get the experts back and have their views on the new proposals in Bill C-9. The proposals are so different it is as if they have no relationship at all to the first proposal the Government brought forth.

As I looked through the Bill, I had some problems with the question of the mandate, whether it is actually clear enough. I would like to hear from the experts whether it is possible to have a definition of "espionage", for example, which is more precise than what is in the existing Bill, or what we really mean by "threats to the security of Canada". If it were ever taken to be an attack upon the possibility of a regional party being formed, such as the Parti Québécois, the Western Canada Concept or the Social Credit, I would be concerned because I believe it is wise for those regional alienations and those senses of frustration to be able to crystalize in a party which can then come to Parliament. Most often those parties are absorbed into the mainstream. I would cite the Progressives in the early part of this century and, more latterly, the Social Credit Party and the Creditistes. If they were somehow seen to be a threat to the security of Canada, I would be very concerned. I think we ought to look at that.

I honestly do not understand why only the Statistics Act has been exempted from the provisions of the Bill. I would like to ask many questions on that. Primarily, I want to be totally convinced that we are setting up, if the Government forces it through, an agency for which there will be ministerial responsibility. Just as the rule of law is fundamental, just as we have the right to responsible government, I want to have the right of ministerial responsibility. I will be looking at the Bill from that perspective.

Some Hon. Members: Hear, hear!

Mr. Robinson (Burnaby): Mr. Speaker, I listened with great interest to the remarks of the Hon. Member for Lethbridge-Foothills (Mr. Thacker). At the conclusion of his speech, he indicated that he felt it was important that there be proper ministerial control and accountability over this important agency. Does the Hon. Member support the recommendation of the McDonald Commission which called for a parliamentary oversight committee similar to those in existence in West Germany and the United States to ensure parliamentary oversight of the activities of the new security agency?

• (1120)

Mr. Thacker: Mr. Speaker, there is no doubt that as a matter of principle, starting from a blank sheet, that would be a position that I would argue strongly as well. I think it should come from a group of people who are responsible to the people at large. When I say ministerial responsibility, I mean responsible not only to the Cabinet but to this House; but if it were in a committee of us, we are responsible to the people. If we do something wrong and they feel that it is wrong, they can turf us out. We have accountability every four years, or five years in the case of the existing Government. As a matter of principle, I agree. If we are going to move from that principle, I would want to be able to understand the good reasons and argument as to why it should go to a review committee of retired Privy Councillors, for example.

Mr. Taylor: Mr. Speaker, I wish to ask my colleague a question. The United States and Great Britain have separate security forces. One item that has been brought to my attention is that spies are able to get into those services and carry out fifth column activities. I would like to ask my legal friend whether he thinks there is a greater danger of fifth columnists getting into a separate security force than there is into the RCMP security force.

Mr. Thacker: Mr. Speaker, I suppose it should not be necessarily so, but I think in fact it would be. A new agency would not have those long decades and decades of tradition that the RCMP has. The RCMP has a quasi-military background. You have total military discipline and the RCMP has a quasi-discipline. If you set up a civilian agency, it will not have any of that. Some people cast aside traditions very easily. I do not believe that traditions are there lightly; they have been built up over many generations. There is a high standard to which the RCMP hold themselves accountable. The men are imbued with that from the first day they take their training, whether it is in Regina or in the east. As such, I do not think we should lightly overthrow that for some new civilian agency which will have none of that background and tradition.

Mr. Robinson (Burnaby): Mr. Speaker, I take it that if the Hon. Member for Lethbridge-Foothills were in fact drafting legislation in this area, he would not create a civilian security service but rather would maintain the security service within the present structure of the RCMP. Would that be a correct conclusion?

Mr. Thacker: Yes, Mr. Speaker. That would always be my starting point for sure. There is no need to change that tradition. They have been doing well. It is just those events in Quebec. As I say, most of the people I talk to, and my own reading on the subject, indicates that the RCMP were actually betrayed by the government of the day. They were led into getting that evidence, sometimes illegally. When they were caught at it, the politicians got themselves off and there was no ministerial or Cabinet accountability. My people believe that. I believe that. Therefore, why should we move it out?

Mr. Hnatyshyn: Mr. Speaker, I want to make a couple of comments. I notice that my Hon. friend from Burnaby (Mr. Robinson) has been participating in this debate as the sole participant of his Party with respect to these issues. I am curious with respect to whether the NDP have any position on this Bill. For example, I recall on a number of issues that there has been what I call a swallowing of themselves on the part of the NDP on justice and legal affairs issues. I think back to when my colleague from Burnaby spoke on behalf of his Party with respect to the prostitution issue. His position as then stated was that he wanted to set up red light districts across the country. As soon as he uttered those words on an open line show in Vancouver, the Jack Webster Show, of course there was horror and dismay in the office of his Leader. Not only that, there was a reversal of that position taken by the—

• (1125)

Mr. Manly: Mr. Speaker, I believe comments and questions are supposed to be directed towards the content of the speech just made.

The Acting Speaker (Mr. Herbert): I was going to caution that this should not develop into questioning between other Members. Nevertheless, the Hon. Member for Saskatoon West (Mr. Hnatyshyn) is entitled to make comments. If as a result there is some response to the comments, this is within the purview of the question period.

Mr. Hnatyshyn: Mr. Speaker, I am glad the Hon. Member got up. I know there is great sensitivity, but I was simply saying that the Hon. Member for Burnaby spoke on behalf of his Party and said that this Government proposal was an absolutely ideal Bill and there were no difficulties at all as far as the NDP was concerned. Two weeks later, of course, the justice critic of that Party was reversing that position; they had various serious concerns with respect to the legislation. I am concerned about that because, as we have seen, as soon as the Hon. Member for Burnaby stands up and states a particular position, his Leader is usually there at the forefront in order to reverse that position.

Mr. Robinson (Burnaby): Mr. Speaker, it is obviously entertaining to watch the spectacle of the Hon. Member for Saskatoon West, but I would draw the rules to the attention of the Chair. Clearly any questions or comments must relate to the speech made in the preceding 20-minute period. For the Chair to suggest otherwise, I say with respect, flies in the face of that particular rule. Otherwise, a Member would be entitled to wander at random to any subject that he or she chose. The clear intent of that particular provision is to follow up, with either comments or questions, the immediately preceding speech.

I am not going to comment with respect to the veracity of my learned colleague because, of course, there is no foundation whatsoever to his remarks.

The Acting Speaker (Mr. Herbert): I understand full well the point of the Hon. Member for Burnaby. However, I might suggest that following the remarks of the Hon. Member for Lethbridge-Foothills (Mr. Thacker) the Hon. Member for Burnaby rose and himself put questions which probably led to the comments of another Member. In the sense that this is all part of the debate following other remarks of the Hon. Member for Lethbridge-Foothills, I do not see a point of order.

Mr. Hnatyshyn: Mr. Speaker, I do not understand the sensitivity. I will only attribute it to the fact that it is Monday morning, and after a weekend out in their ridings the members of the NDP would naturally be sensitive with respect to their electoral or other prospects.

Mr. de Jong: You are not going to be in the Cabinet either, Ray.

The Acting Speaker (Mr. Herbert): Order. Even if it is Monday morning, we had better bring the proceedings back to normal.

Mr. Hnatyshyn: I wanted to explain, Mr. Speaker, if I may—

Mr. de Jong: You have a lot to explain.

Mr. Hnatyshyn: —that the Hon. Member for Lethbridge-Foothills made what I thought was a very constructive contribution to this debate. I wanted to find out whether or not we are going to get any participation from the NDP—

Mr. de Jong: Sit and watch. Take your seat and listen.

Mr. Hnatyshyn: Mr. Speaker, these people are absolutely out of control today. I do not know what they have eaten on the weekend, but they simply cannot keep still. I am trying to be helpful to them. I have spent my whole political career trying to be helpful to the NDP, and have given them advice and assistance. What do they do? They reciprocate by yelling at me when I am trying to speak.

The Acting Speaker (Mr. Herbert): Order, please. I think under the circumstances it would be just as well if we continued with the debate.

• (1130)

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate having the opportunity the Conservative Party has given me to speak on this Bill. Usually three members of the Conservative Party speak in between each member of the New Democratic Party but the Conservatives do not seem to have as much interest in this Bill as they should. Perhaps that can be attributed, as you have said, to the fact that this is a Monday morning. However, I appreciate the opportunity to try to make a case to my fellow Members of Parliament and to the Canadian public about why the Bill should not pass.

As I read it, the underlying principle of the Bill is that a free and democratic society in Canada can best be protected by a security service with extraordinary powers to pry into the lives of ordinary citizens and that such a security service does not even need to be subject to parliamentary scrutiny. That is the underlying principle of the Bill as I interpret some of the clauses and the absence of certain clauses.

To understand why the Bill is so unacceptable to this Party, we must go back to 1976-77 when Canada was rocked by a series of revelations about illegal action on the part of the security service within the Royal Canadian Mounted Police. The shock that Canadians felt at this illegality was matched only by their disgust as the Government's attempts to stonewall the issue. Not a single Cabinet Minister or Government backbencher had the gumption to speak out against this betrayal of trust by those charged with protecting our liberties and safeguarding our democratic society.

It was revealed that there had been cases of illegal barn burning, stealing dynamite, breaking into press agencies, breaking into democratic party offices and so on. When the heat became too intense for the Government, it finally appointed a royal commission, a tried and true method of diffusing public attention from a scandal. It was widely felt at the time that the commission would do nothing more than cover up. The McDonald Commission was the most expensive royal commission in Canadian history to that point, costing some $15 million. When it finally reported in January, 1981 the Government sat on the report until August 25, and then issued it along with two additional papers which disputed certain of the commission's findings.

To date there has been no government action against any of the law-breaking by members of the security service. We get conflicting testimony from two Ministers so we are not even sure whether any internal discipline has been taken against those members of the RCMP who violated internal regulations.

The report of the McDonald Commission was not by any stretch of the imagination a high water mark for civil liberties in Canada. The commission did mostly what it was instructed to do; or, rather, it did mostly what it was supposed to do for the Liberal Government but did look at a number of actions which it thought may have been illegal and in which prosecution may have been warranted.

Even this mild criticism of the security service and of the Government was too much for the Solicitor General of Canada (Mr. Kaplan). When the report was released to the public he issued a statement in which he said:

> Both the Department of Justice and independent outside legal counsel have considered very carefully the criticism of the RCMP's lack of respect for the law. On numerous occasions the Commission criticizes conduct that it describes as not specifically authorized by law. It is the opinion of the Department of Justice and independent counsel that unless conduct is prohibited either at common law or by legislation it is not unlawful, and in proper circumstances conduct not specifically authorized by law may be necessary and appropriate.

This is an important principle to keep in mind when you look at Bill C-9, because in a number of situations the Bill falls short of the recommendations of the McDonald Commission, which, as I say, was not in any way a high water mark for civil liberties in Canada.

For example, at page 1071 of the report, recommendation No. 17 advises administrative guidelines concerning the principles to be applied and the use of undercover operators by the Security Intelligence Agency. It says that these guidelines should be approved by the Solicitor General and publicly disclosed. I should like to draw attention particularly to the suggested guidelines 17(e), (f) and (g), which read as follows:

> (e) undercover operatives must not be used for the purpose of disrupting domestic groups unless there is reason to believe such a group is involved in espionage, sabotage or foreign interference;
>
> (f) undercover operatives should be instructed not to act as agents provocateurs and, in situations where they become aware of plans for violent activity, to do what they can to persuade the members of a group to adopt milder methods of protest;
>
> (g) interviews of persons for security screening purposes should not be used as occasions for recruiting such persons as sources—

I should like to suggest in view of the Minister's comments that whatever is not specifically prohibited can be allowed; that clauses such as these should be specifically written into the Bill before it is passed into law. At page 1078, the report has some suggestions regarding by-product information that is found as a result of investigations looking for other material, that it should be closely monitored to ensure that investigations are not being misdirected for a purpose irrelevant to the security of Canada and that the use of by-product information has to be closely watched to make sure that it is not used for other purposes.

Recommendation No. 33 reads as follows:

We recommend that the legislation governing the security intelligence agency include a clause which expressly denies the agency any authority to carry out measures to enforce security.

I did not find a clause such as that in Bill C-9, Mr. Speaker. Recommendation No. 37 reads as follows:

We recommend that the security intelligence agency not be permitted to disseminate information or misinformation in order to disrupt or otherwise inflict damage on Canadian citizens or domestic political organizations.

I do not find anything in the Bill to prohibit that kind of activity.

Recommendations Nos 49 and 50 suggest that there should be guidelines for relations with foreign security agencies which, as you know, are tied into this legislation so that information collected about Canadians can be passed on to foreign security agencies. The McDonald Commission at least suggested that guidelines should be developed in that area. But there is nothing to that effect in the legislation, and given the Minister's statement that anything not specifically prohibited can be permitted, I think it should be written in.

On Friday, the Hon. Member for Burnaby (Mr. Robinson) tried to get an answer to this question from the Parliamentary Secretary. He asked if the Government was going to be making public the names of those agencies of other countries with which the security service will exchange information. The Parliamentary Secretary answered "I don't believe so, Mr. Speaker". We are not even going to know the names of the other agencies let alone the kind of information that is being passed on to them.

We have the same situation with regard to accountability. On page 1100 the McDonald report recommends a three-member advisory council whose appointment would have to be approved by Parliament. In other words, the Government would have to come before the House and the Senate with the names of the appointees and there could be a debate and question raised if some of those appontees were not suitable.

Clause 35 of Bill C-9 refers to a Security Intelligence Review Committee. The Leaders of the Opposition Parties would be consulted about the members of that committee but it would not be referred to Parliament. We all know how little such consultation can be in some circumstances. I feel we should at least be looking at the recommendation of the McDonald Commission that the names must come before Parliament for approval.

• (1140)

With respect to the powers of the two committees, the report of the McDonald Commission suggests that there should be full access to all documents. As has been pointed out, this Bill restricts access to Cabinet documents so that members of the security service could in fact have access to some Cabinet documents; but the Security Intelligence Review Committee, which is to oversee them, would not have access to those documents.

Section (g) of Recommendation 180 of the McDonald Commission report suggests that the advisory council should report to a joint parliamentary committee on security and intelligence at least annually on the following:

(i) the extent and prevalence of improper and illegal activities by members of the security and intelligence agency—

(ii) any direction given by the Government of Canada, to the security intelligence agency or any other federal organization collecting intelligence by covert means, which the Council regards as improper;

(iii) any serious problems in interpreting or administering the statute governing the security intelligence agency.

This recommendation ties in parliamentary accountability to a much greater extent than Bill C-9, in which Clause 53 simply requires a report by the advisory council to the Minister, who then tables that report in Parliament; and we do not know if Parliament has any right to discuss it.

Section 184 at page 1102 of the McDonald Commission report calls for the appointment of a joint parliamentary committee which would have the power to consider the estimates of the proposed security service. We do not have any of those powers in the present Bill, Mr. Speaker. When the McDonald Commission introduced its report, it said that all the recommendations were tied together. On page 405 of that report it is stated:

To accept the recommendation as to the kinds of activities about which the agency should be empowered to collect intelligence, without implementing the recommendations as to scrutiny and control by the Minister, Parliament, and the independent review body would be dangerous. To accept the recommendations about relationships between the agency and the agencies of foreign countries without the same régime of scrutiny or oversight would be dangerous.

We have a royal commission which cost the Canadian public $15 million and which says that unless we have those built-in safeguards, we are getting into a dangerous situation. That is precisely what we have with Bill C-9.

The Tories say they are opposed to this Bill. I wonder how much they are opposed. In Brecht's play, *Mother Courage and Her Children,* one of the characters says: "It's unjust and I won't stand for it". Mother Courage replies: "How long won't you stand for it? An hour? A day? A week?" I would like to ask the Tories how long will they not stand for this Bill. How long will they oppose it? Will they put up one speaker to every New Democratic Party speaker or are they going to insist upon their full complement of three speakers to every New Democratic Party speaker? Let us see how strongly the Tories oppose it.

The Hon. Member for Lethbridge-Foothills (Mr. Thacker) spoke on the Bill on Friday. I was interested to read what he

said, and I quote from page 1289 of *Hansard,* February 10, 1984:

> If this Bill had been proposed years ago by Prime Minister St. Laurent or Prime Minister Diefenbaker, I suggest that it would have been much better received because Canadians then had a central trust and belief that the Government would do what is right under the circumstances. They do not have that trust today. Hopefully after an election and a change of government there can be a whole new group of persons in the Cabinet who will lead to that restoration of trust so that the Bill could be brought back at that time.

In other words, the Tories are saying: "It would be wrong to buy this used car from the Liberals, but it is okay to buy it from us because you can trust us". The Canadian people know how far they can trust the Conservative Party. In the fall of 1982, the present Leader of that Party was swearing allegiance to the Hon. Member for Yellowhead (Mr. Clark) and at the same time he was plotting to bushwhack him in Winnipeg. We know how far we can trust the Tories—about as far as the Liberals.

The McDonald Commission identifies three essential requirements of democracy on page 408 of its report: first, responsible Government; second, the rule of law; and third, freedom of legitimate political dissent. The report states:

> These, we would emphasize, are requirements of democracy. As requirements they are not to be compromised, whittled down, or balanced off to make effective security possible.

Bill C-9, Mr. Speaker, allows the Government not to be responsible. It allows it not to have to answer to Parliament for its security service. As far as the rule of law is concerned, we have seen the Government flagrantly turn a blind eye to what has happened in the past. There has been no prosecution of past lawbreakers and this has brought the whole of the law into contempt with the Canadian people because they see there is one law for one group of people and another law for another.

On page 409 of its report the commission states:

> The third requirement—democratic dissent—is perhaps the most difficult to maintain because its observance requires such careful judgment. Still, we believe that the distinction can be made between, on the one hand, those who wish to overthrow our democratic system or use violence or threats of violence to violate our democratic procedures, and on the other hand, those who seek radical change in our social, economic or political arrangements within our democratic system.

In the past, the security service did not make that distinction. I suggest, Mr. Speaker, that there are elements in this Bill which do not make that distinction either.

The Minister spoke of a sense of urgency, a sense of needing to get this Bill passed in a hurry. This is phony. Where was the urgency in the 1970s when there was growing evidence of security service crimes? Where was the urgency of the Government to act then? It stonewalled, it obfuscated and, finally, it appointed a royal commission, hoping to bury the issue. Senator Pitfield urged quick passage of Bill C-9 when he was interviewed on January 24. He said: "We have to show people that our parliamentary system works".

I want to submit, Mr. Speaker, that we have to show the people of Canada that our parliamentary system works by defeating this Bill. The mandate it gives to the security service is too broad. It does not have the built-in kind of checks and balances and accountability to Parliament which are necessary. It is a dangerous intrusion into the lives of ordinary citizens and it undermines the foundation of our democracy. I urge all Hon. Members to join with my Party in opposing and defeating this Bill.

Mr. Kaplan: Mr. Speaker, I would like to ask the Hon. Member this. I understand his dissatisfaction with the present statute. However, when he calls for the Bill to be blocked and in effect urges a filibuster by inviting the Conservatives to go to the limit to keep this Bill from being passed, does he not realize that what he is doing is preserving present arrangements? He is providing for the continuation of the security service which we now have.

Mr. Blackburn: That is political blackmail. This is in the House of Commons.

Mr. Kaplan: The Hon. Member calls it political blackmail, but it happens to be the fact. We have a security service now. It has a mandate now. It does not report to Parliament now. It operates without judicial warrants now. It has very broad powers for which it does not account to Parliament.

• (1150)

The Government wants to change that situation. While the Hon. Member would like to see us go further, surely he should agree that the responsible thing to do is to take this legislation forward, not block it or defeat it, subject it to the normal parliamentary process, and see if their brains can make it a better Bill. I doubt it, but I am certainly willing to be convinced. How can they say that they are concerned about the privacy and civil liberties of Canadians and still want to prevent a Bill which is an improvement from moving forward?

Mr. Manly: Mr. Speaker, there is very serious question whether this Bill is an improvement in any sense. For the first time there is now authorization for mail opening, apart from narcotic issues. There is access to income tax records. I do not believe that this Bill does represent a real improvement over the present unsatisfactory status quo. We want to see things changed in the status quo as well, but I do not think it is an answer just to talk about bringing in this Bill and passing it. There are not adequate safeguards and parliamentary responsibility in it. The House would be most derelict if it passed this legislation in its present form. We simply cannot agree to going along with legislation which does not have built-in accountability to Parliament and which allows such wide and sweeping changes.

This is the first time in 15 years, Mr. Speaker, that there has even been a full debate on this subject. I hope that all Members in our Party, the Conservative Party, and perhaps some Liberals, might get interested in this subject and put their remarks on record.

Mr. Thacker: Mr. Speaker, it was not clear from the Hon. Member's speech whether he was arguing against the separation of the security services from the RCMP as a matter of principle, or whether he would find that under certain circumstances, with the proper checks and balances, that would be an

appropriate move for the country at this time. Would he clarify that point?

Mr. Manly: Mr. Speaker, the Hon. Member is quite correct. That was not the point of my argument. I was not arguing on one side or the other of that question. I was arguing that the present law is introducing a security service that has wide powers which are not subject to parliamentary scrutiny. That is the basis of our opposition of this Bill and what we want the House to focus upon.

Mr. Thacker: Mr. Speaker, I would appreciate it if the Hon. Member would give me his view. In my speech I said this type of Bill could have been brought forward by earlier Prime Ministers and the concept would have been accepted because there was a greater trust in government. I believe the lack of trust is unique to the Government in force today. A future government with new players could bring in the principle of separating the security service from the RCMP and placing it in a civilian agency, with proper checks and balances. If a civilian agency had the proper checks and balances, including parliamentary review, would the Hon. Member support that move?

Mr. Manly: Mr. Speaker, we would want to see the Bill and debate it on its merits. We are debating this Bill which does not have those proper checks and balances and which give powers we believe should not belong to any security service.

Mr. Robinson (Burnaby): Mr. Speaker, I would like to comment and ask a question of my colleague. Since the Hon. Member for Lethbridge-Foothills (Mr. Thacker) has brought it up, I cannot resist commenting that we certainly await with interest the comments of the distinguished official spokesperson for the Conservative Party on the question of whether the security service should in fact maintain its responsibility for security operations in Canada, or whether instead there should be a civilian security service established. I know that my colleague from Lethbridge-Foothills would be most interested in asking that question of his colleague, the Hon. Member for Saskatoon West (Mr. Hnatyshyn), the former justice critic for the Conservative Party and former chairperson of the Justice and Legal Affairs Committee of the Conservative Party's Caucus Committee. I am sure that former justice critic and former chairperson would be most interested in enlightening the House on this important question.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I was interested in the comments of the former justice critic for the New Democratic Party who is now the consumer affairs critic for that Party. Obviously he could not be trusted with that job. In fairness to the Solicitor General (Mr. Kaplan) I want to comment on the closing comments of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly).

An Hon. Member: I thought you were a Christian!

Mr. Friesen: I am. In his closing remarks the Hon. Member for Cowichan-Malahat-The Islands mentioned that the Minister wanted to end this debate quickly and get the Bill to committee. I have been reading the Minister's speech. While I enjoy criticizing the Minister myself, in all fairness that is not one of the things he said in his speech. He did say we need to debate it and pass it, but I do not think he made reference to passing it quickly. In his closing comments on page 1275 of *Hansard*, the Minister said:

> We can give the people of this country clear statutory assurance that their rights and freedoms will be respected, or we can leave our security intelligence system in a prolonged state of uncertainty, with no legislative framework, no public mandate, no judicial approval role, no independent or external review; in short, none of the safeguards we all believe are important to the rights and freedoms we enjoy in this society.

There are two things which I would like to mention at the outset. The Minister did not say he was in a hurry to pass this Bill, even though he may well be. I can imagine that as Minister he would like to see it go to committee quickly. The reason he did not say it may be that he may not have complete Caucus support for the legislation itself. I have a statement here by the Chairman of the Standing Committee on Justice and Legal Affairs, the Hon. Member for Rosemont (Mr. Lachance), who, speaking on the program *House on the Hill*, on CJOH-TV on January 29, said:

> It's not the kind of topic six months or eight months before an election that is really very high on the priority; you just don't, I guess, win an election with the passage of that kind of a bill. It's very . . . it's controversial on the one hand; on the other hand it's lacklustre in terms of public appeal. So I don't sense very much of a pressure on the part of the caucus, be it on the Quebec side or the rest of the Liberal caucus, to have this bill passed expeditiously.

I think we are owed an explanation from the Minister as to where his Caucus stands on this legislation. Does he enjoy Caucus support? Are they going to co-operate with him to get it into committee? Once it is in committee, what kind of support and unanimity does the Liberal Caucus have? Could it be that the Chairman of the Justice Committee is speaking on behalf of a significant section of his Caucus when he says there is no urgency to this legislation? If that is the case, I hope there will be enough freedom in that Caucus to speak boldly about their concerns.

I hope there will not be an experience such as we had when we were dealing with the *Time* and *Reader's Digest* legislation when the former Member for Vancouver-Kingsway, Simma Holt, who had been a loyal member of that committee, was not allowed to serve on it. You, Mr. Speaker, were sitting on the Secretary of State Committee at that time and had been sitting on that committee for two years and were bumped from it because the Government knew you opposed the legislation it was presenting at that time.

• (1200)

When the committee sits to discuss this legislation, I hope that the Government will have a hands-off position in terms of the membership of the Justice Committee so that Government members sitting on the committee can debate and speak openly about this legislation.

I am also disturbed by the quotation I just read regarding the Minister's point of view. Since it is true that this issue has been debated for 15 years, the most obvious question is why.

If, as the Solicitor General points out, we can leave our security system in a prolonged state of uncertainty with no legislative framework, no public mandate, no judicial approval role, no independent or external review—in short, none of the safeguards we all believe are important to the rights and freedoms we enjoy in this society—the simple question is why has this been going on for 15 years? If the Government is concerned about civil and human rights, why has it waited 15 years to give legislative approval to the activities of a security service, be it part of the RCMP or a separate service? The security service itself is not even germane to the most residual question: Why have we waited 15 years to protect the rights of Canadian citizens? Why have there been barn burnings? Why have political offices been ransacked? Why have Canadians been vulnerable to those kinds of activities? Those are questions the Solicitor General must answer. The Government must be accountable.

As the Hon. Member for Lethbridge-Foothills (Mr. Thacker) said, if this legislation had been introduced verbatim by a previous Government, such as the St. Laurent Government, the Diefenbaker Government or the Pearson Government, it probably would have raised very few eyebrows because there was a sense of confidence in those Governments and the leadership at that time.

The problem we face today is a crisis of confidence in the leadership of the Government. It is not only incompetence that bothers us, though there are plenty of examples of rank incompetence by the Government. What really bothers the Canadian people is that the Government enjoys the use of power. Since it derives so much pleasure from power, there is no discipline, constraint or self-control in the use of power.

I suggest there are several very clear examples of that. The first is Bill C-157, the predecessor to Bill C-9. We must ask why Bill C-157 contained such expansive powers. Why did it have such loosely defined roles for the security service and why were the definitions so broad? I presume it is because the Government takes pleasure in having as much power as possible. That is the crux of the distrust that the people of Canada have in the Government.

The second reason is that legislation is debated outside of the Chamber in too many cases. We do not have to go back more than two years to recall our experience regarding the Crow legislation. In that case the Bill was contemplated, discussed and announced in major centres all over Canada but never presented in the House. It was never presented in the House until two days before the debate was scheduled. That seems to be the pattern of the Government.

I should commend the Minister for tabling Bill C-157. It was circulated and we were able to debate it outside the Chamber and the public was able to examine the intentions of the Government. Because of that public scrutiny, the former Bill finally had to go to the Senate committee for study and recommendations. That committee roundly condemned the Bill and gutted it. That let to the presentation of a new version of the Bill.

There is no confidence in the Government because it enjoys power. It takes pleasure in power and therefore has very little self-control in its use.

For my final example, I will return to a favourite theme of mine. I say that ironically. That is the Emergency Planning Order of 1981, No. 1305. While the Order in Council is divided into peacetime and wartime powers, the entire Order in Council is covered by a Crown prerogative provision, not statutory limitations.

The peacetime provisions are covered largely by federal-provincial agreements. Therefore, why is it necessary to cover peacetime arrangements with a Crown prerogative to let the Prime Minister do whatever he wishes? Since federal-provincial agreements cover most of the situations relating to peacetime emergency arrangements, why should Crown prerogative cover that particular provision? Again, the only conclusion I can draw is that the Government takes pleasure in having as much power as possible in the event it might be able to use it.

The more disturbing aspect concerns wartime provisions. In order to be accurate, let me refer to Part II of that schedule of powers in the Emergency Planning Order. Under the powers assigned to the Solicitor General of Canada are items 6 and 7. Item 6 is the power to "Establish, administer and operate civilian internment camps". Item 7 is to "Facilitate the selective reduction and transfer of prison populations to provide for the establishment of civilian internment camps".

I ask you, Mr. Speaker, where is the logic? The Minister stood in the House on Friday to say that we need to proscribe the activities of the civilian service and limit it by statute very carefully. But there is a provision whereby he can release from penitentiaries criminals who have been put in prison because they have violated the Criminal Code in order to make room for people who have never violated the Criminal Code. What is the logic behind making it possible for any government to release convicted prisoners in order to make room for people who have not been convicted? The only conclusion can be that the Government enjoys having a wide expanse of powers.

The reason there is so much distrust in the Government is that it has had a poor record. While incompetence and bungling is enough reason for Canadians to want to unload the Government, the greatest reason is distrust.

With respect to the issue of quick passage of legislation, I recall the Solicitor General coming to me just over a year ago to ask for quick passage of mandatory supervision provisions. He wanted a one-day debate because he could not get House time for any legislation other than economic legislation. That particular Bill was sent to the Senate which again shot it down in flames. When the Government wants quick passage of legislation which is rejected after close scrutiny by the Senate, why should there be a short debate on any legislation? I do not even have to talk about what the Government is doing in Revenue Canada and its pleasure and power there. All I have to do is remind Hon. Members that the legislative record of this Government is enough to create suspicion and, therefore, close examination and scrutiny of all legislation it tables is required.

• (1210)

I would like to look at some of the provisions of the Bill which raise questions for us. I want to note with particular attention the provisions in Bill C-157. Clause 14(2) of Bill C-157 stated that the security service is not restricted from "remaining informed" about the political, economic and social environment within Canada. The Senate committee pointed out very clearly that that was a provision which would open the door to mischief and therefore would heap scorn on that. Let me turn to Clause 12(2) of the present legislation, which provides:

Nothing in this Act restricts the Service from remaining informed, through public sources of information, about the political, economic and social environment within Canada and matters affecting that environment.

There you have it, Mr. Speaker; nothing is changed. The Senate says get rid of it. The Minister keeps it. I ask you, Mr. Speaker, will the security service, when looking through the public sources of information, be reading newspaper articles about all of the citizens of Canada? To what kind of clipping service will the security service subscribe? On whom will the security service keep files? Should it be that we have exactly the same provision in this legislation and powers sweeping enough rather than restrictive enough? For the security of the public we need provisions that are proscriptive enough, not sweeping enough.

I come to Clause 14 of the present Bill which reads:

The Service may advise any Minister of the Crown on matters relating to the security of Canada that are relevant to the exercise of any power or the performance of any duty or function by that Minister under the *Citizenship Act* or the *Immigration Act, 1976*.

Why should the security service report to "any" Minister of the Crown? I thought the buck stopped at the Solicitor General. Is the security service now going to report to the Minister of Employment and Immigration? Is the security service going to report to the Minister of National Revenue? I thought the Solicitor General was accountable. What goes on, Mr. Speaker?

I am concerned about certain provisions. Let us take a look at Clause 21. I have a simple question. There seems to be a provision whereby the Solicitor General would have final approval over whether search warrants would be issued. Since he became Solicitor General four years ago, how many times has the Solicitor General turned down a request for a search warrant? Has he turned down any of the hundreds of requests that I am sure he has had? How many has he turned down?

The Acting Speaker (Mr. Herbert): Order, please. May I draw to the attention of Hon. Members that Members are not supposed to walk between the line of vision of the Member speaking and the Chair.

Mr. Friesen: I did not particularly notice that, Mr. Speaker. I know the Hon. Member for Burnaby (Mr. Robinson) does not know the difference between a union hall and the House of Commons so I expect that kind of behaviour.

Some Hon. Members: Oh, oh!

Mr. Friesen: I did want to close with three particular provisions mentioned in an article that I read and which was written ten years ago. It is entitled "The Relationship Between Secret Services and Government in a Modern State". It was written by a Briton and the Brits understand the secret service because they have bungled it often enough. Therefore, they ought to know something about it. This person makes eight points that are very clear. I want to introduce just the first three and then I will be through. I know you are getting nervous, Mr. Speaker. First, he says:

—the operational front of secret operations should be as narrow as possible.

My concern with this legislation is that it is as wide as possible. The second point reads:

—intelligence requirements and priorities, both overt and secret, must be laid down at the national and political level, and never at the departmental-ministerial level.

I am concerned about this level. It is not fulfilling this proscription. The third point reads:

—to keep the *collation* of intelligence separate from *collection;* and ensure that ultimate collation on major matters is undertaken at the national level.

It is all important that we separate collection and collation. Therefore, I think we need to examine this legislation very carefully.

Mr. Robinson (Burnaby): Mr. Speaker, I have a question for the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) with respect to the powers he referred to, certainly the expansive powers under Bill C-157. In view of the severe criticism which the Hon. Member has levelled against the provisions of Bill C-157—I know he indicated that he personally gave a speech in Toronto criticizing some of the provisions in Bill C-157—could he enlighten the House why it was that both his Leader and the official spokesperson for his Party refused to take any position whatever on that legislation during the entire time it was tabled in the House?

Mr. Friesen: Mr. Speaker, I would think that I am just a burned out English professor. I would not think in such clinical terms as the experienced lawyer from Burnaby. He does not draw very clear distinctions. When I said last Friday that I spoke in Toronto, I spoke on Bill C-157, not on the present legislation. I would like the Hon. Member to understand the difference there.

With respect to our spokesman on the legislation and our Leader, I will let them speak for themselves.

Mr. Kaplan: Mr. Speaker, before asking my question, I would like to express my appreciation to the Hon. Member for stating accurately the position I took in my speech about wanting the Bill to be passed but not calling on Parliament to pass it in a speedy way or without the care such an important matter deserves.

In view of that, would his Party and the NDP be prepared to consider and be agreeable, because of the importance of the subject and also because of the realistic timetable we face in the remaining months of this Parliament, instead of referring the Bill to the Justice Committee, which the motion I placed

before the House calls for, to a special committee, perhaps a committee of ten members? They might not be bogged down by the normal business of the Justice Committee—for instance, the estimates, the divorce Bill, the Criminal Code amending Bills which are very important and which may be referred to the Justice Committee. Would the Conservative Party and the NDP not see advantages in referring this matter to a special committee?

Mr. Friesen: First, Mr. Speaker, I do not carry high risk insurance so I will not speak on behalf of the NDP and what it is going to do. With respect to our position, I want to point out to the Minister—and our spokesman will carry our official position—that the debates in the House, because they are carried on national television, are very important to the people of Canada. Therefore, an open and wide debate is very important. To me it is very important that as many Canadians as possible hear and follow the debates daily and they ought to enjoy the privilege. I know there is a time lag between the currency of the debate and the time when the public responds to us as Members of Parliament. Therefore we owe it to them, without any talk of filibustering or short circuiting, to give them a chance to follow the debate. In terms of passing the Bill on to committee, I will let my spokesman speak to that.

• (1220)

Mr. Hnatyshyn: Mr. Speaker, I heard the comments of the Solicitor General (Mr. Kaplan) with respect to the way in which the Bill should be handled. He will know that we discussed in a general way some of the options available to us in terms of the progress of the Bill. As I said on Friday—and I repeat it today—the normal process is to have our respective House Leaders discuss the matter in terms of determining the appropriate committee which should deal with this legislation. Indeed, the Solicitor General put his finger on one of the problems which we face as parliamentarians with respect to this piece of legislation. I do not want to rehash this item. I raised it last Friday so that the people of Canada could understand precisely where we were in dealing with the legislation. This is the first time we have had a chance to debate a very sensitive and very important matter on the floor of the House of Commons. Accordingly, I am inclined to say that we should have a fair and reasonable debate.

Also in my remarks last Friday I said that we should have a fair and close scrutiny of the legislation. We should have an opportunity to examine it clause by clause and people should be able to respond to the new version of the security legislation. As the Solicitor General knows—and the Hon. Member for Burnaby (Mr. Robinson) raised it in his remarks—the Hon. Member for Durham-Northumberland (Mr. Lawrence) was the critic of the Solicitor General at the time Bill C-157 came in. He was clear and unequivocal with respect to the position which my Party took on the matter. It was a clear and serious assault on the civil liberties of Canadians.

Since I have assumed my important responsibilities as critic of the Solicitor General, I have not been at all reluctant to indicate clearly our concerns with respect to the new legislation. Of course, the Hon. Member for Burnaby spends more time now out in British Columbia for good and valid reasons in terms of the next election. Were he in the House of Commons dealing with the business at hand, he would have no illusions with respect to where my Party stands.

The Acting Speaker (Mr. Herbert): Order, please. The Hon. Member will be aware that there should not be reference to the attendance or non-attendance of any Member. The remarks are rather indirect, I caution him, and I ask him to wrap it up as he has been speaking for a rather long time.

Mr. Hnatyshyn: Mr. Speaker, I did not mean to cause any reflection upon the matter. I only assumed, because the Hon. Member for Burnaby did not know about what he was talking with respect to the position of my Party, that he was not here. That may have been a wrong assumption. Perhaps he was sitting in his place but was simply not paying attention to the position which my Leader and I have taken on this Bill.

Mr. Robinson (Burnaby): Mr. Speaker, I am very pleased the Hon. Member for Saskatoon West (Mr. Hnatyshyn) suggested that we examine the record in the House of statements made with respect to Bill C-157. I challenge him to rise in his place and point to a single occasion in the House when his predecessor, the Hon. Member for Durham-Northumberland (Mr. Lawrence), now the justice critic for the Conservative Party, made any reference of a critical nature to Bill C-157.

Further I suggest that the Hon. Member might want to examine the record very carefully with respect to any alleged interventions by his Leader concerning Bill C-157. Again I challenge him to rise in his place during this ten-minute period to enlighten the House as to when it was that either his Leader or the Hon. Member for Durham-Northumberland, as official spokesperson of his Party, ever spoke on Bill C-157.

The Hon. Member for Saskatoon West is right. They were clear, they were unequivocal. They were clearly and unequivocally silent on that piece of legislation, and the record makes that very clear.

I would like to ask a question of the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen).

The Acting Speaker (Mr. Herbert): Order, please. I am sorry but the challenge will have to remain on the record as the period for questions and answers has expired.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, it is noticeable that the Government is not taking part in this debate except to the extent of having the Solicitor General (Mr. Kaplan) and the Parliamentary Secretary to the Solicitor General (Mr. Tardif) contribute. I do not know whether members of the Government are fog-bound somewhere or whether they are just fog-bound here. In any event, it is strange that on a matter of this importance the Government has managed to prevent criticism of the Bill by its own Members.

Before it is too evident that I am critical of the Bill, I would like to hand out a bouquet, which I think is about enough. I

am referring to the presentation toward the end of the Bill of an index. The House will recall that I made quite a fuss about an index for the rules of the House. I am delighted to see the practice is beginning to grow in the development of Bills, particularly complicated ones like this, and that we have if not an index at least a table of contents in Bill C-9. An index is also helpful.

I notice in Bill C-19, the amendments to the Criminal Code, that there is a table of contents. It might be described as such although it is done alphabetically and this one is done on a clause by clause basis, beginning with the first clause and continuing through. It is called a "Table of Provisions". It is a healthy and commendable development in drafting complicated legislation. I am grateful to the Government for having done this. I wish to compliment the Government officers in the gallery for carrying it out. Whether they initiated it or whether it was done on orders. I am not sure, but it is a commendable practice which I would like to see followed.

Having delivered myself of the only bouquet I could find in this spring of the year with no daffodils, it is time to have a look at this Bill as well as at a number of other Bills which have been presented by the Solicitor General and the Minister of Justice (Mr. MacGuigan). Three Bills have now been given first reading. Presumably in the course of time they will be presented to the Standing Committee on Justice and Legal Affairs. Bill C-9 is one of the Bills to which I refer, the upgraded and somewhat purified version of Bill C-157 in the previous Parliament. There is also Bill C-10, the divorce Bill, and there is a third Bill which consists of 600 pages of amendments to the Criminal Code, covering everything from pornography to the jury system. These three Bills were presented within a week or ten days of one another.

The Standing Committee on Justice and Legal Affairs will be looking at them, but I do not see how the committee will do it. There are two possibilities. Perhaps the Government has done it deliberately, having delayed the presentation of Bill C-9 for 15 years, just to show that it is earnest and determined to take action in certain fields so that it will be able to stand before the electorate in coming months. It will say it brought the legislation forward but the Opposition would not let the Government pass it, neglecting entirely the notion that no body of responsible people can pass three Bills of this importance and magnitude in the time between now and dissolution, which may be in three months, it may be in nine months. Even in nine months the divorce Bill and the amendments to the Criminal Code could barely be given the attention that each deserves.

• (1230)

Therefore I must question the sincerity of the Government in presenting this Bill when it had all the time in the world previously to bring it down. I am not questioning the public servants who drafted the Bill; they have no command over the time of presentation. That is a political decision. But I do question the political decision underlying the presentation of these three Bills so close to an election.

That is one criticism I have. There are a number of others. Unfortunately I was unable to be here on Thursday to hear all of the presentations. I did not have the text of *Hansard* when I left, so I could not study all the comments.

There is some rather unusual phraseology in the Bill which troubles me. I compare the text in Bill C-9 with the text in Bill C-157 particularly in so far as it relates to omissions. In Bill C-157 there was an admission that Canada had some friends. It included "Canada or any state, allied or associated with Canada"; "espionage or sabotage against Canada or any state allied or associated with Canada". The expression "any state, allied or associated with Canada" was deleted. Does that mean that, should we discover that there is in Canada a plot of some kind, espionage against one of our allies or associates, we would not be interested? Why was that phrase deleted?

It is my understanding that the Senate looked at that matter and said that it could easily be dropped. It was dropped in two places, in the definition of "threats to the security of Canada" under (a) and, if I remember correctly, under (b). I worry that we should be so neglectful of our friends that the Canadian Security Intelligence Service would not be empowered to carry out investigatory procedures against espionage or sabotage related to one of our allies or associates. We are isolating ourselves just a bit too much when we leave them out.

Canada of all countries needs friend, allies and associates. Here we are virtually saying "The hell with them. If they get into trouble, tough. We will look after our business through our Security Intelligence Service and not worry at all about friends and associates."That is one of the shortcomings of that deletion.

It has been my experience in this field and in many others that exchanges of information mean exchanges in two directions. If you have nothing to exchange or refuse to exchange, nothing is going to come in your direction. This is one reason I deplore the removal of those words from the original Bill and their deletion in the new version. It was thought in the Senate that the expression "is detrimental to the interests of Canada" would be broad enough to deal with that. I see no harm whatsoever in leaving in the expression about our allies and associates. We should be quite specific that that possibility is still there.

There is another aspect which has not yet been clarified. That is Clause (b) of the definition section which relates to activities "within or relating to Canada". If you pursue that notion "relating to Canada" and contrast it with "within", if there are foreign influence activities "relating to Canada" anywhere in the world, will the Canadian Security Intelligence Service be empowered to investigate and bring forward a report.

Is that really the intent of this Government, an intelligence service overseas? Do we intend to send spies abroad to see what activities are being generated "relating to Canada"? It has generally been understood that this Bill is of domestic dimensions, but that clause, which is still to be defined, suggests that it has broader implications as far as Canadian personnel and their investigative practices are concerned. If it

relates to the exchange of information and if it relates to Canada although taking place in other parts of the world, my comment about the previous omission is even more valid.

We are not going to get information about activities affecting Canada from our allies and friends unless we are prepared to share with our allies and friends information relating to any activities that we run across in Canada which affects them. That stands to reason. Exchange of information is exchange of information. It is not a one-way street. Therefore, I am a little worried. I have checked the French version of the same definition and it comes out just about the same; c) les activités qui touchent le Canada ou s'y déroulent et visent à favoriser l'usage de la violence dans le but d'atteindre un objectif politique au Canada ou dans un État étranger. It says "in a foreign state", and it does not necessarily mean a friendly state; "achieving a political objective within Canada or a foreign state".

• (1240)

Were there to be, for example, a group of Cubans who happen to be in Canada plotting, if you like, or organizing some way of changing the regime in Cuba, would that be a legitimate activity for investigation by the Canadian Security Intelligence Service? While Bill C-157 was pretty sloppily drafted, Mr. Speaker, there is some questionable drafting in this new Bill despite the bouquets I was throwing around a little earlier. That worries me.

Another matter of considerable concern is the sponsor, if you like, of this particular Bill. It seems to me in looking back over the last 15 years or so that practically everything this Government touches, it soils. There are lots of things one can point to. I think particularly of the Department of External Affairs, where I was once a foreign service officer, which the Government has managed somehow or other to downgrade and soil. I do not know whether it has been deliberate, but it has. The most recent changes effected in that Department have caused complete confusion there and in other Government Departments. I have heard it said, for example, that when domestic industry get parts or patents or processes from abroad, the Department of Industry, Trade and Commerce has to send its employees abroad to discover these things.

The integration of Canada's outlook on the world, projecting its views of the world, and enlisting trade support or the development of markets abroad was very much in the hands of the Department of External Affairs in its overseas operations, through the embassy. What we have now is just one example of how this Government has distorted, soiled or twisted practically everything it touches. It worries me.

A Bill of this sort, Mr. Speaker, purporting to deal with an activity of this sort, security and intelligence, sponsored by this Government, is *ipso facto* suspect because this Government is not trusted. That has been said before and I am afraid it is high time the Government realized that in nearly all its activities it is not trusted. The Department of National Revenue is still going through a process of trying to re-establish itself, if it ever can. It is not the public servants who are doing it, Mr. Speaker; it is the Ministers who have this twisted view of how their activities should be developed.

Mr. Robinson (Burnaby): Mr. Speaker, I would like to comment and ask the Hon. Member a question. One of the provisions of this legislation which has drawn a good deal of fire is the provision contained in Clause 16, and I believe it was contained in Clause 18 of the predecessor Bill, which would permit the new security service to embark on activities totally unrelated to national security. Instead, the service would for the first time have responsibilities with respect to the conduct of international affairs and external affairs in Canada. I draw to the Hon. Member's attention Clause 16 which reads:

> —the Service may, in relation to the defence of Canada or the conduct of the international affairs of Canada, assist the Minister of National Defence or the Secretary of State for External Affairs, within Canada, in the collection of information or intelligence relating to the capabilities, intentions or activities of
>
> (a) any foreign state or group of foreign states; or
>
> (b) any person other than—

A Canadian citizen or landed immigrant, in effect. As the House will appreciate, this extends to the service the power to, in effect, use all of the intrusive techniques set out in this Bill against targets who pose no threat whatsoever to national security. It could be a source of information to the government of the day in its conduct of external affairs.

Given the sweeping nature of the powers proposed in this legislation, for example the power to open first-class mail, examine all government records including income tax records, family allowance, unemployment insurance files and all other files in the possession of the government, the power to break into any place and examine private records—

Mr. Kaplan: They can do it now.

Mr. Robinson (Burnaby): —including medical records and others—and the Solicitor General suggests they can break in anywhere they want now—

Mr. Kaplan: With a warrant.

Mr. Robinson (Burnaby): —whether doctors' offices, Members of Parliament or lawyers, journalists and so on.

Mr. Kaplan: You know they can do that now under the present law.

Mr. Robinson (Burnaby): One would have hoped that the Solicitor General would have given very clear instructions to the Service that such activities are inappropriate. I would welcome the intervention of the Solicitor General to that effect.

Given that the functions of the Service are supposed to be related, one would have thought, to national security, what are the Hon. Member for Esquimalt-Saanich's views with respect to this very important extension of the powers of the new security service into the realm of using intrusive techniques to collect information for the conduct of international affairs in Canada?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I am glad to have that question because I did not manage to get around to all the criticisms I have of this particular Bill. The Hon. Member has made some rather important criticisms of the Bill. If, as he says, the Bill provides the Government, particularly the two Ministers mentioned, with information gleaned from within Canada, this certainly goes beyond what it should. I wonder why they were so generous in excluding Canadian citizens who might be involved in some of these activities. Unfortunately, in the past we have known of Canadian citizens who have been involved in some of the activities which might be the object of interest of the security service. Had I had more time I might have gotten around to asking about why Canadian citizens are excluded. I do not really see that that is an appropriate exclusion.

• (1250)

Mr. Hnatyshyn: Mr. Speaker, we appreciate the remarks of the Hon. Member for Esquimalt-Saanich (Mr. Munro) who has taken a great interest in this legislation. I see that the Solicitor General (Mr. Kaplan) has been listening attentively to the matters raised by my colleague. In light of the questions put to the Hon. Member by the Hon. Member for Burnaby (Mr. Robinson), I would challenge him to stand in his place and tell us about one time when, on the floor of the House of Commons, his Leader has taken any position *vis-à-vis* this legislation. It seems to me that he has been silent on the issue. The Hon. Member for Burnaby will understand that when his Leader stands up it is usually to speak against a position taken by the Hon. Member for Burnaby, as in the case of the prostitution Bill, where his Leader was vociferous in his rejection of the Hon. Member's position. In the case of the divorce Bill, the position taken by the Hon. Member for Burnaby was reversed by his Leader.

With respect to the position of this Party, I must say that as this is the first time the matter has been addressed on the floor of the House of Commons, I have questioned the Solicitor General in my capacity as spokesperson on matters in his Department, after the Senate report, to see when we could have the early introduction of this legislation and at that time the Solicitor General said he was taking the report under advisement. In the Justice and Legal Affairs Committee I have raised the question of the position taken by the Solicitor General *vis-à-vis* the report of the Senate committee and I repeat that we have not had an opportunity in the House of Commons to deal with the matter.

I will not elaborate on that, Mr. Speaker, but simply say by way of comment on my colleague's remarks, which were very helpful, that we take our responsibilities regarding this legislation seriously. We want to give it serious consideration. The Solicitor General and the Government will have to demonstrate that they are prepared to be amenable to looking at some of the powers proposed to be vested in this agency. We want to make sure that there is full accountability, that the powers of the agency are under control and that we have a situation where there is a clear and precise definition of those powers and the ability of the agency to carry out its responsibility. As I mentioned in my remarks on Friday, the fundamental principle which we must all abide by in this country is government under the rule of law, and that includes any agency of government.

Mr. Hawkes: Mr. Speaker, I should like to ask a brief question of the previous speaker. I have some concerns about the appeal and review procedures that would enable people who are investigated to have an adequate opportunity to clear their name. Would the Hon. Member like to comment on that aspect of the Bill?

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I had prepared notes on this for my comments and I am sorry that I did not have time to get around to them. This is a shortcoming of the Bill. I have not been able to discover the means whereby a person may re-establish his good name if he is unjustly wiretapped and it comes to the public attention that he is possibly a potential spy for a foreign power or someone engaged in sabotage activity, this is one of the areas we will have to examine carefully in order to make sure that an individual who is completely, utterly and entirely innocent will have every opportunity to re-establish his good name and that the Minister responsible for the agency that allowed the misdemeanour, the slander, to occur will be held responsible in the House for having done so.

The good name of Canadian citizens is important to Canada. We must not allow this particular agency to besmirch those names, and if it is done in error there must be a means whereby the good name can be restored. The Minister is going to be held responsible, personally, in the House for having allowed that to occur.

The Acting Speaker (Mr. Herbert): The period for questions and responses has expired.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, this is one of the most critical and crucial Bills to come before Parliament. It has been a long time aborning. It goes back to the history of the Mackenzie Commission of 1969, the McDonald Commission of 1981 and the very unfortunate Bill C-157, which raised the fears and concerns of Canadians from coast to coast. Now we have before us Bill C-9.

I look at this Bill in a particular way, Mr. Speaker. To me the most precious possession of each and every Canadian is his or her basic freedoms and liberties. They are so much more important than personal wealth, material goods or status in society. Basic freedoms and liberties have evolved over the centuries; they began with the Magna Carta and have become entrenched in our parliamentary tradition. The most important thing that each and every Member of Parliament can do in this House is to make sure that we strive unceasingly to protect those rights and freedoms and not in any way, shape or form to allow anything to constrain or restrict them. We must not leave this House having seen the rights and freedoms of Canadians diminished. For me, that is what the Bill is all about.

S.O. 21

When the Solicitor General (Mr. Kaplan) spoke on Friday, he said: "What is not in question today is the need for an efficient security intelligence service". I do not believe that anyone questions the need for a security intelligence service in this country, Mr. Speaker. The question is really about the framework and the manner in which that security and intelligence service would operate. It does have work to do; it has work to do in the field of threats to the security of our country but we must be absolutely certain that, in the pursuit of that objective, the rights and freedoms of individual Canadians are not tampered with and not violated in any way at all.

Our responsibility, first and foremost, must be to see that constraints are placed on the activities of the intelligence service, not on the activities of the men and women of Canada.

On Friday when the Minister spoke, as reported at page 1275 of *Hansard*, he said:

> With the Charter of Rights and Freedoms we have demonstrated and affirmed our commitment to individual liberty.

If that is right, why are people so concerned today about the activities being carried out by officials of Revenue Canada? If people in this country are given such a guarantee of their rights and freedoms under the Charter of Rights and Freedoms, how is it that a case like that of Donald Marshall can continue to plague the country? Where are the rights and freedoms that an individual like that is supposed to be guaranteed? Where were the rights and freedoms of Peter Treu? We remember the agony that man went through. We have to make sure that this Bill guarantees those rights and freedoms.

I see it is one o'clock, Sir.

[*Translation*]

The Acting Speaker (Mr. Herbert): It being one o'clock, I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

POLITICAL PARTIES

ROLE OF OFFICIALS IN PRIME MINISTER'S OFFICE

Mr. Jim Hawkes (Calgary West): Mr. Speaker, over one year ago the youth wing of the Liberal Party of Canada overwhelmingly condemned government by "polls, propaganda and patronage orchestrated by a small elite". That reform sentiment has instead produced a Finance Minister (Mr. Lalonde) who uses the Budget to provide $300 million of taxpayers' money for a secret slush fund to be spent by the backroom manipulators in the Prime Minister's own Office.

The cancer lies in the backrooms of the Prime Minister Office, and it is spreading. In Canada today more and more Canadians are embarrassed when forced to admit that they have ever been supporters of the Liberal Party. More and more Liberals are asking who gave the backroom manipulators in the Prime Minister's Office the power to decide who gets a job and who does not.

More and more Canadians are asking for a public inquiry into the role the backroom manipulators in the Prime Minister's Office have played in deciding where and how taxpayers' dollars are to be secretly spent. The choice for Canadians is backroom manipulators, or democracy. I urge Canadians to choose democracy the minute they have the chance.

[*Translation*]

Mr. Speaker, our problems are being caused by the reptiles in the Prime Minister's Office.

[*English*]

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

* * *

SOCIAL AFFAIRS

HEART TRANSPLANT RECIPIENTS—DIFFICULTY IN SECURING RE-ENTRY TO WORK FORCE

Mr. Scott Fennell (Ontario): Mr. Speaker, I wish to make a representation on behalf of heart transplant recipients. The general public does not know much about this type of operation, largely because those who go through such an operation do not wish to receive publicity. This is understandable. However, Mr. Speaker, a new drug has greatly increased the frequency of success of these operations and this fact should be brought to the attention of the public.

I have in my riding a person who recently received a new heart and a new lease on life. His doctor has lifted all his restrictions, and still my constituent is in an extremely frustrating situation. Over his three-year absence from the field of computers he has lost his advantage to those who have kept up with the myriad of changes. Also, employers, largely unaware of the success of these operations, are wary of rehiring heart transplant recipients.

On top of this, my constituent's disability pension will soon expire. He is not eligible for unemployment insurance benefits because he has not worked the required number of weeks within the period specified by the Unemployment Insurance Commission regulations. This is a man who paid into unemployment insurance for 20 years before his condition dictated that he exit the work force.

New social programs are required immediately, Mr. Speaker, to facilitate this steadily growing segment of our society in resuming normal, productive lives after heart transplant operations.

EDUCATION

IMPENDING CLOSURE OF DAVID THOMPSON UNIVERSITY CENTRE, NELSON, B.C.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, Conservative provincial Governments across Canada are playing fast and loose with federal education funds by continuing to divert vast sums of federal dollars away from post-secondary education while Ottawa stands idly by. This pattern of escalating abuse has reached its zenith in British Columbia as huge student fee increases, staff and program cutbacks, and even the outright closure of entire institutions, have become the order of the day, while our taxpayers' dollars are squandered on high profile, prestige projects and uneconomic resource give aways.

In my own riding of Kootenay West, in fact in my home town, the David Thompson University Centre, the only non-metropolitan campus in B.C., is being shut down on May 1, throwing 100 faculty and staff onto the jobless rolls, and denying some 500 students of their right to reasonable equality of access to education. But the tragedy is not simply local. Many David Thompson University Centre programs, in fine arts, in the school of writing, and in rural education, are unique and are simply not available elsewhere in our province. As a result, many students come from other areas, and over 60 per cent of our students are women.

I plead with the Government to respond soon to the earlier appeals of my colleague, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett), and myself, and urgently consider what action it might take by way of applying special emergency funds or by means of special sanctions to save jobs and programs now in B.C., and to ensure the rights and future careers of our young people in Nelson, throughout B.C., and across Canada.

* * *

THE LEADER OF THE OPPOSITION

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, on behalf of the thousands of people in my riding of Finnish descent, and on behalf of the thousands of Finnish people who live in Canada, I wish to comment on the insensitive statement of the Leader of the Opposition (Mr. Mulroney) concerning "Finlandization". Many people of Finnish ancestry have correctly pointed out that, while Finland lives in the shadow of the Russian bear, unlike other countries in this situation "Finlandization" means a policy which is one of independence, not domination. This is very difficult to achieve, as we can appreciate. Therefore, I felt it necessary to explain. The mistaken impression which was given by the Leader of the Opposition is an injustice to Finns everywhere.

[*Translation*]

EXTERNAL AFFAIRS

LEBANON—EFFECT OF CONFLICT

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, the continued fighting and bloodshed in Lebanon have saddened the hearts of those who are seeking a solution to this conflict and of all those who want peace in this world. Canadians have great sympathy for the Lebanese man on the street, who only wants to live in peace and go about his daily business in a normal way. We all realize that the situation is hardest on Lebanese citizens, who have nothing to gain from this conflict.

At home, Canadians of Lebanese origin are well known for their enterprising attitude without racial or ideological prejudice. They have a reputation for working hard to achieve their own and their family's goals. Every night, pictures on TV remind us of the tragedy that is taking place in the streets of Beirut and of the pressing need for all citizens of this world to find ways of ensuring that we can all live together in peace.

* * *

[*English*]

POLITICAL PARTIES

NATIONAL ENERGY PROGRAM—POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Hon. Roger Simmons (Burin-St. George's): Mr. Speaker, last November the Leader of the Official Opposition (Mr. Mulroney) told a meeting of Alberta Tories that he and his Party favoured scrapping the National Energy Program's so-called 25 per cent "back-in" provision. Just as he made this statement, the Tory Premier of Nova Scotia, John Buchanan, began frantically lobbying Liberals in Ottawa to enshrine that provision in legislation in order to protect it from being changed by a future Government.

A few days ago, in talking to the Nova Scotia Tory Party, the Leader of the Official Opposition appeared to repudiate his November 8 pledge in Calgary and assured the Premier he would not change the program to the detriment of the province. Even as he was making that statement, the Hon. Member for Etobicoke Centre (Mr. Wilson) was telling *Maclean's* magazine that a Tory Government would do away with the 25 per cent back-in provision.

• (1410)

When are the Tories going to get their energy act together, Mr. Speaker? When are they going to stop speaking out of both sides of their mouth on this issue, saying one thing in one part of the country and something else in another part of the country? When will their Leader and official spokesmen stop trying to hoodwink Canadians by coming down on every side of every issue?

S.O. 21

NATIONAL REVENUE

SEIZURE OF BEAUTY SALON'S BANK ACCOUNT

Mr. Gordon Taylor (Bow River): Mr. Speaker, here is a case that speaks for itself. This Canadian woman operates a beauty salon. During the summer and late fall she was seriously ill with a degenerative problem. The pain was so severe that she was required to be on pain-killers 24 hours a day, and was unable to work. Surgery was eventually performed, with resultant relief and she returned to work.

The business had carried on in her absence and, upon her return, she felt there was an error in the amount of withholding that had been sent to Revenue Canada. In an attempt to find out what the true picture was, she called Revenue Canada and requested that they come and do an audit. An audit was performed by Revenue Canada, indicating that they had been underpaid by approximately $3,400.

An officer of Revenue Canada yelled and screamed at the woman until she was in tears. He refused to accept her offer to pay the amount outstanding by post-dated cheques. Another employee of the Department advised her not to worry, to send the post-dated cheques directly to the Taxation Centre in Winnipeg, and all would be well. She did this, and continued her business. Shortly after, without any further word, by either telephone or in writing, Revenue Canada scooped all of the company's funds from its bank account, seriously impairing its ability to survive.

What is happening to the concept of basic human decency in the Revenue Department? Is it the Government's aim to bankrupt businesses? This case was referred to the Minister and the Prime Minister (Mr. Trudeau).

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

* * *

POLITICAL PARTIES

BILINGUALISM—POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, last October, in a rare display of unanimity, this House passed a resolution supporting the restoration of certain French language rights in the Province of Manitoba as originally provided for in the Manitoba Act of 1870. That resolution supported the will of the Manitoba Government to provide a made-in-Manitoba political solution, rather than having to accept a court imposed solution. We all well remember the eloquence of the Opposition Leader who, in his fine maiden speech in this House, committed his own wholehearted support as well as that of his caucus.

It was with great consternation we read on Friday last that two Members of the PC caucus, the Member for Winnipeg-Assiniboine (Mr. McKenzie) and the Member for Simcoe South (Mr. Stewart), have broken this national consensus achieved only last fall. They are now going to provide funding for a group leading the opposition to the introduction of French language services in Manitoba. The Conservative position is now a mystery, Mr. Speaker. Do they support the organized bigotry of Grant Russel and his "Grassroots Group", or do they truly support the restoration of a basic right of Franco-Manitobans?

It is incumbent upon the Opposition Leader to provide some leadership on this fundamentally important issue to this country. I call upon him to do this before the end of this week. All Canadians who believe in the duality of this country will be watching.

* * *

[*Translation*]

IMMIGRATION

DIFFICULTIES RESULTING FROM CERTAIN PROCEDURES

Mr. Pierre Deniger (La Prairie): Mr. Speaker, I wish to draw the attention of the House to a real problem concerning immigration applications under the family class. I should explain that at the present time, there is considerable delay between the time immigration applications, especially those from India, Bangladesh and Pakistan, are made and finally accepted, so that for instance, a young applicant who is only nineteen may be twenty-one when his application has finally been processed, which automatically disqualifies him for consideration by Immigration Canada.

Mr. Speaker, it seems to me that to be fair to the people who want to come here as well as to their Canadian sponsors, the effective date for immigration applications should be the date on which the application was made, not the date on which it was approved.

* * *

[*English*]

NORTHERN AFFAIRS

RESPONSIBILITY FOR ADMINISTRATION OF NORTHERN INLAND WATERS ACT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, as a result of the finding last week by Federal Court Justice, Barbara Reed, that the federal Government does not have the authority to issue authorization to use water without a licence in the Northwest Territories, such practice having been in contravention of the Northern Inland Waters Act, users of water have found themselves in a very awkward regulatory vacuum. Unfortunately the root of this problem can be traced to the Department of Indian Affairs and Northern Development. Jealous of its previous colonial powers, it refused to act in the spirit of the Northern Inland Waters Act which transfers jurisdiction to the Northwest Territories Water Board.

It is important that this matter be cleared up in short order. The sollution is obvious to anyone with an eye to see it. The controller of water rights must cease being an employee of the

Department of Indian Affairs and must become responsible, not to the Minister, but to the Northwest Territories Water Board. This will ensure legality and concurrence with the wishes of Parliament as expressed through the Northern Inland Waters Act.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

UNEMPLOYMENT LEVELS IN 1980 AND 1984

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. I would like to remind him that the unemployment rate in March, 1980, was 7.5 per cent. At that time 967,000 Canadians were unemployed. Today, four years after the Liberal Government came into power, the rate is 11.2 per cent, and 1,473,000 Canadians are unemployed. Our industries operated at 80 per cent of capacity in 1980. In the last three quarters of last year they operated at 68 per cent of capacity. These are the facts and the results of the Minister's stewardship and policies on energy and investment of the last four years. How can the Government and this Minister possibly make up for the damage that they have caused Canadians over these last four years, through any Budget?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to commend the Hon. Member for having paid tribute to the 15 years of Liberal leadership preceding 1980 which produced such good results for the Canadian economy. I must also remind him that the whole world went through the most severe recession since the Great Depression of 1930. Over 30 million unemployed can still be counted in industrialized countries. Canada has suffered through that recession as well as other countries.

I would like to remind my friend that in 1983 Canada experienced a very strong recovery which compared favourably with that of any other country. I hope that when the Budget comes down later this week the Hon. Member will find that the steps we are proposing will ensure that this recovery is going to continue, and that we will take steps to ensure that the Canadian economy is going to grow and benefit all Canadians.

Mr. Crosbie: Mr. Speaker, misery loves company, and there is certainly lots of misery on the government side of the House. The Minister reminds me of a buzzard with a broken beak. The Canadian people are not going to swallow this song much longer.

PERSONAL DISPOSABLE INCOME LEVELS

Hon. John C. Crosbie (St. John's West): Real family income, which is an immediate problem in Canada, has dropped 6 per cent from 1980 to 1982. In the first three quarters of 1983 real personal disposal income has dropped 1.8 per cent. In the United States it has gone up.

In these circumstances, with the recovery now faltering, and with a deficit that is going to be several billion dollars less than the Minister indicated last April, would the Minister agree to aid the recovery by improving the guaranteed income supplement? Would he agree to eliminate the Canadian ownership charge of four and a half cents a gallon, which amounts to $965 million this year? Would he agree to eliminate the federal sales tax increase of 1 per cent next October which he has already imposed on the Canadian consumer? Does he agree that Canadian consumers must be helped if there is going to be a continuing recovery? Will he take these kinds of steps that we suggest to him he should take, immediately?

• (1420)

Mr. Speaker: The Chair has some difficulty treating this as a single supplementary question. However, the Chair recognizes the Minister of Finance.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my colleague from Newfoundland has talked about Tories speaking from both sides of their mouths. I must tell my friend that he is suggesting a number of steps that would substantially reduce government revenues. At the same time, he should have a word with his Leader who says that we should reduce the deficit. I would suggest that he have a meeting with his Leader to find out if what they want is to reduce the deficit or increase the deficit, reduce the taxes or increase taxes, et cetera.

As far as his specific recommendations are concerned, obviously he will have to wait for the Budget next Wednesday to know the content of the measures that will be put forward—

Mr. Dick: Next Wednesday, or this Wednesday?

Mr. Lalonde: This Wednesday. As far as the specific taxes that he mentioned are concerned, particularly the Canadian ownership tax, I would remind him that on February 1 this year the Government abolished the natural gas and gas liquids tax which was generating $800 million a year. That step which we have taken means that, as of February 1, the federal Government is receiving $800 million less in taxes on natural gas and gas liquids than we were receiving the year before. That is a significant step.

Mr. Speaker: Order. I wonder if the House could delay until the Budget a full-scale debate on what appears to be budget proposals.

Mr. Crosbie: Mr. Speaker, I will be very good.

Oral Questions

1980 ELECTION PROMISES

Hon. John C. Crosbie (St. John's West): The Hon. Minister will know that several thousand years ago the Chinese, knowing that he would be in government, decided that this would be the Year of the Rat.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I suggest to the Minister that he can take the steps I have suggested and reduce the deficit too, because his deficit will be several billions of dollars less than he indicated last April. In these circumstances, will he begin to meet his 1980 election promises to make the big projects happen, and to fight and overcome the recession? He is four years late in starting to meet those promises.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member must have . . . I must say that—

[*English*]

I will say it in English. I have not checked what the year was in 1980, when he was Minister of Finance, but it must have been the Year of the Snake.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Lalonde: I can inform my hon. friend that the Budget will be brought down next Wednesday, and that he will have to wait at least two days to find out what kind of measures the Budget will contain. I can say that last year's Budget focussed on economic growth, economic recovery and increasing employment, and similarly, the Budget I am preparing now will respond to numerous representations I received in recent months which suggested that I pursue the basic direction of the policy contained in the Budget brought down last April.

[*English*]

EFFECT OF GOVERNMENT POLICIES

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is also directed to the Minister of Finance. Contrary to what the Minister told my colleague a few minutes ago, the economic performance in Canada during the life of the Government from 1980 is much worse than it was in the United States. I set that out very clearly on February 1, and the Minister did not contradict the statement that I made at that time.

The main difference is a conscious decision on the part of the Government to follow a set of misguided policies, partly his fault and partly the fault of the previous Minister, which were quite distinct from those in the United States. These included the National Energy Program, the way FIRA was being administered, the interest rate policy which resulted in rates significantly higher in Canada, a higher deficit, and higher increases in taxation. I could go on and on, but in order to increase—

Mr. Speaker: The Hon. Member should ask a question. It is difficult to anticipate a budget debate by mini debates at this point.

Mr. Wilson: I was just starting my question, Mr. Speaker. In order to increase the credibility that the Minister has lost recently, would be acknowledge that these policies which I have just set out are indeed the main difference between the economic performance here and in the United States and the reason why the unemployment rate in Canada has been so much worse than it has been in the United States?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member referred to a set of misguided policies. The best answer I can give him in that respect is to quote from the Member for St. John's West who asked the previous question. In an interview in *The Globe and Mail*, which was published about a month ago, he indicated quite clearly and specifically that if he were in my place he would follow fundamentally the same policies.

Some Hon. Members: Oh, oh!

Mr. Wilson: There is absolutely no question that the Member for St. John's West on no account would be following the policies that I just set out.

FORECASTS OF ECONOMIC GROWTH IN CANADA AND UNITED STATES

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, the strength of the recovery in Canada has come from automobile sales because of the high average life of cars in this country, and from the housing industry which has been the beneficiary of some government policies. Since these two influences are receding, and business in Canada this year will be flat compared to the 9 per cent increase in real terms in the United States, from where does the Minister expect the recovery to receive its impetus if in fact his claim for a strong recovery is not to become the same sort of bad joke as that of his predecessor in 1981, when he put forth that totally misguided and unfortunate Budget which hurt so many Canadians?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first I will tell the Hon. Member that he will have to wait 48 hours. Second, I will refer him again to that excellent interview which was granted to *The Globe and Mail* by the Member for St. John's West. Third, I would remind him that all the main indicators performed better in 1983 than even I had forecast in my Budget. At that time the Hon. Member and his colleagues were saying that my forecasts were too optimistic and not realistic. In effect, the record on inflation, on employment, on interest rates, and on the growth of the economy, is better than I had anticipated even in my Budget in 1983.

FORESTRY

PROJECTED LOSS OF JOBS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of the Environment who is responsible for forestry. As the Minister knows, the forest products sector is very important in at least five of our provinces, and crucially important in a few of those. Before the weekend his Department released a report which predicted that we will lose 30,000 jobs in the forest products sector, and another 30,000 in the related service products sector. Would he confirm to the House if these alarming figures are accurate and, if so, what does his Government plan to do about this fundamentally important part of the Canadian economy?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, we have made a commitment to FORINTEK and this institute for some years. We have renewed this commitment, and the Hon. Member knows very well that we are very concerned with maintaining the viability of this sector of our economy.

In 1983-84 we have done everything possible to maintain jobs in this particular sector, particularly through unemployment insurance funding of jobs, despite lack of co-operation from one province.

Mr. Broadbent: The House and, more important, the people of Canada will note that the Minister did not confirm or deny the accuracy of these alarming figures. The loss of 60,000 jobs at this time in our history is something the country cannot afford.

REFORESTATION FUNDING

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister said that he is doing much to preserve jobs, could he explain to the House why, since just 18 months ago the federal Liberal Government promised to spend $130 million on reforestation which does provide jobs, it recently cut that by millions of dollars? That $130 million a year for the next five years was recently cut by millions, which means in British Columbia a reduction from $52 milliom annually to $5 million, one tenth the amount. If the Minister is concerned about jobs, why does he not restore this money which is needed for reforestation?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, with respect to the figures in the study, I cannot deny or confirm their accuracy. These are forecasts and, of course, must be treated with a grain of salt. I hope these losses in the industry will not take place.

• (1430)

As to the specifics of the federal participation in agreements, I can confirm to you, Mr. Speaker, that up until now we have maintained the integrity of the forest renewal policy as announced in the past. We have done that, particularly with the very same concern in mind, namely, to maintain the jobs and the viability of that sector in our economy.

Presence in Gallery

Mr. Broadbent: Mr. Speaker, only a Liberal cabinet Minister could believe that if you cut the funding by 10 per cent, or provide only one-tenth of the amount that you were originally planning to spend, somehow you are doing more for the unemployed. That is typical Liberal thinking.

REQUEST THAT DEPARTMENT OF FORESTRY BE ESTABLISHED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since it is acknowledged by everyone who is informed about that industry that there is a serious crisis, will the Minister call for a meeting between himself and the provincial Ministers responsible for forestry, to come up with some early recommendations to deal with this crisis? Specifically, would the Minister consider the creation of a federal Department of Forestry which would, among other things, have the purpose of going into the world to pursue more export markets for Canadian forest products?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I will do anything that will facilitate and strengthen opportunities for forestry in this country. In that respect I would like to bring to the attention of the Hon. Member something that he seems to prefer to ignore, namely, that in the current fiscal year we have invested in forestry schools across the country some $3.5 million; in research and development $9.5 million, and in job-creation $100 million. In the expansion of existing forestry facilities we will be investing something like $33 million in the Maritimes, $11 million in the Laurentians; $13 million in the Great Lakes region, and $14 million in the Pacific region. To strengthen pulp and paper research facilities in the current fiscal year we have put in $17 million. In water bombers from the federal Government alone we will be investing some $157 million, and all this, Mr. Speaker, because we believe that we have a role to play and forestry is an important sector in our economy. The Hon. Member is only interested in doom and gloom.

Some Hon. Members: Hear, hear!

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MAYORS AND OFFICIALS FROM THE NETHERLANDS

Mr. Speaker: May I call to the attention of the House the presence in the Speaker's Gallery of a group of mayors and elected officials from the Province of Friesland in the Netherlands.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF COMMITTEE ON SENATE REFORM FROM ALBERTA

Mr. Speaker: May I also call to the attention of the House the presence in the Senate Gallery of a Committee on Senate reform from the Province of Alberta.

Some Hon. Members: Hear, hear!

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NATIONAL REVENUE

PROGRESSIVE CONSERVATIVE PARTY TASK FORCE—APPEARANCE OF DEPARTMENTAL OFFICIALS

Mr. Chris Speyer (Cambridge): Mr. Speaker, I have a question for the Minister of National Revenue. In response to a question asked this weekend with respect to immunity and with respect to Revenue Canada officials, the Minister is quoted as follows:

—I have no objections that officials meet with them—

—meaning the task force, and to and give them any comments they're asked for as long as those parliamentary rules are accepted

The Minister knows that this is not a parliamentary task force. The Minister knows that there are no parliamentary rules.

I infer from the Minister's answer that there will be no immunity which will be given to Revenue Canada officials who testify and appear before this task force. Will the Minister give an undertaking today that all Revenue Canada officials who wish to testify before this task force will be able to do so without fear of punishment and without fear of retaliation? And exactly what did the Minister mean by saying "parliamentary rules", if they apply?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I am very glad the Hon. Member asked this question. I said in my reply that it was necessary to make a distinction between a Parliamentary Committee, which is the Standing Committee of the House, and a Caucus or a Caucus Committee. Now, if I understood correctly, the reference was to a Caucus Committee of Progressive Conservative Members, and I pointed out that there were also specific guidelines for this particular circumstance, namely, a practice Hon. Members are well acquainted with which concerns information given by officials to a Caucus or Caucus Committee, and which applies to all party caucuses. I also pointed out that the guidelines and common practice which apply in the case of caucuses or committees apply in this situation as well.

[*English*]

Mr. Speyer: Mr. Speaker, what the Minister has said in his circuitous way is that anybody from Revenue Canada who appears and testifies before this task force, not a parliamentary task force but a Conservative task force, will have absolutely no immunity from punishment or retaliation. That is what the Minister is saying.

GUIDELINES GOVERNING APPEARANCES BY OFFICIALS

Mr. Chris Speyer (Cambridge): Mr. Speaker, will the Minister please confirm the accuracy of that assertion, that anybody from Revenue Canada who appears before this task force is subjecting himself or herself to retaliation or punishment for giving MPs knowledge of policy that exists within Revenue Canada?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I think the Hon. Member is indulging in sophistry. First of all, he would have to admit that it is a Caucus Committee of Progressive Conservative Members. The Hon. Member said that it was not a Committee of the Progressive Conservative Caucus. If it is a Committee of the Progressive Conservative Caucus, that Committee and that Caucus must agree to follow the guidelines and the rules of the game, which are well established, and parliamentary practice, which is also well established, when officials meet either the Caucus of the New Democratic Party, the Progressive Conservative Party or the Liberal Party. If the Hon. Member refuses to accept these rules and guidelines and this practice, he should come out and say so.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

THE DONALD MARSHALL CASE—COMPENSATION INQUIRY

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, my question is directed to the Acting Prime Minister who, I know as a Nova Scotian, will have particular interest in this question. Does the Acting Prime Minister share the shame I feel as a Nova Scotian over the miscarriage of justice in the Donald Marshall case, and the disgrace I feel as a Canadian parliamentarian that this Parliament, through the Minister of Justice, has not taken the lead to redress this travesty of justice in trying to work out some form of compensation for Donald Marshall?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I understand that matter is, in some important aspects, now before the courts in the Province of Nova Scotia.

Miss MacDonald: Shame!

Mr. Kaplan: I am interested in waiting for the result of that process.

Mr. Crosbie: He has been in jail for 11 years. Never mind the courts.

REQUEST THAT GOVERNMENT TAKE ACTION

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, I must say I am disappointed in the Acting Prime Minister, who has that title even though he will not discharge his responsibility. I was asking the Acting Prime Minister whether, as a matter of government policy, the Minister of Justice and the Government will take the lead, regardless of the case in Nova Scotia, which does not impinge on compensation to Mr. Marshall who spent 11 years behind bars, with the suppression of evidence. Everyone has been dancing between the constitutional chairs. Meanwhile no redress has taken place. The wrong can never be corrected, but surely the Government can right the wrong.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the Hon. Member has added nothing to a question which has been asked several times in this House before—

Mr. Nowlan: Nothing has been done.

Mr. Kaplan: —and answered by my colleague, the Minister of Justice, who is responsible for answering.

Mr. Crosbie: Act on it. Get the Acting Prime Minister. Who will act?

* * *

EMPLOYMENT

SASKATCHEWAN IMMEDIATE EMPLOYMENT STIMULATION PROGRAM—ROLE OF SENATOR ARGUE

Mr. Lorne Nystrom (Yorkton-Melville): My question is for the Minister of Employment and Immigration. It is about the Immediate Employment Stimulation Program in Saskatchewan. I understand Senator Hazen Argue has access to a $4 million fund, and the only access to that fund is through Senator Argue's office. My understanding is that public servants are not involved before a decision is made by the Senator's office and then approved by the Minister of Employment's office here in Ottawa. Only after that are the public servants involved. Why are public servants not involved beforehand? Why does the Senator have the $4 million slush fund in Saskatchewan that he can hand out to whomever he wants?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I do not think the hon. gentleman's description of the program accurately characterizes it. The process is such that projects may very well be suggested by a Minister's office and then go to the allocation committee. At that stage the evaluation is made by officials. I think it would not be particularly valuable to have officials evaluate every project which was hypothetically available for consideration.

● (1440)

The nature of the program is to fund, in a fast-track way, projects which look as if they have appeal in terms of creating employment. I think the important point to note—and I think the Hon. Member's question recognized it—is that there is an assessment of officials before the projects are approved.

MINISTER'S POWERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary question. The Minister has confirmed that the only access to the fund is through the Senator's office and that public servants are not involved in screening or analyzing applications. Such is not the case with Canada Works and other programs. What authority does the Minister have to give a Senator the kind of political power to have a slush fund like this when it is not done with other programs in his Department? Is that right?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I thought I made it clear to the hon. gentleman that I did not accept the assumptions which underlay his question. It is not, I think, anything that could be accurately described as a slush fund. It is an attempt to have a fast-track process to approve job-creation projects.

Some Hon. Members: Oh, oh!

Mr. Roberts: There is no indication that it flows to organizations or areas which are particularly responsive to the Liberal Party. It is true that there is an involvement of regional Ministers in allocations under the program. The Hon. Member seems to find that shocking. I think it would be peculiar, given the commitments of cabinet solidarity and cabinet responsibility, that cabinet Ministers were not aware of projects which were suggested for their areas.

SPECIAL INITIATIVES EMPLOYMENT PROGRAM—DELAY IN FORWARDING CRITERIA

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. The trouble with the Minister's fast-tracking is that the tracks only lead to the Liberal caucus.

Some Hon. Members: Hear, hear!

Mr. McGrath: I would like to ask the Minister a very simple question. On November 29 in the Standing Committee on Labour, Manpower and Immigration, the Minister, in reply to a question which I put to him regarding the criteria for the Special Initiatives Employment Program, or the Special Employment Initiatives Program, or the Special Employment Stimulation Program—it has had three different names—said, "if that has not been sent out, it will be in the next day or two". That was November 29. At that time there was $12 million left in the fund. Can he explain to us why we did not get the criteria until February 2?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I would point out first of all to the Hon. Member that it is not a track which leads only to Liberal ridings. If he would remember back in November when we

discussed the question before the Standing Committee on Labour, Manpower and Immigration, I pointed out to him that I would very much welcome suggestions coming from him or other members of the Opposition for projects.

Some Hon. Members: Oh, oh!

Mr. Roberts: It is with some regret that he has not bothered to send us any. As far as the allegation in terms of figures is concerned, I will have to look into it.

Mr. McGrath: We could hardly make submissions until we saw what the criteria were. We did not get the criteria until February 2, even though he promised them to us the next day.

CONSULTATION WITH MEMBERS OF PARLIAMENT

Hon. James A. McGrath (St. John's East): Let me refer to the criteria, Mr. Speaker. In the House on February 7 the Prime Minister indicated that members of the Liberal caucus and Members of Parliament were consulted, specifically members of the Liberal caucus, and asked to submit projects. Yet the criteria indicate:

—Grants and Contributions were not allocated on a constituency basis and, thus, were not the subject of formal consultation with Members of Parliament.

Can the Minister explain to the House why it is that only Liberal Members of Parliament were consulted when, according to the criteria, no Members of Parliament were to be consulted?

Hon. John Roberts (Minister of Employment and Immigration): Well, the Hon. Member forgets the use of the word "formal" there.

Some Hon. Members: Oh, oh!

Mr. Roberts: I do not think that there were formal consultations with Members of Parliament on the Liberal side other than the general Communication of information which takes place between a Government and members, urging that they take advantage of government programs which are available.

The Hon. Member asked for the criteria for the program, before the committee in November. I indicated to him at that time that the criteria were deliberately very wide-ranging and flexible, because their purpose was to cut through bureaucratic red tape. I promised to make available to him as quickly as I could—

Mr. McGrath: Two and a half months later.

Mr. Roberts: —the criteria. The criteria were prepared, a description of them was prepared, a bit before Christmas. I was not entirely satisfied that that gave as clear a picture to the hon. gentleman as he would like and, upon return, provided it to him. He complains that he could not make proposals to us without knowing what the criteria were. I suggest to him that he might have talked to some of his colleagues who did not seem to have any problem making proposals to us.

TRADE

BAN ON CANADIAN FISH PRODUCTS ANNOUNCED BY UNITED KINGDOM FOOD CHAIN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Deputy Prime Minister in his capacity as Secretary of State for External Affairs. Just a few days ago Ian MacLaurin, chief executive officer of TESCO, a major food chain in the United Kingdom, announced that his company would, when present stocks were exhausted, no longer sell Canadian fish products, as a protest against the Canadian seal fishery.

Is the Minister aware of the fact that the entire Canadian fishing industry is facing a drastic loss of markets in the United Kingdom as a result of the malicious advertising campaign carried out by misguided sentimentalists for animal welfare and, if so, what action does he intend to take for the protection of the Canadian fishing industry?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the question the Hon. Member has asked is one of very considerable importance in relation to the fishing industry.

Mr. Crosbie: Has the cat got your tongue, Allan?

Mr. Regan: The Department has taken very careful notice of this statement in Britain. We believe that the Canadian fishing industry should be consulted, and is being consulted by the Department on the matter. The action, of course, is totally unjustified and is an isolated one. We are confident that it is best combatted with as little publicity as possible.

Mr. Nowlan: Sweep it under the rug.

Mr. Crouse: I thank the Minister for International Trade for his answer, but my question was directed to the Secretary of State for External Affairs.

REQUEST THAT GOVERNMENT MOUNT PUBLIC INFORMATION CAMPAIGN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I would like to tell the House, from my own experience visiting the U.K. and some European capitals only a year ago with the Minister of Fisheries, that the attitude of the officials of the Secretary of State for External Affairs was, "We will bury our head in the sand and maybe this one will go away". But it did not go away. Therefore I ask the Secretary of State for External Affairs whether he would consider mounting a public information campaign in the United Kingdom, as well as in Europe, by broadcasting and using other items in the media, in the hope of counteracting this vicious propaganda. If he does not have money enough in his own budget, perhaps he would get the Minister of Fisheries to give him some of the $20 million which he plans to spend in Canada. Perhaps some of that money would be better spent where the markets are, in counteracting what I construe as something which could be

seriously detrimental to the over-all, entire Canadian fishing industry and its export market.

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member will be aware of the fact that publicity campaigns were undertaken extensively to attempt to have European citizens understand the nature of the seal industry over the course of the past four years during the seal controversy. Unfortunately, because of the emotional nature of the matter and the amount of misinformation, that has proven to be a very difficult campaign to carry out successfully. We believe, however, that there should be continued publicity about the fact that the fishing industry is indeed quite separate from the sealing industry. As to the question of the quality of Canadian fish, it should be judged on its own merits as it is the best possible product available in British stores, or elsewhere. We are confident that the matter can be dealt with effectively, but I stress again that I do not believe that it can be dealt with in the best way possible by giving it publicity in this House.

* * *

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—EXPENDITURE OF FUNDS—APPLICATION OF CRITERIA

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my supplementary question is directed to the Minister of Employment and Immigration who has admitted that, in November last year, under the Special Employment Initiatives Program $138 million had been spent in that fiscal year and $150 million for the previous fiscal year. He also admitted that, as of December last year, he was not sufficiently satisfied with the criteria to let them be known to Members of Parliament on this side of the House of Commons. Is the Minister telling us that he spent $288 million without criteria which he considered satisfactory?

• (1450)

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker. What I meant to say, and what I think I did say, was that the exposition of the criteria I thought was not as clear as to enable Members of Parliament opposite to understand them.

Mr. Clark (Yellowhead): Mr. Speaker, the Minister is being consistent. His seatmate, the Minister of Finance, spent $200 million by letting the cameras in on his exposition. This Minister spent $288 million with regard to criteria that he did not consider clear enough to trust to distribution to Members of the House of Commons.

NATURE OF INFORMAL CONSULTATIONS WITH MEMBERS OF PARLIAMENT

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I would like to pursue the question of informal consultations. We were told by the criteria that were circulated that there were to be no formal consultations with Members of Parliament. The Minister made a great deal about that. He suggested there were informal consultations. What was the nature of the informal consultations with Liberal Members of Parliament, setting up this massive multimillion dollar Liberal porkbarrel? When will the Minister present in this House a detailed list of all of the expenditures under this program in all of the constituencies in Canada that receive benefit from the program?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Right Hon. Member has included several questions under one umbrella. Clearly he either does not bother to listen to what I say, or does not care to interpret correctly. If he cares to examine *Hansard*, he will see that I did not say what he alleges I said in the first part of his question.

In so far as when the lists will be produced, I have given instructions to my officials to compile as accurately and as wide ranging as possible an indication of all the projects which we have funded. I have told him that it will take several days before that work is completed. I expect it will be done in about a week's time, perhaps earlier if I can speed it up.

CRITERIA GOVERNING GRANT TO ALLIANCE COMMUNITY SERVICES, TORONTO

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I wish to direct a supplementary question to the Minister of Employment and Immigration. As Minister of his Department and as regional Minister from Toronto, is he aware of the document entitled "A discussion paper on the integration and the Italian community's relations with the Liberal Party", dated August 29, 1983, which states that it is necessary to fund loyal and valid agencies within our community? If the Minister is aware of this document, will he explain to the House what criteria he used to give a grant of $583,000 to a group that was formed as a result of what was recommended in this paper, a group of people called the Alliance Community Services, which in effect is a group of Liberal Members who are the same signatories to this paper? Is the Minister aware of this document? Under what criteria did he fund the grant of $583,000 to the Alliance Community Services of Toronto?

Hon. John Roberts (Minister of Employment and Immigration): The answer to the first part of the question, Mr. Speaker, is no, to the best of my knowledge I am not aware of the document from which he has quoted. I cannot say that some such document has not been received by my office, but I have not seen any such document that contains the phraseology he has described.

In terms of the acceptance of the particular project which he has mentioned, there was an assessment of that project by officials of my Department. Clearly the concerns and advice of the Member of Parliament from that area, because we believe on this side of the House that Members of Parliament know their areas well and their views on what should be done with them are worthy of respect—it is a project that was assessed

both by the members of my Department, and also a project which was supported strongly by the Member of Parliament who knew very well the community for which he advocated the project.

DEPARTMENT'S APPROVAL OF GRANT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Minister just said that the officials of his Department approved this grant. Will the Minister confirm that my understanding is correct that, in view of the fact that the United Way of Greater Toronto has opposed the grant, and the Social Planning Council of Metro Toronto has opposed the grant, the grant is clearly a Liberal front, if he looks at the people with connections in Jim Coutt's office, and the danger to his fellow Members of Parliament in the area taking over their ridings? Will the Minister again go on record that his Department has confirmed this grant, and is he prepared to table the contract and the approval of his departmental officials for this grant?

Hon. John Roberts (Minister of Employment and Immigration): Yes, Mr. Speaker, I can confirm that, subsequent to the letters which I received from the agencies which the Hon. Member mentioned, I did ask for a reassessment of the project to be made, and an officer from my Department visited the project and assessed it. It is being monitored. I can confirm to him that that is taking place.

I personally have no objection to the tabling of the contract. I do not know whether that requires the permission of the people with whom the contract has been made, so maybe I will have to hedge my response to the Hon. Member in that particular aspect of his question. However, I can assure him that, in approving a project and signing it, it was certainly not done on the basis of any connections that the sponsors might or might not have had with any political party.

It is, of course, clear that no one is precluded from applying for projects under the program on the basis of their political affiliation, nor do I try to assess or question the party affiliation of people who are proposing measures to us. I can clearly recollect approved funding for the Stanley Knowles Housing Co-op in Toronto. I do not know the political affiliation of the people who suggested that project, but I would be very surprised to find that they had a Liberal affiliation.

All I am saying is that having taken part in the political process does not preclude you from entering government programs. I can assure the hon. gentleman it was not political considerations on the basis of these people's alleged party affiliation which led to the receiving of that grant.

UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

REASONS FOR ANNOUNCED UNITED STATES WITHDRAWAL

Mr. Douglas Roche (Edmonton South): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister will know that the United States has stated its intention to withdraw from UNESCO at the end of 1984, on the grounds that that agency is overly politicized and badly managed. Has the Canadian Government examined the reasons that have been advanced by the United States? If these reasons are found to be valid, would the Government put pressure on UNESCO now to reform itself before any structural weakening in that very important agency takes place?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Yes, Mr. Speaker. We have followed this particular action of the Government of the United States very closely. We had been alerted to that possibility before the action was taken. We expressed our view that it was a wrong action on the part of the United States, that it would be much better to remain in the organization and attempt to correct, along with other countries, some of the deficiencies which were observable in UNESCO.

However, it may be that in the year ahead the United States will reconsider. I do not hold out very much promise, but during that period it will be possible to try to join with other countries to see whether some progress can be made in order to induce the United States to remain within the organization. It is a very large contributor. If its resources were removed, it would have rather damaging effects on the performance of UNESCO. I have no doubt that some of the complaints about the organization were justified. I have in mind particularly the undue bringing in of political discussions which had a better place elsewhere.

CANADIAN POSITION

Mr. Douglas Roche (Edmonton South): Mr. Speaker, what is the Canadian Government doing to protest to UNESCO directly to reform itself, so that it can substantially answer the criticisms that have been advanced by the United States?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I will be pleased to send to the Hon. Member the statement that was made by my colleague, the Minister of External Relations, at the UNESCO meeting in which he outlined steps that ought to be taken in order to improve the effectiveness of the organization. We have been working very closely with other countries in UNESCO in order to bring about these changes. The action of the United States was not the first time that we heard about the necessity of doing something to improve the situation at UNESCO.

• (1500)

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. BLAIKIE—DEATHS OF MILITIA MEMBERS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have the honour to present a petition signed by over 2,400 residents of Canada who ask that the Minister of National Defence (Mr. Blais) of the Government of Canada allow the release of the transcript of the military inquest into the deaths of two members of the Canadian Militia, Private Darren Michael Krosney and Private Rodney Laurendeau, killed on August 21, 1983, on their way home from Dundurn, Saskatchewan, to Winnipeg, Manitoba. The undersigned ask that the documents be made available to the parents for their own peace of mind, so they can find out what actually happened on that tragic day and clear up some of the inconsistencies surrounding the various descriptions of the event.

* * *

CRIMINAL CODE

AMENDMENT TO LIMIT THERAPEUTIC ABORTION

Mr. Don Blenkarn (Mississauga South) moved for leave to introduce Bill C-216, an Act to amend the Criminal Code (Protection of Innocent Human Life).

Some Hon. Members: Explain.

Mr. Blenkarn: Mr. Speaker, this Bill will limit the right to have a therapeutic abortion to circumstances involving the actual physical health of the mother. Abortions are being misused; they were not intended to be used as a method of birth control. Over 70,000 infant Canadians were murdered last year through improper abortions and this Bill is designed to limit that activity.

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

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HOUSE OF COMMONS ACT AND CANADA ELECTIONS ACT

AMENDMENTS RESPECTING FILLING OF VACANCIES

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved for leave to introduce Bill C-217, an Act to amend the House of Commons Act and the Canada Elections Act (by-elections).

Some Hon. Members: Explain.

Mr. Dick: Mr. Speaker, this reintroduces a Bill from the previous session. It seems apropos in that there are two vacancies in the House at the present time and Canada has the most antiquated and outdated by-election laws of any democratic country in the world. This Bill is designed to try and hurry the filling of those vacancies.

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

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STANDING ORDERS

AMENDMENT RESPECTING JOINT COMMITTEE ON OFFICIAL LANGUAGES

On the order: Government Notices of Motions:

The President of the Privy Council:

That Standing Order 69(3) be amended by adding the following:

"(*d*) On Official Languages policy and programs to act as members on the part of this House on the Joint Committee of both Houses, to consist of 15 members;"

And that a message be sent to the Senate requesting that that House do unite with this House for the above purpose and to select, if the Senate deems it to be advisable, certain members to represent that House on the proposed Joint Committee.

Mr. Speaker: Pursuant to Section (2) of Standing Order 25, this Government Notice of Motion stands transferred to and ordered for consideration under Government Orders at the next sitting of the House.

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[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 370, 390 and 395.

[*Text*]

THE CONSTITUTION

Question No. 370—**Mr. Stewart:**

1. Did the Government commission the production of sets of books, including oak cabinets with brass plates, commemorating the patriation of Canada's Constitution and, if so (a) how many commemorative sets were commissioned (b) what was the total cost of production?

2. Is the selling price of the commemorative sets $1075 each and, if so, does this price reflect the actual cost of production?

3. Were volumes 1 to 10 allocated and, if so, to whom?

Hon. Serge Joyal (Secretary of State): 1. No.

2 and 3. Not applicable.

HABITUAL CRIMINALS

Question No. 390—**Mr. Howie:**

Did the Department of Justice carry out a study to inquire into and review the cases of persons categorized as habitual criminals and, if so (a) how many cases

were studied (b) what was the estimated cost (c) during what time frame was the study accomplished (d) what was the purpose of the study?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Department of Justice is concerned: Yes, the study is ongoing.

(a) 93, (b) $301,000, (c) July, 1983 to March, 1984, (d) To advise the Minister of Justice as to the status of individual habitual criminals, and to advise which, if any, should be relieved of that status because they no longer seem to pose a danger to society; and to recommend the future management by correctional authorities of each offender.

OFFICES OF INFORMATION AND PRIVACY COMMISSIONERS

Question No. 395—**Mr. Howie:**

What total number of persons were employed by the offices of the Information and Privacy Commissioners of Canada and what was the total cost in terms of (a) salaries (b) offices?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Offices of the Information and Privacy Commissioners of Canada are concerned:

Persons employed by the offices of the Information and Privacy Commissioners of Canada at December 1, 1983: 33.

(a) Salary costs to December 31, 1983: $481,795.

(b) Office cost to December 31, 1983: $287,422.*

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* Payable by Department of Public Works and includes $149,608 fit-up costs.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Kaplan that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, in addressing my remarks to Bill C-9, when we adjourned at one o'clock I was stating that with any piece of legislation which deals with intelligence gathering and surveillance of individuals, first and foremost one must see that any necessary constraints and limitations are placed on the activities of the agency itself and not allow the powers of that agency to abuse or violate the basic rights and freedoms of Canadian. That should be basic to this Bill or any others of a similar nature.

Does this Bill meet that particular objective? Certainly it is an improvement over its predecessor, Bill C-157, but in my mind it still leaves a great deal to be desired. Let me illustrate what I mean. The Bill deals with the powers of investigation assigned to the new agency. Clause 21 states:

Where the Director or any employee designated by the Minister for the purpose believes, on reasonable grounds, that a warrant under this section is required to enable the Service to investigate a threat to the security of Canada or to perform its duties and functions under section 16, the Director or employee may, after having obtained the approval of the Minister, make an application in accordance with subsection (2) to a judge for a warrant under this section.

As a result, Federal Court justices would issue warrants for intrusive techniques such as electronic surveillance, mail opening and access to confidential information. Certain things would not be allowed, such as information under the Statistics Act. Nevertheless, the issuance of that warrant to carry out these particular techniques is, from my point of view, a dangerous provision for several reasons.

Nowhere in the Act, Mr. Speaker, is it clearly defined when a warrant might be granted. Words such as "espionage" and "sabotage" are used, but their meaning is not clearly outlined anywhere in the Bill. Therefore one has to ask how a judge would decide when to issue a warrant without a legal definition from which to proceed. It is the duty and responsibility of this House to pass laws which contain those definitions. Surely, Sir, it is Parliament, not the courts, which is the maker of laws.

Since such crucial words as "sabotage" and "espionage" are not defined, it is surely easy to see why so many people are concerned about this Bill. Groups, organizations and associations like the Civil Liberties Association are campaigning against this Bill. They are concerned about it. They rightly point out that almost any group in Canada would be investigated if the Government disagreed with their objectives and activities. That could extend to activities they might carry out on behalf of individuals in this country or in different parts of the world.

● (1510)

The Solicitor General has tried to argue that the Minister must have the right to judge when the gravity of this threat to security supersedes the need to violate the privacy of those affected when deciding to make an application for a warrant. He puts the one against the other and says he should have the right to decide when the gravity of the threat to security is the more important.

That is a very dangerous instrument in the hands of any individual. If I could be assured that every Minister opposite and any Minister at any time had the wisdom of Solomon, was totally honest and incapable of error, then perhaps that proposal could be given some consideration. I know and you know, Sir, that such is not the case. Nowhere has this been better illustrated than in the last few days with the bungling of the Minister of National Revenue (Mr. Bussières), or in the recent letter episode carried on by the Minister of Finance (Mr. Lalonde). Those examples painfully illustrate the abusive powers that this particular piece of legislation could be turned into.

Those two examples show that it is never the Ministers who have to bear the consequences of the act when government authority is abused; it is those who are the butt of their abuse who needlessly suffer.

One can also look at the negative effects the abusive tactics of Revenue Canada have had on the lives of hundreds of average Canadians. We can imagine the anguish, the anxiety and the despair to which many of them have been subjected. That is power in the hands of a Minister of the Crown. That is power in the hands of a Minister of the Crown when, as the Minister of Finance did recently, he used his office and information which he had in confidence to make statements against the Leader of the Opposition (Mr. Mulroney)—statements which he could not later substantiate, simply because we have a Minister of Finance more concerned with politics than with justice.

Furthermore, if one were to look at the potential for abuse, one need look no further than the infamous case of Peter Treu. Here was a Canadian on whom information was collected in secret; he was charged in secret and his trial was held in secret. In his case all the basic rules of justice were disregarded—the basic rules such as being innocent until guilt is proven and the right to face your accusers. Those things were disregarded. He was eventually cleared of all charges, nevertheless his reputation, his job, his savings and his personal life were all wrecked because of far-reaching powers which were beyond the rule of law.

Examples like these frighten me and frighten a lot of Canadians, Mr. Speaker. They show that a single Minister ought not to be given the sole responsibility of directing an agency which has such extensive powers as the one presently proposed will have.

It has been correctly said that information is power. I believe that no single Minister ought to have the power over people's lives that this Bill seeks to assign. There simply are not the checks and balances that we need. The Solicitor General has argued that case and has said that the abuse of power would be impossible as the agency would be subjected to civilian review by three different bodies. He thinks those are sufficient checks and balances.

The first of these bodies which would review the power of the agency is the Inspector General, who would review the operational activities of the service and monitor its compliance with operational policies. As such, we are told that the Inspector General is allowed access to all information that the service has, except for Cabinet documents. I ask you, Sir, how can the Inspector General monitor the activities of the service and ensure compliance when he will be unable to see the Cabinet document which may affect the service? This is particularly important since the Minister has direct control over the service and must authorize all applications for warrants.

If this implication were not so serious, one would almost have to laugh at such a provision. As far as I can see, the Inspector General would be a watchdog without teeth. He would never have all the necessary information at his disposal.

I would say that the same situation holds true for the second monitoring body, the Security Intelligence Review Committee. It would generally review the performance by the service of its duties and functions under the Act. That would be its responsibility. As well, it would investigate complaints, hold hearings dealing with security assessments and file reports with the Minister in Parliament. However, once again Cabinet documents are not included as part of the information to which the committee would have access. Thus, once again the effectiveness of the committee is limited as it will never have all the facts.

Finally, the Bill would provide for a third group. It would provide for a review of the substance and operation of the new service by a parliamentary committee five years after proclamation—five years after proclamation, Mr. Speaker. What this sounds like to me is very much like closing the barn door after the horses have escaped.

We have three steps which the Minister has set up which he says will eliminate the potential for any abuse under the Bill. Sir, I do not believe that they have the necessary power. As in cases like this, there is a very fine balance between the threat to security and the right to privacy of every individual. That is what we are talking about here. While Bill C-9 comes much closer to achieving that balance than did its predecessor, Bill C-157, nevertheless I feel it is far from satisfactory in this regard.

The language in the Bill is ill-defined. It leaves the door open to unnecessary and to potentially dangerous abuse. There is far too much in the way of discretionary powers given to the Minister and to the Cabinet. It assigns far-reaching powers to the agency but provides far from adequate provisions for the monitoring of the agency's activities.

The rule of law has always been one of the linchpins of our system of government. This Bill would create conditions which would violate those principles. For this reason, Members on this side of the House simply cannot with a clear conscience permit the Bill to pass in its present form.

Some Hon. Members: Hear, hear!

Mr. Robinson (Burnaby): Mr. Speaker, I listened with care to the thoughtful remarks of the Hon. Member for Kingston and the Islands (Miss MacDonald). I share many of the concerns she has expressed. I should like to ask a specific

question about one element that the Hon. Member highlighted and that is the question of oversight and accountability.

The Hon. Member will know that the McDonald Commission strongly recommended the establishment of a small parliamentary oversight committee made up of members of the Opposition to ensure that ultimately the new security service would be accountable to Parliament and not just to a specific Minister and a hand appointed body by the Minister of the day. I should like to ask the Hon. Member whether she supports the establishment of a parliamentary committee to oversee the operations of the new security service as recommended by the McDonald Commission.

• (1520)

Miss MacDonald: Mr. Speaker, I say to the Hon. Member for Burnaby (Mr. Robinson) that I am very sympathetic to that particular proposal. I would want to make sure, however, that it is truly an independent parliamentary committee and not one which has been co-opted by the Minister of the day to serve his or her purposes.

Mr. Robinson (Burnaby): I take it, then, that the Hon. Member would agree with the appointment of such a committee providing that these safeguards for independence were in fact met. Is that correct?

Miss MacDonald: Yes, certainly, and I would like to examine it. As I am sure the Hon. Member knows, there are certain other jurisdictions in other countries which have such a set-up. I would like us take a look at them and see what are the best aspects of this kind of operation in other countries which we could bring into our own system.

Mr. Allmand: Mr. Speaker, I was likewise very interested in the remarks of the Hon. Member for Kingston and the Islands (Miss MacDonald), in particular her comments with respect to the imprecision and inadequacies of the Bill. Will the Hon. Member tell us whether she and her Party will be preparing for the committee, when it meets, a series of amendments which will put into precise form the exact wording she would like to see in the Bill so that we can judge whether those proposed amendments in fact accomplish our ends more effectively than the words which are in the present Bill?

Miss MacDonald: Mr. Speaker, I would say to the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) that we have a lot of difficulty with this Bill. We do think it should be much more precise. However, I do not feel at this point we should say "Here are the amendments we suggest". We feel there are a great many people in this country who have something to contribute to the definitions which should go into this Bill. They have not all been heard from as yet, by any means. After we hear what they have to say, I would invite the Hon. Member to come along to the committee and listen to the amendments which we will be presenting.

Mr. Hnatyshyn: Mr. Speaker, I also want to congratulate my colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald), for another first-rate contribution in this particular debate. She is always germane and always speaking on behalf of the interests of the average citizen in our country. She did not disappoint us with respect to this important issue.

In connection with the matter which she raised with respect to the amendments in the committee—and the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) has alluded to this—Hon. Members and the Solicitor General (Mr. Kaplan) I am sure will be happy to know that we are prepared to come forward with specific and precise recommendations by way of amendments to the existing legislation. I feel that there has been an enormous amount of time spent on drafting the predecessor Bill and this Bill, and, unfortunately, it still is not right.

I have tried to bring out some points with respect to the preposterous conclusions, as I see them, which one arrives at regarding the present definition of "threats to national security". The Hon. Member for Notre-Dame-de-Grâce-Lachine East, as a former Solicitor General, will understand that these are difficult and complex issues. However, the opportunity has now been given to us. After 15 years of a subject being considered by a variety of commissions and a Senate committee, we in the House of Commons, the elected representatives of the people of Canada, now have an opportunity for input. We take our responsibility seriously.

I ask rhetorically of the Hon. Member for Notre-Dame-de-Grâce-Lachine East whether or not he wants to support legislation which gives a mandate to the security service to obtain information with respect to people who support Solidarity in Poland, who support the Afghan rebels, who support the Sandinista rebels in Central America? This is the conclusion one has to come to if one studies clearly a definition of the threat to the security of Canada. We have concerns and apprehensions with respect to these definitions. We will be up front. We will be there with our amendments and proposals at the appropriate time. However, these are the issues which have to be discussed on the floor of the House of Commons. We have had a lot of different proposals brought forward leading to the present Bill. There have been a number of changes. But it is too facile for a person to stand up and say "Let's shut our eyes and move ahead", without reasonable and adequate consideration and deliberation.

I simply want to assure Hon. Members of this House that, as far as amendments are concerned, we are considering them and we will in fact be doing our duty as loyal Members of Her Majesty's Opposition.

The Acting Speaker (Mr. Herbert): Order. I would first ask Hon. Members to relate their comments in some fashion to the speech of the Hon. Member for Kingston and the Islands (Miss MacDonald).

Mr. Allmand: Mr. Speaker, while I appreciate the answers given by the Hon. Member for Saskatoon West (Mr. Hnatyshyn) and the Hon. Member for Kingston and the Islands, I would ask them both, especially the principal speaker, if she does not agree that we had better get on with the job of

coming up with some definitions and some mandate, because at the present time the security service under the RCMP is operating with no legislative mandate. There is a mandate which was put out by the Cabinet in 1976. However, the security service is now operating with very imprecise guidelines and no legislative mandate. Does the Hon. Member not agree that it is urgent we deal with these matters and come up with some very precise and appropriate legislation with respect to these problems?

Miss MacDonald: Mr. Speaker, I appreciate the concern which the Hon. Member for Notre-Dame-de-Grâce-Lachine East has with regard to the present situation. However, I do have to tell him that it was not the Conservative Party which brought in that abhorrent Bill C-157. It took months of hearings in order to knock it down and destroy it. That in fact set the whole process back by months—by light-years.

What I would like to be assured of in return is that when the Conservative Party brings in proper amendments, and when it presents to the committee those responsible amendments, the Members of the Liberal Party, who will be in the majority on that committee, will just not automatically vote them down because their Minister says "I don't want anything to change the way in which I presented this present Bill".

The Acting Speaker (Mr. Herbert): The period for questions and comments has ended. Debate. The Hon. Member for Strathcona.

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker Donald Smith, Lord Strathcona—

Mr. Robinson (Burnaby): I rise on a point of order.

The Acting Speaker (Mr. Herbert): The Hon. Member for Burnaby (Mr. Robinson) on a point of order.

Mr. Robinson (Burnaby): Mr. Speaker, I wonder if the Chair might check its speakers' list. I believe the turn has come in rotation for a member of this Party to speak, the Hon. Member for Regina East (Mr. de Jong).

The Acting Speaker (Mr. Herbert): I would be pleased to check that list. However, I saw only one Hon. Member rising and I recognized the Hon. Member who was rising. I will check my list to make sure that the usual rotation is followed. The Hon. Member for Strathcona.

Mr. Kilgour: Edmonton-Strathcona, Mr. Speaker, named after Donald Smith who came from your part of the world, Sir. He then was knighted and that is when the riding became "Strathcona".

Miss MacDonald: He came from Scotland.

Mr. Kilgour: I know he was from Scotland but somehow he went to Montreal after he left the West and a lot of people identify him with the Acting Speaker's part of the world.

I would like to start with the theme which was raised by my colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald). The problem that we on this side of the House have is that the predecessor Bill was so bad. I think most Hon. Members on this side would concede that this Bill is considerably better than the last one. Bill C-157 would qualify for an entry in *Ripley's Believe It or Not* or the *Guiness World Book of Records* for perhaps the most draconian piece of legislation ever introduced in the House of Commons. It was so bad that the Government did not have the courage to introduce it in the House. They took it through the Chamber down the hall. It was properly ripped to shreds by one and all who appeared before the Senate committee to deal with it.

• (1530)

My role here today is simply to indicate some of the matters which will be brought out by Members on this side as causing concern if the Bill gets to committee. Starting at the beginning, Section 12(2) in the Bill basically says that the security service is not restricted from "remaining informed through public sources" about the political, economic and social environment within Canada. On this side of the House we would ask why the Senate recommendation was not followed in this respect. If, as the Senate said, the words in the Bill of which I am speaking are unnecessary, why are they still in the Bill? Perhaps the Minister will be kind enough to clarify that at an early point.

A little farther on in the definition section of the Bill before us it says that threats to the security of Canada are to be defined as "espionage or sabotage against Canada or any state allied or associated with Canada". On this side of the House we ask why it is that espionage and sabotage were not defined in the Bill we have now. It is true that sabotage is defined in the Criminal Code. Is that the definition that is intended in this Bill? Hon. Members will be curious about that too. We wonder why the term "espionage" is not defined in this Bill. What does the word "espionage" mean? The dictionary definition is essentially spying. Yet spying, according to Section 3 of the Official Secrets Act, is very broadly defined. I ask the Minister why espionage is not defined in the Bill.

The third point I would raise is that the predecessor Bill defined unacceptable behaviour as constituting, among other things, the threat or use of acts of violence against persons or property, and so on. Does throwing a tomato at a politician constitute an act of violence? I am sure most of us in this Chamber have had something thrown at us, if not a tomato. We will take the position in committee that the definition is too broad. A term such as "strictly necessary" should be used in the Bill, as was recommended by the Senate committee. Many provincial attorneys general voiced concern about this part of the Bill, feeling that that definition was too broad. Several witnesses before the Senate Committee urged the Government to change the definition to deal only with threat or use of serious violence, such acts as would not involve the throwing of a tomato at a politician.

My fourth point deals again with the definition of subversive behaviour. The previous Bill defines this as activities directed toward the undermining by covert unlawful acts directed

toward or intended ultimately to lead to the destruction or overthrow of the constitutionally established system of government in Canada. What does this say about legitimate dissent or protest? Witnesses before the Senate committee stated that subversion should not be a concern of the security service but rather should remain a matter for investigation under the Criminal Code.

The fifth matter I would like to deal with is the section dealing with international affairs and defence. In the old Bill it is Section 18. The new section is essentially the same but incorporates the Senate recommendations, except for the suggestion that the service have a monopoly on operational work respecting this type of intelligence gathering. That is Section 16. The question will be asked in committee as to whether the service should be engaged in this type of work which is not directly linked to the security of Canada. It will be asked what the parameters of this provision are. Testimony before the Senate committee said that this section will be used to gather economic, commercial, social and other data about other nations. It is important to note that warrants can be used to allow the service to use techniques for this section. We ask how the judge determines whether to issue a warrant. Does it consist of a security service agent walking into a judge's office and asking him if he would mind signing a warrant which has been approved by the Solicitor General? What a judge will consider and under what circumstances a judge will issue a warrant are serious questions.

The sixth point, Mr. Speaker, is the question of Section 21, which deals with warrants and states a number of things. For example, a provision is added to stipulate that an application for a warrant can only be made with the approval of a Minister. Safeguards or guidelines mentioned by the Senate are to be incorporated. We think that is a good thing. The maximum time limit for a warrant is one year. Confidential records kept pursuant to the Statistics Act, such as census forms, are not subject to warrants. Again it is a question of balancing the gravity of the threat to security and the right of the citizen to privacy.

The Government takes the position that if the Minister has to approve the application for a warrant, he or she will only do so if the circumstances justify such a step. With respect to the maximum period of a warrant, the McDonald Commission recommended a maximum period of 180 days. In this Bill the maximum period is a year. Questions will be asked as to why the McDonald Commission maximum has been so exceeded.

With respect to the Statistics Act, we ask why it is that Statistics Act material is now exempt under the Bill, whereas it was subject to warrant under the previous Bill. We ask whether there should be an annual report on warrant activities such as there is with respect to the Official Secrets Act.

The seventh subject matter I would like to deal with is the question of Section 20. I am talking about the protection of employees. Section 20 states that the Director and employees have the same protection under the law as peace officers. The McDonald Commission recommended that federal and provincial Governments give service employees various exemptions from specific laws. The question again comes up whether provincial attorneys general who administer the criminal law have the right to information of illegalities committed by the service, perhaps subject to the withholding of certain information if the federal Government believes it to be contrary to the security of Canada to release it. We have concerns in that area.

My eighth point revolves around the question of management control and responsibility. This is obviously an important area. The Bill deletes the provision which gave the director the final word on targets of the service and on information the service would disclose to the Government. If you have had a chance to look at it, you will recall that the present section says that the Minister may issue written instructions to the Director. What about oral directions? How would these come to the attention of the review committee? Should all directions be in writing? If oral directions are sufficient, would there be an incentive for the Minister not to reduce his directions to writing? I hope the Minister will have good answers to those questions when the Bill goes to the Justice Committee.

• (1540)

The ninth concern I would raise relates to Clause 30 which makes it clear that the Inspector General monitors compliance by the service with its operational policies as well as reviewing operational activities.

I am pleased that the Minister is in the House because I would like to ask him why the Senate recommendations were not followed in this area. How can the Inspector General monitor the activities of the service and ensure compliance when he will be unable to see Cabinet documents which may affect the service? I ask the Minister to explain that to us at an early date.

My tenth concern relates to Clause 34 which establishes a Security Intelligence Review Committee which would be composed of up to five and not less than three members. Again, the review committee is not allowed access to Cabinet documents in control of the service. How can the committee effectively oversee all the operations of the service when these documents are withheld? The expanded duties of the review committee are set out in line with the Senate report, but I remind the House that the McDonald Commission would have established a joint parliamentary committee to oversee the service.

My last point deals with the question of the Security Offences Act. The RCMP retains primary responsibility but the Solicitor General may enter into arrangements with other police forces respecting the investigation of security offences. The Senate recommendation for the role of the federal Attorney General was followed. In conclusion, I would simply ask if there should be a duty on the part of the RCMP to consult other forces, as the Senate committee suggested?

The concern which has been expressed by other Members is that this matter has dragged on for 15 years. In that time there have been several royal commissions. There have been problems with morale in the security service as well as problems

with respect to the effectiveness of our security service. Finally, a Bill has been introduced after 15 years.

We on this side believe that we would be derelict in our duty, as the Party which expects to form the next Government when an election is called, if we did not give this Bill reasonably close scrutiny before it goes to the Justice Committee. We put the Government on notice again that we will be giving it very close scrutiny when it comes before the Justice Committee.

The Acting Speaker (Mr. Herbert): Order. Before we proceed to the 10-minute question period, I would like to draw to the attention of Hon. Members Citation 381 of Beauchesne's Fourth Edition, which reads as follows:

On the motion for the second reading, it is out of order to discuss the clauses of the Bill.

I think Hon. Members could phrase their speeches in such a way as not to make specific references to clauses in the Bill. There will be a 10-minute period for questions and comments.

Mr. Robinson (Burnaby): Mr. Speaker, the Hon. Member, in his very interesting remarks, made reference to two key elements of this legislation which he indicated were of considerable concern. One was with respect to some of the powers being accorded to this new agency, and the second concerned the element of oversight. We in this Party see those two elements, the unprecedented new powers which are accorded to this agency and the importance of parliamentary oversight, as being two of the most essential elements of any Bill that would establish a new security agency.

Certainly the Solicitor General should be aware that if in fact he wants this Bill to go to committee he should be prepared to consider amendments to those two key elements which the McDonald Commission itself singled out as being the heart of legislation in this area. Certainly this Bill must be carefully studied in committee because we want to examine its elements closely. Let me emphasize those two key elements again. The first is the question of parliamentary oversight and accountability which was seen by the McDonald Commission as being the cornerstone of accountability in a security agency in a democratic society. The second element concerns the use of powers, particularly intrusive powers, against Canadians who are suspected of subversion.

As the Solicitor General will know, it is in this particular area that the McDonald Commission strongly emphasized that intrusive techniques should not in fact be permitted.

Let me ask the Member a question with respect to one of these intrusive techniques. It concerns the matter of opening first class mail. The Member has been quoted on a number of occasions as being in support of giving law enforcement agencies the power to open first class mail. Undoubtedly he will know that the Member for Vancouver South (Mr. Fraser) is strongly opposed to granting those powers and that his colleague, the Hon. Member for Durham-Northumberland (Mr. Lawrence), has indicated that he supports extending those powers.

In light of his own comments with respect to granting the power to law enforcement agencies to open first class mail, does he believe that the new security intelligence agency should have the power to open first class mail despite the clear recommendation of the McDonald Commission that it should not have such powers?

Mr. Kilgour: Mr. Speaker, how the question relates to the preamble, which took approximately three quarters of the Member's comments, eludes me but I will speak to the last part of the question. It is true that I have personally expressed the opinion that I think that Members of the drug section of our RCMP should be permitted to open letters when they have a strong prima facie case that they contain heroin or cocaine. Nevertheless, I have always added to that view that they should obtain a court order before doing so. In other words, if someone in Bangkok ships a gram of heroin to someone in my riding and they have seventeen witnesses that that first class envelope contains heroin, I think somebody in Burnaby should be able to go to a judge and get a court order authorizing the opening of that letter.

I stand to be corrected, but to my knowledge there is no other country in the world where the mail could not be opened in such circumstances. I would remind the Hon. Member from British Columbia, where the hard drug problem is so severe, that a study done in Baltimore a few years ago showed that approximately 233 heroin addicts committed more than 500,000 crimes in the City of Baltimore over an 11 year period. I do not think I have to tell the Hon. Member, who knows this, that the general consensus is that people on heroin commit many of the break and enter offences, thefts and robberies that occur across Canada, particularly in British Columbia. It is on that basis that I have advocated opening the mail.

I will not answer my friend' question with respect to the security service because, as he knows, this matter is no longer within my responsibility. Therefore I do not have to answer the question.

Mr. Robinson (Burnaby): Mr. Speaker, while it may no longer be within the responsibility of the Hon. Member, I certainly think Members of the House would be most interested to hear his views about whether or not the new security intelligence agency should have the power to open the first class mail of Canadians. Again, I ask the Member if he believes that that is a power which should be accorded to the security intelligence agency, despite the clear recommendation of the McDonald Commission that that should not in fact be the case?

Mr. Kilgour: The same answer, Mr. Speaker.

Mr. Fulton: Mr. Speaker, I have a similar question that I would like to direct to the Member who just spoke. I think his constituents have a right to know first, from where he got those figures that he was quoting. Second, how would the evidence of 17 witnesses in Bangkok that a gram of heroin in an envelope arriving in Burnaby be relevant to this debate? I fail to see any relevance whatsoever to the question asked by my

colleague. Perhaps he could give us the name of the report he quoted from regarding heroin addicts involved in that. I am sure many of his constituents would be interested in knowing what relevance that has.

I think his constituents would also like to know his views on opening first class mail, as he was asked by the Member for Burnaby. I also am interested in knowing them. The Member often writes letters to the editor in my constituency which contain scurrilous information. I think his constituents and other Canadians have a right to know whether he has a view. Perhaps he does not have a view, but I think Members of the House and other Canadians have a right to know what his views are on the opening of first class mail by a security service or the law enforcement agencies in this country.

• (1550)

Mr. Kilgour: Mr. Speaker, if the Hon. Member for Skeena (Mr. Fulton) will lean over and ask the Hon. Member for Burnaby (Mr. Robinson) what I said, I think he will discover that I said it would take 17 witnesses in Burnaby or in Skeena to say that a letter is coming from Bangkok to the Hon. Member's riding which contains a quantity of heroin. Otherwise, he would not get the warrant, and no one would ever advocate giving a judge authority to issue a warrant other than in such circumstances.

I do not have with me the source of the study done in Baltimore. I think it was done by the University of Maryland. If my friend is seriously interested in the answer, I would be happy if he would pursue that with me afterwards and I will try to get the source of the study for him. If the Hon. Member is disputing the accuracy of the study, if he is disputing that heroin addicts cause a lot of the crime in his riding or in the riding of the Hon. Member for Burnaby, I would put it to both of them that that is one of the reasons we expect to win both of their seats in the upcoming election.

Mr. Fulton: I will be very brief, Mr. Speaker. We recognize that the Hon. Member has serious problems dealing with fact rather than fancy, but the question is very simple. Does he think that the legislation before the House, Bill C-9, should go forward with the security service given the right to open first class mail of Canadians? The question is very simple. I am sure constituents in Edmonton would like to know whether the Hon. Member can answer the question in the House of Commons. Otherwise, I would advise them to get him out of the House of Commons.

Mr. Kilgour: I give the same answer as the one I gave to the previous question, Mr. Speaker.

Mr. Robinson (Burnaby): Mr. Speaker, does the Hon. Member for Edmonton-Strathcona (Mr. Kilgour) support a requirement that, prior to the placement of an informer in a group in Canada, a group which may be suspected of activities contrary to the national security, broadly speaking, there should be a requirement to obtain some form of judicial warrant?

Mr. Kilgour: I feel as if I were on the witness stand, Mr. Speaker. I know how the Government must feel. The answer to the question as worded by the Hon. Member for Burnaby is, yes.

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to join my other colleagues and other Hon. Members in the House in participating in the debate on Bill C-9.

Mr. Fulton: "Canine". It is named after a dog.

Some Hon. Members: Oh, oh!

Mr. de Jong: First, I would like to reflect briefly on the type and the rate of social change occurring in our society and in the world at large. All those who are interested in the social sciences see the tremendous change in attitude, culture, economic and political forums that have been occurring in the last number of years. There has been a very rapid change in social thinking and customs. We talk about technological change, economic change, social change, cultural change and political change. We see a tremendous amount of human displacement. People who are given training in certain trades are, all of a sudden finding those trades no longer valid today. What about people who have been brought up holding beliefs in a certain cultural milieu and setting who find that many of those cultural beliefs are no longer practised by society as a whole? The coming generation, the first of many generations to come, through the revolution in communications and in television, have a high level of expectation in life and a high level of material expectation. Yet on the other side of the coin we see the ability to satisfy those expectations being decreased. We see the possibilities of massive unemployment in the years ahead. People will not be able to find meaningful work or find a meaningful niche in life.

This is a recipe for social disorder and a situation in which many human beings not being able to fulfil their basic expectations are displaced and will react with anger and, at times, with violence. There have been various surveys conducted. I think of a Decima survey done approximately a year ago that shows the degree to which Canadians have lost faith in the traditional institutions. They have lost faith in Parliament, in law enforcement agencies, in government and in the churches. People have lost faith in the traditional social institutions that used to provide the social glue for society. Those were the institutions that kept us together and formulated and helped bring forth shared basic beliefs and value structures.

I mention all of these because I think they are important when we discuss security legislation such as the legislation before us today. We should have some appreciation of the larger context in which society is moving. I can see how some Members, and obviously some government members, react to this in terms of fear and panic. They feel we must have in place greater police powers to attempt to control and even suppress those social changes. My contention is that you cannot in the end suppress social change. We are living in a world of very fast social change, and no amount of secret police and police activities can really suppress social change.

What you can do, of course, in a short period of time is to hold back social change. But, like water building up behind a dam, all this will do is to create a power and a force that at some stage will break through and smash down those forces opposed to an actual historic change occurring.

Not only do we see rapid social change within our own borders but we also see it throughout the world, and we also see rising expectations by most of humanity. Most of humanity will no longer put up with ignorance, starvation and political suppression. People will no longer accept the feudal system in which a few suppress the many. On an international scale, we see rising expectations forcing us to change, which very often ends up in revolution. Those who are in control of power do not allow those changes to occur. They use armies and secret police to suppress those changes. But in the end the will of people cannot be stopped. Through revolution many of these changes will come about so that people will begin to realize the hopes and expectations they have.

The security legislation we have in front of us today, I feel, is an attempt by the Government to try to control social change. It opens up the possibility for the Government to use the secret police to attempt to suppress and stop social change.

The way to help accommodate social change, Mr. Speaker, is to anticipate it and to realize that there will be many people without jobs and the ability to earn income in a meaningful way. The solution to that problem is not more police power but, rather, to be a little more creative and to have some political will to put programs into place so that displaced people will be able to find a meaningful role for themselves in their lives. That is really the solution to social change which Canadians are experiencing.

What we have, Mr. Speaker, I feel is an attempt at suppression. Bill C-9 has three essential elements. It proposes a mandate; it spells out powers; and as well it acts as a type of control over the secret service agency which the Government wishes to establish.

Let me first deal with its general mandate. We have seen that even a Conservative attorney general, like the Attorney General for the Province of Ontario, finds that the definitions in the Bill are still quite dangerous and vague, as he says. He further stated that the definition of national security remained "flabby". Also he was concerned about the reference to foreign-influenced activities, because he is afraid it could be applied to foreign multinational corporations doing business in Canada. I understand and sympathize with the Attorney General of the Province of Ontario. Many people involved in civil liberties associations and Hon. Members of the House, both in the Conservative Party and in the New Democratic Party, have expressed fear about the broad definitions. I would not be surprised if many government Members had the same fear in their hearts.

• (1600)

Under the definitions in this Bill, various illegal strikes or activities by Canadians in support of the African National Congress or organizations that may wish to combat the Soviet invasion in Afghanistan or organizations that are involved in raising money for resistance groups in El Salvador, could be classified as illegal activities. All the people involved in the support of such organizations could find themselves being snooped upon to the full extent of the power included in the Bill.

For example, the Canadian Farm Survival Association could be considered as having engaged in illegal activities when it saw that high interest rates were forcing farmers into bankruptcy and conducted auctions in farmyards where tractors were sold for $1 or so. In the broad definition, that group could be considered as subversive because there is no doubt its economic activities had political overtones.

Mr. Kaplan: That is absolutely false, and you know it.

Mr. de Jong: That Association, could be considered subversive.

Mr. Kaplan: That is an insult to the RCMP.

Mr. de Jong: Illegal strikes or walkouts, in the broad definition, could be considered subversive activities because they bring into question the accepted established methods of political and economic solutions in the country. The definitions are so broad that anyone who acts in a direct way against the political and economic power structure in Canada could be defined as being subversive and be snooped upon.

The second area of major concern is the type of powers the Bill allows. Canadian citizens could have their conversations bugged, their mail opened and even have the confidentiality of their confessions with their priests invaded. Their homes could be broken into and searched and their confidential records could be invaded, even though there is not the slightest suggestion that any lawbreaking has occurred. The powers of the Bill are so broad that a fair-minded, average Canadian person must be frightened when he or she looks at what Bill C-9 makes legal.

As I mentioned before, the Bill is not designed to gather information when a law has been broken or a particular law anticipates to be broken and there is some criminal activity involved. It is really an intelligence gathering process. It does not have as its end result the laying of charges against anyone. It is just the gathering of intelligence.

Certainly the United States is more threatened by the acts of terrorists both within its borders and from outside. Its citizens have greater protection than we in Canada, especially if this piece of legislation goes through. In the United States, for example, the FBI has to persuade the judge that there are probable grounds to believe that the suspect or group is engaged in a specified illegal activity. In Bill C-9, our standard for a warrant would be lower. It would be "reasonable grounds", and no particular crime would have to be specified. In the United States also, the judge has to be convinced that an electronic interception will produce evidence of a crime. The Canadian Bill will not tie the interception to the gathering of evidence of criminal activity. In our system a warrant could

be issued that would enable the CSIS to investigate a threat. The definition of what is a threat is so wide open that it could include just about any group. We see awesome powers being given to a civilian authority, with very vague definitions as to what are its mandate and its overall purpose.

A third area begs the question—after we have given this tremendous and awesome power to this group of individuals, what type of check or oversight exists? In terms of the judiciary, not very much. Yes, they have to obtain a judicial warrant before they proceed with an investigation, before they open files, tap telephones or break into homes at any hour of the day or night, but the judge really has nothing to go on because the definitions are so broad that he has no choice but to become a rubber stamp. No reasonable grounds have to be offered to show that a crime is being committed or that in some definite period something illegal is occurring or will occur; nothing like that. It is just the interest of some agent of the Government to have a little more information about what a person does, with whom he corresponds, what are his health records or what are his bank records. There is no judicial check, but rather a judicial rubber stamp.

Then we come to the review committee, and we must ask the question as to how effective it will be. Our claim is that there is not enough control over the CSIS. The review committee has no access to Cabinet documents. A recommendation which was made over and over again, even by Senator Pitfield, was that it should at least have access to Government documents. He recognized that there were many ways for the Cabinet and the security agency to get around the review agency, and that to set up a review committee without allowing it full access to the documents would be hampering it from the start. It really becomes a farce. It becomes window dressing and gives the illusion that the review committee is an actual place, when in fact it does not have the ability to look at all documents pertinent to its review of the intelligence service.

What we have here is another piece of double-think, another piece out of George Orwell's novel *Nineteen Eighty-Four* where the show and the pretense are one thing and the actual reality is indeed something else. The major shortcoming in the Bill in terms of its overview is that Parliament is just a eunuch as far as the security service is concerned. Members of Parliament will not have access in a meaningful way to the deliberations and activities of this organization. The Government can claim that Members of Parliament cannot be trusted like the review agency cannot be trusted; even though it is composed of either former members of Cabinet or members of the Privy Council, it cannot be trusted with all the documents, and Members of Parliament can be trusted even less. So much for the Government's trust in the democratic system. The very reason it is setting up this so-called agency is to protect our democratic system. But it has no belief in the democratic system itself.

• (1610)

One must ask the basic question of why the Government is going ahead with this legislation now. Does the present Criminal Code not give tremendous powers to the RCMP to investigate and prosecute criminal cases? If the Government has any reason to believe that there is a national crisis, that our democratic system is in danger, that we need a special security force to investigate Canadians, to tap their telephones and to break into their homes, it should at least have the decency to tell Parliament what the need is. Instead, we get silence from the Government benches. Not one Government Member today during the debate has stood up and given any explanation as to why we should have this Bill.

Perhaps it is a hypothetical explanation. Perhaps something can occur that would require us to have these powers. I suggest that the Government's thinking in all of this has been hypothetical. When the Minister asks for a judicial warrant, it is not based on a fact but based on a hypothetical case. By the same reasoning, the Government is introducing this legislation based on hypothetical cases rather than on a real need.

The Government can say that that is the McDonald Commission recommended. That argument is a farce. It is 1984 double-think. Yes, McDonald recommended a civilian security agency, but McDonald also recommended a security agency with proper and decent checks to it. The Government has chosen to ignore that totally. McDonald found a serious shortcoming in our existing situation. The Government used that as an excuse to legalize illegal activities.

What the Bill does in the end is to create a legal framework for this and future governments to maintain themselves in power through undemocratic means. The very instrument designed to protect our democracy, free speech, judicial system and way of life becomes the very instrument to destroy our democracy, free speech, judicial system, customs and way of life. This is a bad Bill. It stinks. The Government has to be stopped.

Mr. Kaplan: Mr. Speaker, the Hon. Member has argued that threats to the national security of Canada are hypothetical and, therefore, we do not require these powers, except to destroy democracy. He is very far out of touch with reality. I cannot imagine many Canadians being fooled, even by his eloquent rhetoric, into believing that this is a Bill which the Government wants to use to destroy the country and to destroy our democracy.

I want to ask the Hon. Memver a question. He talks about hypothetical threats. He should know that there are real threats to our security. I want to put to him a problem and ask how he would handle it. If we received information, as we sometimes do in Government, which we believed, that KGB members or known terrorists have come to Canada, and we assessed the basis of that belief and came to agree with it, does he think we should have no authority at all to engage in surveillance of them because they are not necessarily committing a crime or that we do not have evidence of that crime? Is he suggesting that there should not be authority, that there are not sensible reasons why their mail, under proper safeguards, should not be investigated? He may not like the safeguards in the Bill. I want to raise with him the proposition that surely even he, as fanatically anti-government as he is, might recog-

nize that there are some circumstances in which KGB members or members of other hostile intelligence services may come to this country, and that we would get credible evidence of it, or that international terrorist groups may come here bearing in mind that the Olympics will take place in North America this year, that His Holiness the Pope will be visiting our country this year, that Her Majesty will be here in August, in all of these circumstances—

Mr. Blackburn: We have the police.

Mr. Kaplan: The Hon. Member reminds me that we have the police. I am not asking whether we should go after them with police methods. I know he would agree with that. What I am asking is, if we know about them, is there not justification for having access to their mail and justification for being able to put them under surveillance without knowing whether they intend to engage in particular crimes?

Mr. de Jong: Mr. Speaker, I am somewhat amazed at the question that has been put to me. First of all, it seems to suggest that the present law enforcement agencies are totally inadequate to handle—

Mr. Kaplan: That is not what I said.

Mr. de Jong: I agree there could be very illegitimate threats against Canadian society, against His Holiness the Pope when visiting Canada and the Olympics being held in North America. These could conceivably be targets for foreign terrorists. I quite agree. Is the Minister telling us that at present the RCMP does not have the ability to monitor and take precautions against these foreign threats?

The second point I wish to make is that when the Minister introduced the legislation, I wish had followed the American example more closely and had treated Canadian citizens and landed immigrants somewhat differently from foreign agents. Under this Bill Canadian citizens can be spied upon, their phones tapped, their homes broken into under some pretty, vague definition in this Act, even though there may be no hard evidence that these Canadian citizens are connected with an attempt to assassinate the Pope or carry out some terrorist activity, but are suspect in a vague way, and their basic freedoms denied. I wish the Minister would explain the reason for lumping Canadian citizens in with foreign terrorists, KGB, CIA or other agents.

Mr. Kaplan: Mr. Speaker, the Hon. Member has indeed exposed himself as someone who is unwilling to deal with a very real example. He was asked a question. He is testing the hypothesis. Let me assert again that there are real threats to our national security. We do occasionally get evidence, which we believe, of foreign hostile intelligence officers and members of terrorists groups who come into and through this country. He asks why the police cannot go after them with the normal warrant under the Criminal Code. Under the Criminal Code, as was pointed out, we need to have a reasonable belief of a specific crime or of a criminal plan. In the example I am putting to him, the only evidence we have is that they are here, that they happen to be in our country and that they are terrorists. I am asking for his help. I am asking him and Parliament to agree that in circumstances like that, with the kinds of safeguards I am willing to talk about in committee, develop, or change, in that type of environment there should be justification for getting a wiretap without evidence of a specific crime being planned by the particular terrorist group or hostile intelligence officers, that we should be able to open their mail under all the safeguards that this Parliament imposes. Those are simple questions. The Hon. Member avoided them the first time, and I know he will avoid them again.

Mr. de Jong: Mr. Speaker, I do not think the Minister heard my response correctly. First, I admit, and no one in the House would be so foolish as to deny it, that there are potential threats that could occur against Canada from foreign terrorists and foreign intelligence agencies. Given what we have in the world today that is a "given".

The Minister has not answered my question. Why does he include Canadian citizens in the same bunch as foreign terrorists and foreign intelligence agencies? It is one thing to be aware of a foreign terrorist coming into Canada, to intercept his mail and keep tab on his telephone calls. It is quite another thing for a Canadian citizen, who has not broken any law, one who maybe collects money for rebels in El Salvador or Afghanistan, to be considered potentially subversive because that citizen is involved directly in some way in overthrowing a legally constituted government somewhere else. This Bill has lumped all those people together, and I am afraid the Minister has not as yet realized the point we are trying to make.

● (1620)

Mr. Kaplan: Mr. Speaker, I guess in the course of this debate I can answer the question, if that will assist the Hon. Member to answer mine. He is asking, why should one consider that Canadians might be capable of acts of terrorism or acts of espionage and subversion? I think that just to put that question is to answer it. One likes to have faith in one's countrymen, but we know, our history tells us, that there are Canadians capable of subversive activities, acts of terrorism and espionage. That is the reason the Bill addresses that possibility, and I think he is very naive to deny it. I do not think his constituents or others following this debate will fail to have noticed that he is refusing to address a question which I am asking Parliament to address in dealing with this Bill. I am asking Parliament to recognize circumstances where mail opening and surveillance might be justified without proof or evidence of a crime. He refuses to address that, and that is typical of the NDP.

Mr. de Jong: Mr. Speaker, I will try to be brief, but the Minister's comments require long answers. I thought I had given some of those answers in my remarks.

Mr. Kaplan: Come on, yes or no.

Mr. de Jong: We want to make the distinction, as it is made in the United States and most other jurisdictions, between

domestic terrorists and subversives and foreign terrorists and subversives. Part of our criticism of this legislation is that it does not make that distinction. The point we want to make is that the Criminal Code already gives the police ample powers to open the mail of domestic terrorists—

Mr. Kaplan: It does not.

Mr. de Jong: —and to listen to their telephone conversations.

Mr. Kaplan: It does not.

Mr. de Jong: This Government has over 800,000 files on Canadians, and it tells me it wants more. Surely, Mr. Speaker, enough is enough.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for South West Nova (Miss Campbell)—Fisheries—Future of independent fish companies in Nova Scotia; the Hon. Member for Burnaby (Mr. Robinson)—Royal Canadian Mounted Police—McDonald Commission findings of law-breaking—Decision not to take disciplinary action. (b) Request for withdrawal of security service legislation; the Hon. Member for Peterborough (Mr. Domm)—National Revenue—Department's seizure of taxpayers' assets. (b) Taxpayers' costs in appealing assessments.

* * *

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

The House resumed consideration of the Motion of Mr. Kaplan that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I am very pleased to have an opportunity to say a few words in connection with Bill C-9. I think the proper procedure is to debate this Bill openly and get as much representations as we can from the people of Canada. I think I would be very safe in saying that the people of Canada generally are concerned about having a good intelligence service, one of the best. They are also concerned about whether it is done through the RCMP or by a new body called the Canadian Security Intelligence Service. Some great nations have had separate services. The United States and England have separate services, and that seems to work out very satisfactorily. I think there are some advantages to having a separate intelligence service, as well as some advantages in having it remain with the Royal Canadian Mounted Police. If the people of Canada generally, and this House of Commons in particular, decide to separate the service from the RCMP, I do not think it will be a blot on the RCMP, not at all. We all admire the RCMP; they have done a tremendous job in policing, and they still have a tremendous job to do. But if the decision is made to separate the service, then I think we have to institute safeguards concerning accountability, in order to make sure the intelligence service is checking on spies and fifth column activities, not on the people who have as great a desire as we do to build a great country but who have different ideas on how it should be done.

We have to be very careful in that respect, Mr. Speaker. Canada is a young country compared to the European and Asiatic countries. We are still in the developing stage in many respects. My friend, the Hon. Member for Lethbridge-Foothills (Mr. Thacker), was speaking this morning about political groups which arise from time to time. Some of them have disappeared, some have made a contribution and then disappeared, and some never got off the ground. But I do not think we should ever stop any group of people in Canada from using the means they think is best to build a great country. All the wisdom is not wrapped up in the Liberal Party, the Conservative Party, the Socialist Party or the Communist Party. People have different ideas and different views. Sometimes they bring a fresh look to problems which arise.

In the early days of Alberta, after the Liberal administration ruled the Province for about ten or 11 years, the people decided not to go to the Conservatives and not to go back to the Liberals, who had made a tremendous dent in the credit of the Province and had had many scandals with the railways, and so on. They went to a brand new Party headed by a lawyer, the late John E. Brownlee, and the Party was known as the United Farmers of Alberta. It was in power until 1935 and it did a lot of good things. It moved the telephone lines so that rural people could have telephones. That is still remembered as one of the big things done by the UFA. It also went to the Canadian Government and begged, pleaded and demanded ownership of our natural resources the same as other provinces. Finally, in 1930 the federal Government gave the province ownership of its natural resources so that we were on a par with the other provinces in Canada. That one item stands out conspicuously in the UFA administration. But what if there had been an intelligence service when that Party was first started and we had said to them, "No, we cannot have this, you are talking a new language"? They were talking a new language, Mr. Speaker. They were going to do things that the old line Parties were not prepared to do at that time. Had

they been stopped it would have been a pretty serious thing because they were just as loyal as any of us.

Then there was the Social Credit Government which was formed. That Party was led by the late William Aberhart, a powerful man, and to hear him speak about the banks you would never think he had been a Conservative. He talked about the power of the banks. He saw that the people were hungry but that goods were available, so he thought, why not get the money to distribute the goods to the people so that they would no longer be hungry in the midst of plenty? He had a new theory, but had the intelligence service been in existence it would have thought he was going to turn the country upside down. It would have been a sad thing if his group had not held power, because for the next 35 or 36 years they gave good government and good leadership to Alberta. I think of people like Premier Manning and Premier Aberhart who were strong men, loyal to Canada and who wanted all the people to have a share in the great wealth of the country.

● (1630)

More recently there was the separatist movement in western Canada. Most if not all of those people were loyal Canadians but they had a different idea. They thought that with the heavy populations of Quebec and Ontario, it will never be possible for the Maritimes or the West to get a fair deal. I argued the other way. I say that the salvation of the country can rest in the reform of the Senate where we can have a check and balance on what goes on when an arrogant government is in power. Had we had a check and balance when the National Energy Program was introduced, it would never have gone through, and it would not have ruined the industry in western Canada. Had we had a check and balance when the Crow Bill went through, we would not have had the present tremendous weight on the grain producers of western Canada, giving them a load that they cannot carry with incomes going down and expenses going up.

If we had reform, it would be the salvation of the country. Every region must be treated fairly. However, I would not want the intelligence service to be dealing with a group because its idea of the way to run the country is different from the orthodox view. That is one of the dangers I see in any intelligence service.

We want the intelligence service to do a tremendous job in seeking out fifth columnists, those who are out to destroy the country, who would sell us to another power so that they could gain everything they wanted from the wealth of this great land. That is the fifth column I am dealing with, not Canadians who want to better the country and who have a different idea of how to do it.

Whether we have the RCMP or an intelligence service, Mr. Speaker, there has to be accountability. I do not think we can give free rein to any intelligence service to do what it likes and not be responsible to anyone. That simply would not work. With its quasi military setup, the RCMP has responsibility, right from the Commissioner down. Each detachment has a leader to take the responsibility if a constable, a corporal or an officer gets out of line. That is one of the reasons why people in the West strongly favour the intelligence service continuing to rest with the Royal Canadian Mounted Police. They know that the Royal Canadian Mounted Police is a disciplined group and is accountable. Those in charge at the Royal Canadian Mounted Police should be accountable to the Government of Canada. In turn, the Government of Canada should take responsibility when it gives orders to the RCMP to do things that perhaps it would rather not do. There is no doubt in my mind that orders were given to the RCMP with respect to the fracas in Quebec. Not for one minute could I believe that the RCMP would burn down barns, steal records or break down doors of their own volition. I have too much respect for them to think that. But they do obey orders. If they get an order to do something, they will do it. That is part of their discipline, part of their training, part of their life. It is the same with a soldier, an airman or a sailor in wartime. You cannot have democracy in wartime. You cannot have democracy in the army. You have to be able to take orders and let somebody make the decision. Sometimes the rank and file think the decision is all haywire. Many times in the air force I thought the commanding officer was haywire, but eventually it turned out he knew what he was doing.

I remember taking all the shots preparatory to going to the Far East with the air force. The whole squadron was anxious to go, but suddenly we got word to come back to Canada. I thought the Canadian Government had gone wacky, getting us all prepared then sending us back to Canada. Much as we were glad to come back to Canada, we had volunteered for the Far East. A few days later we found that the bomb had landed and we realized that the Canadian Government knew what it was doing in ordering the troops back to Canada, because the war was practically over.

There must be someone accountable, someone to make the decisions, and we have that in the RCMP. It is one of its strong points. The point I raised with my colleague this morning is the possibility of infiltration by fifth columnists. That is difficult in the RCMP. You do not start at the top in that service, you start at the bottom and work up. If someone has subversive trends, surely that would be found out in five, 10, 15 or 20 years. Such people would not last in the RCMP, and that is one of its strong points. The fifth columnist would have a difficult job to get into the RCMP and influence its intelligence service.

We found that fifth columnists were able to get into the intelligence service in Great Britain and in the United States. They were very clever about it. Perhaps it is possible in the RCMP, but I doubt it. Certainly it would be possible in a separate service, because that has proved to be the case in the U.S.A. and in Great Britain. It is one of the advantages of the RCMP and one of the disadvantages of a separate service.

On the other hand, a separate service could attract highly trained, intelligent people skilled in this particular field. The RCMP are trained as well. I spoke to an officer in Alberta whom I had known when he was just a boy. He had been with the security service and had left it to return to the work of the

detachment because he felt so much consideration was being given to separating the security service that he wanted to be sure he remained an RCMP officer. It had been his life's ambition to be in the RCMP, but he left the security service, although he said that the training he had received in the intelligence service was standing him in good stead.

Many people think that the training in separate universities and in other fields is going to be advantageous in the separate service. Perhaps it will, but time will tell. If we go that route we had better be sure that we take special steps to see to it that fifth columnists, particularly from other countries, do not infiltrate our intelligence service.

● (1640)

What I want to emphasize is accountability. I believe the Government has to be responsible. Whoever the director is, he surely must be responsible to a Minister, and the Minister must be responsible to the House of Commons, and in turn the Members of the House of Commons must be responsible to the people. This is democracy. We should not sidestep democracy in any of our services, whether it be intelligence, revenue or whatever. Democracy will work if there is that line of responsibility from the Minister, who is appointed to the Cabinet and responsible to the House of Commons or to the legislature, and the Members of the House of Commons or the legislature who are responsible to the people. That is the strength of democracy. That should be the paramount objective in developing this service. Are we going to have accountability? We must have accountability and the Minister must take the responsibility. I do not agree at all with former Solicitors General when they say, "I do not take the responsibility for what the RCMP did". The Minister must take the responsibility. I certainly want to emphasize the matter of accountability. When this Bill goes to committee, let us make sure that, whatever route the majority takes with regard to the intelligence service, the director is responsible to the Minister and the Minister is responsible to the House of Commons which, in turn, is responsible to the people. If we go that route, whether it is the RCMP or a separate service, I feel we will have an excellent intelligence service in this country.

The Acting Speaker (Mr. Herbert): Questions, comments? Debate.

Mr. Jack Shields (Athabasca): Mr. Speaker, it gives me a great deal of pleasure to rise today and speak on Bill C-9. I do not believe I have seen in the four years I have been here a Bill placed before the House which is more complicated and difficult to understand and one which raises so many questions and which affects so many people all across Canada. On my reading through the Bill, through the Senate committee report and through Bill C-157, a number of questions arose which I feel need to be asked. When this Bill goes to committee, I hope that my colleagues will address those questions in a very reasonable way.

We in Canada live in and support the system in which we have the kind of Government we have, with all its imperfections. We feel free to talk about Senate reform and about changing the rules in the House of Commons. Indeed, we prize, I believe above all else, the freedom which individuals have, not only to move freely within the country but to go home and close our doors at night, and, understanding our laws, feel free to discuss Government in any way we wish. One is free to form a Party which is opposed to the present Government, opposed to the way we are doing things. I have always had a sense of pride that we in Canada allow a Communist Party openly to exist in the country. We allow it to espouse all sorts of things about Canada which it has done freely during elections when people can even run on a Communist ticket. That does not happen in all other countries, but our system is such that we allow this freedom because we know the system we have will not be undermined when things are brought out into the open.

I would like to speak about some of the questions I have about this Bill which, hopefully, the committee will address when the Bill goes for a clause by clause study. I refer first to Bill C-157, Clause 14(2). It states, and I quote:

> The Service is not restricted from "remaining informed" about the political, economic and social environment within Canada.

The Senate recommendation is not followed in this instance, and it raises the question as to why it was not. The Senate committee report stated, and I quote:

> There is nothing to prevent the service from "remaining informed", indeed this is a necessity. To include this section is to "court mischief" as the words are unnecessary.

The Senate says that to include this section is to court mischief. We have seen this type of mischief when we have looked to our neighbour to the south. We have seen the things which happened at Watergate. We have seen the mischief which happened in political campaigns. We have seen mischief in other areas. The Senate committee report is clearly saying to the House of Commons, "If you include the words in there, it could court mischief". If the Senate committee believes that those words in the Bill are unnecessary, why are they still in the Bill?

In Clause 2, "threats to the security of Canada" are defined as:

> —espionage or sabotage against Canada or "any state allied or associated with Canada" or activities directed toward or in support of such espionage or sabotage.

The Senate committee recommendation, which was not followed, stated that the words "espionage" and "sabotage" are not defined in the Bill. What constitutes espionage? What constitutes sabotage? Do we leave this definition with the Minister of the day? Do we leave this definition to the security service itself? I suggest that the security service, by nature of its business, can see "sabotage" and "espionage" in a variety of areas and in a variety of ways, unless we have a clear definition of what those terms mean. One could water the term down to mean an activity on the stock market which could sabotage the economy. It could mean someone attempting to deal in securities or in Canadian currency in such a way that he moves the price up or down. I believe some lawyers could

very easily interpret those words to mean that espionage is heavy speculation in Canadian currency. I believe these words must be clearly defined. We are leaving too much out that I as a layman do not understand and, I am sure, that many people within the law societies and members of the Bar do not understand either. The terms should be defined so that we all know exactly what they mean. Sabotage is already an offence under the Criminal Code and it is defined. My question is, what does the word espionage really mean? The dictionary definition is that it is spying and section 3 of the Official Secrets Act defines it very broadly. I think espionage should be defined in the Bill and I would ask my colleagues to address this problem when it goes to committee.

• (1650)

Clause 2(c) of the previous Bill C-157 referred to activities within or relating to Canada directed toward or in support of the threat or use of acts of violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state. The provincial attorneys general voiced their concern about this definition being far too broad. I agree with them. I do not know all that the Senate was referring to. There were several witnesses who appeared before the Senate committee who urged that a change be considered and that the definition be set up in such a way as to deal only with the threat or use of acts of serious violence. We see people across Canada demonstrating against the Cruise missile testing, for example. In their protest marches they may break through a first line of defence which the Armed Forces have put up around an air base or even around the House of Commons. We see fences put up when people are demonstrating. It seems to me that it is not serious violence if they break through the barriers, and indeed even come into the outer lobby of the House of Commons to voice their opinion. I do not think that would be viewed by any Member in the House as serious violence. It seems to me that we are putting a provision in this Act which could view that action as being against the Act. I think it would be a serious restraint on the freedom of individuals to express themselves in the way in which they have become accustomed. I am not speaking about a saboteur or undercover agent using serious violence by setting into motion a situation where explosives are used to derail a train or something like that. To me that is serious. There are other activities that do not meet this criterion. I ask that my colleagues consider that very carefully in the legislation.

Section 18 deals with international affairs and defence. This allows the service, in relation to Canada's defence or its conduct of international affairs, to assist in Canada with the collection of information or intelligence respecting a foreign state or foreign person. I am not sure whether the service should be engaged in this type of work, as it is not linked to the security of Canada. I think the way it is presently laid out is too broad and should be narrowed down and linked to the security of Canada. The conduct of international affairs, not linked with the security of the nation, should not be included here. That area has to be studied.

Where are the parameters of this provision? Testimony before the Senate committee specified that this section will be used to gather economic, commercial and social data about other nations. I can understand the need for economic and commercial data and indeed for social data of other nations, particularly nations with which we have entered into foreign aid agreements. We in Canada would be miffed if we found out that the security services of other nations were gathering information in a secretive manner regarding our economy, commerce and society. In most cases in a free society this information is available anyway. I do not understand the necessity for connecting these two together.

Warrants can be issued to allow the service to use intrusive techniques under this section. How does a judge determine whether to issue a warrant? In my mind the security service is there to protect the security of our country, yet we are arming it with the authority to use techniques clearly subversive in another country to gather commercial, economic and other kinds of data which are not related to the security of our country. I can envisage people from the new security agency or senior RCMP officers in the security service posted to our embassies in other countries and being expelled holus bolus because we are arming them with the authority to do subversive work in another country. I am not sure that is what we want to do. Since warrants are issued to enable the service to perform its functions and duties, will a judge always issue a warrant in Canada if the relevant Minister requests the service to act under this provision? He may not. More work has to be done on that section, Mr. Speaker.

I would like to comment on the powers afforded in this Bill. Section 22 gives the service extraordinary powers by warrant. I always worry about extraordinary powers. If a judge is satisfied that the service requires a warrant to perform its duties and functions under the Act, he may issue a warrant which allows the service to intercept any communication or obtain any information, record, document or thing. That is very broad indeed and clearly can be abused. After a great deal of study, the Senate committee suggested that a balance was called for between the gravity of the threat to security and the intrusion into the privacy of those affected by the warrant.

Mr. Deputy Speaker: Order. It being five o'clock, the House will now proceed to the consideration of Private Members' business as listed on today's *Order Paper*.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

INTEREST ACT

AMENDMENT RESPECTING MORTGAGE PAY-OUTS

Mr. Paul Dick (Lanark-Renfrew-Carleton) moved that Bill C-212, an Act to amend the Interest Act, be read a second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, once again it is my pleasure to rise and debate this very small Bill which I have introduced. This Bill was debated in the House on March 2, 1983, but it is still very much apropos that it should be debated again at this time.

I hope to draw the attention of the House and Canadians to the plight of hundreds of thousands among us who are trapped into paying excessively high interest rates on their mortgages. I am referring to the dilemma facing Canadian families who are forced to pay 17 per cent, 18 per cent or 21 per cent interest on mortgages which today might be refinanced in the range of 12 per cent.

When I introduced this Bill last year I checked with CMHC and found that there were 700,000 Canadians who had mortgages at 17 per cent or higher. I do not know what the updated figures are as the statistics taken in the 1981 census have not been compiled as yet, according to Statistics Canada. Surely the figure would be approximately 150,000 fewer, but there are still approximately 500,000 Canadians who are faced with these high interest rates.

Bill C-212 suggests a means by which these home-owners might take advantage of today's lower interest rates. Quite simply, it would provide them with a means of paying off their present mortgage with a three-month penalty, thereby allowing them to apply for a new mortgage at a lower rate.

This bill is intended to try to bring the Interest Act of today up to date in harmony with the present practices. Let me briefly explain what the present practice is. Since as far back as 1907, the Interest Act has contained the same Section 10. It may even go back to when the first Interest Act was introduced in what was then Upper Canada of 1859, but it has been around for as long as Canada has existed. That section provides that if a person has a mortgage for a term longer than five years, at the end of five years it could be paid off with a three-month penalty. Of course, it has been the norm in this country for a number of decades to have 25 year mortgages. This means that in one fifth of the term of a 25 year mortgage, people could decide to pay their mortgage off by paying a three-month penalty. That seemed to be fair and worked in this country for at least 60 years, until 1967 and 1968 when the mortgage lending institutions, the trust companies and banks, unilaterally changed that equilibrium that had survived over decades and reduced it to a 10-year mortgage. That is when inflation began to get out of hand. It was approximately 4 per cent then.

I want to suggest that these institutions have gone further. When interest rates began to get way out of line for the first time in our history, from 1979 to 1983, they further reduced that term to a maximum mortgage of five years, then three years and finally one year. At one point, one could only get a six-month mortgage. In the last year some companies have lengthened the term again to five years. However, as Hudac's John Sandusky stated in an article in the *Financial Times* of December 5, 1983, "Having access to long term money remains a higher priority for the housebuilders". It is not only a priority for the house builders but it is that also for the house lenders and the people who are borrowing money to buy the houses. The lending institutions changed that 60-year equation of a 25 year mortgage in which it could be paid off after five years. They unilaterally changed it to suit themvelves.

I am suggesting now that we should put this back into a fair equation so that if five years was one fifth of a 25 year mortgage, then after one fifth of the term of any mortgage the mortgagor would be able to pay off the mortgage with a three-month penalty. That is the essence of this Bill. It does not matter whether this Bill is passed or whether Members would sooner discharge it and have the subject matter sent to committee; I want it explored.

I know what the lending institutions will say. They will say that they have borrowed money at 16 per cent and lent it out at 18 per cent and five year GICs and so on. I want to say that if the Government wants to listen to the big lending institutions, with all of their profits and big bucks, and not listen to the little guy, then let it go ahead. But the Government is just giving in to the big banks. I believe it should listen to the little person in this country.

In that respect let me make a few comments about the banks. On October 18, research showed that the spread in the bank rate, between the inflation rate and the bank rate, was the highest it was in 10 years except for once in December, 1980. With respect to the real interest rate, the spread between the chartered rate and the bank rate was the highest in any year and any month in the last 10 years except for the month of December, 1980.

Last fall, the chartered bank prime spread was running at approximately 5.5 per cent to 6 per cent. In 1972 it was running at .90 per cent. In December, 1973, it was .20 per cent. In December, 1976, it was 3.75 per cent. In January, 1983, it was 3.70 per cent. The banks are not hurting right now. But let them come to the committee and give us their tale of woe. I would like to ask them a few questions.

I have here a few examples, of which there are many. The trust companies keep pleading that they are hurting so much. In a *Globe and Mail* article on December 8, 1983, it states that for the previous year, Financial Trust Company earned 56 cents but for the last nine months up to December, 1983, it has earned 98 cents a share. Victoria and Grey had gone from $1.15 a share in 1982 to $1.79 a share in the same period of time. They are not necessarily hurting either. Let us not listen

to their story of woe without giving them a chance to explain all the details.

In a periodic news release of March, 1983, from Gardiner and Watson, a reputable brokerage firm in Canada, they talk about the net interest margins: mortgages versus GICs. In that article they state that as a rule of thumb the spread between mortgages and GICs has been roughly 1.50 per cent so that against current rates, trust companies will improve their spreads by 25 to 125 basis points, depending on the term the new business assumed. They are saying that they are making more money. They had a bigger spread in 1983, when this was written, than they had in previous years. What they are saying is that they are making more money. They have a bigger spread now in 1983 when this was written than they have had in previous years.

• (1710)

I do not want to speak for a very long time but I want to point out a couple of things which should be pertinent to the Government. For example, on June 24, 1974 at 5.45 p.m. EDT, the time for release, we had the following main points: Prime Minister's statement on consumer affairs, which reads in part:

> The Liberals will make it a legal right to prepay residential mortgages during the first five years of the mortgage agreement, if the person wishes to do so, without excessive penalties. The law in general permits prepayment after five years—

That was a promise made by the Prime Minister (Mr. Trudeau) and embellished a little bit in one of the news reports. I do not have the exact words of what he said. I just have the text released from his office that he was going to reduce the right to prepay with a three-month penalty. That is what was promised by the Liberals in 1974. Why have the Liberals not lived up to the promise? I say to the Liberals, "Do not listen to the banks and the trust companies. Bring in a Bill. Let us have the subject examined at length, especially in light of the record high interest rates and the penalties that some of the financial institutions want of $6,000, $7,000, $8,000, $9,000 and $12,000. What is the matter? Bring it in and let us take a look from the consumers' point of view.

I want to bring up a matter which the Minister of Finance (Mr. Lalonde) mentioned on March 28, 1983 in the House of Commons in reply to a question. In 1983 after this Bill had been introduced, the Minister said:

> Indeed, Madam Speaker, the point raised by the Hon. Member seems very worthwhile to me, and a three-month penalty would seem reasonable to me under the circumstances. In addition, I would suggest that, if there are other cases such as those mentioned by the Hon. Member, they should be brought to my attention, and I undertake to have them submitted to the institutions involved, either by the Inspector General of Banks or any other appropriate agency, so that they will be closely scrutinized, in an effort to prevent financial institutions from being unfair to some citizens.

The Minister of Finance was on the side of the Prime Minister. Then, of course, on October 11, 1983 the Minister of Consumer and Corporate Affairs (Mrs. Erola) spoke to reporters. The CP report read:

> The act already gives buyers that option—but only after a mortgage has been in force at least five years. Both NDP and Progressive Conservative MPs have been pressing the Liberals for months to make the law less restrictive. The Government's main response so far has been to use moral suasion on banks and trust companies.

It has failed. The CP story continued with, "but certainly we feel we must take some kind of action, Erola said Tuesday". Home buyers by the thousands took out or renewed mortgages when rates were 18 per cent or higher. "In fact, in many cases prepayment penalties as high as ten months have been brought to my attention, Erola said". I can bring them to her attention for three years. The Minister refused to say when the Government will decide for sure whether to bring in a Bill on behalf of home owners. This is a Bill on behalf of home owners, not on behalf of the banks and trust companies. However, the banks did say that any changes in the law would not be retroactive. That is fine. At least bring in changes to make things a little fairer and balance out that equation which for 60 years was there until it was upset by the lending institutions.

There were a number of other discussions, and the Minister of Consumer and Corporate Affairs talked very positively and said that the Bill would be out very soon. But it never happened. We are still waiting and we are hoping that it is not too late. It is very timely that this discussion is going on before the Budget which will be delivered on Wednesday afternoon. Perhpas there could be last minute changes yet. We hope so.

Mrs. Erola: You betcha.

Mr. Dick: I noticed the Minister said "you betcha". I am hopeful. There has to be something to help consumers to balance that equation. That has to be done.

I noticed that on October 13, 1983 even the Hon. Member for Oshawa, the Leader of the New Democratic Party (Mr. Broadbent), finally got in on the act about discussing interest rates on mortgages.

On investigation in the United States we find it is very normal for people to get away with a three-month penalty. In one large pool of funds which is quasi government controlled with $149 billion in the pot people in 29 States can get away with paying off at any time what is a 30-year mortgage to start with at one year, three years, five years, by paying a three-month penalty. In other States, there is no penalty at all. The thrust of paying off a mortgage with a three-month penalty is the same as that which people have in the United Kingdom. It people in the U.K. and people in the U.S. can do that, why can we not do it in Canada?

I have spoken about Victoria and Grey, the trust company. I hope no one will say, "The poor trust company is not doing that well." Now I read in the papers that the Victoria and Grey is going to start a bank of its own. I worry about the Royal Trust. It has had the Royal Trust Bank in Florida for a number of years, which it is trying to sell off. It is not sold as yet, I understand. But through that facility the Royal Trust has been able to lend money under the terms necessary in the U.S.

If it is good enough in the United States, and all Canadians believe that we should be doing what is done in the U.S.,

where a person can get out of a 30-year mortgage in 39 States with a three month penalty and with no penalty in the others, why not here?

This matter should go to committee at least. We should have an inquiry. I would be quite happy to have this Bill discharged and have the subject matter referred to a committee, if anyone wants to suggest it. I think we should have the courage to stand up for the consumers, the people, and not the financial institutions. I am not saying financial institutions do not have a right to come and explain their position. Maybe they will persuade me and the rest of us differently. But let them come and explain in an open committee, not just in the back rooms of the Minister of Finance's suite. I am sure the Parliamentary Secretary will have a chance to expound on this in a few moments. I say, let us give the people a break. There are at least 500,000 who are trapped. Let us follow what the Minister of Finance asked in 1981 when he asked for the financial institutions to bleed a little. They have all had increased profits. They have never bled. There were more foreclosures in 1983 than in 1982. There will probably be more in 1984 than in 1983. People lasted for a period of time, but with the length of the recession they have run out of all their reserves and they will still lose their homes. I hope the Government will allow the subject matter, if not the Bill, to go to committee.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I must say it is a pleasure to be able to say a few words regarding Bill C-212, introduced by the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick). I believe he is on the right track in suggesting that perhaps we ought to amend the Interest Act and get on with doing something for the people of Canada as opposed to the financial institutions. I do not want to suggest for a moment that we ought to go out and bad mouth the banks, the trust and loan companies, the credit unions or the caisses. The banks of Canada have existed in an atmosphere or environment of privilege for many years. When we look at the return on equity of the major banks of Canada, year after year we notice that it averages in excess of 16 per cent. I do not believe there is another sector of our economy or another business in the country which would say that over the last number of decades its return on equity has been in the 16 per cent range on average. In plain English this means that the banks are doing better than virtually any other sector of the economy. One could make a case for a couple of areas where there have been some improvements or perhaps challenges to the banks. I am referring to those areas in which the Government regulates the prices, such as utilities, pipelines and the like. However, by and large I do not think there is a single Canadian, if he or she were to be honest, who would not say that the Canadian banking establishment operates in a privileged environment.

• (1720)

This Bill is asking why we should not have in Canada the same situation which exists in other lands where people, through their governments, have indicated, particularly during these difficult times, that they want to pay off their mortgages—and I suspect this is something every Canadian family would like to do if it were able—and are not penalized for making this very prudent decision. At the moment countless examples have been brought to the attention of Members of Parliament of people interested in paying off their home mortgages but because of the incredible penalties assessed these individuals, they found that it was not in their interests to do it or that they could not do it.

I remember very distinctly a few months ago when the Minister of Finance (Mr. Lalonde) rose in his place day after day and told the people of Canada that they need not fear these penalties. He felt that a three-month penalty clause was adequate. He wanted to know about anyone who was charging more. He wanted the evidence on his desk because he was going to take action and bring it to the attention of the appropriate financial institution or of the Inspector General of Banks. I suspect that gave a signal to Canadians that the Minister meant that in his position of responsibility and authority he would do something about anything over a three-month penalty. I suspect I personally received 200 or 300 letters from people in my constituency who were caught in that situation. They indicated that they had heard the Minister of Finance on national television or had read in the newspaper and that they took him at his word. They wrote, "Here is my mortgage, here is what I am prepared to do, and here is what the mortgage company said it was not prepared to accept". He asked them to bring it to his attention, so they did that, only to find that in every instance nothing was done. In other words, the Minsiter of Finance inadvertently mislead many people when he suggested that a three-month penalty clause was appropriate.

Essentially, Bill C-12 takes the Minister at his word. It says to the Minister of Finance and to the Prime Minister (Mr. Trudeau), "You have said this is appropriate, so let us refer it to the Finance Committee for some discussion".

Mr. Evans: We did.

Mr. Riis: Let us take it to the Standing Committee on Finance, Trade and Economic Affairs and let us examine specifically why no changes have been made.

Mr. Evans: It was in the Finance Committee from 1976 to 1978.

Mr. Riis: The Hon. Member opposite, who used to chair the Finance Committee, says that this has been discussed. It might have been discussed years ago, but the problem is now. Now is when we are in the depths of a recession; in some parts of the country we are in the depths of a depression. Now is when people need some relief.

Just a few months ago the Prime Minister said that the banks should be bleeding along with everyone else. There is no blood on the steps of the banking institutions of this country. The mortgage holders of Canada want a fair deal such as they would receive if they were residents of other countries. The Minister of Finance has promised them that.

We ask the Government to give us the opportunity to discuss this issue in the Standing Committee on Finance, Trade and Economic Affairs. We are not asking it to make any commitments today, but certainly it is a topic which touches the lives of thousands of Canadians. Also we ask for representatives of the financial institutions to appear before the committee and make their case and for various consumer groups to appear before it and make their case. Then we can let the committee decide. I have faith that Hon. Members on the Finance Committee will weight the evidence carefully and, based upon that evidence, will make a recommendation to the Minister of Finance or not, depending on the case which could be made.

We are not asking for the Government to take a definitive position today. We are not asking for a final answer or a final decision. We are simply asking for a reference or a referral to the obvious committee so that we can deal effectively with an amendment to the Income Tax Act. I suspect that the importance of this particular Bill would ensure that it received a quick hearing and that it will be dealt with expeditiously by Hon. Members. I do not see any reason that we ought to be hesitant in referring this, rather than talking about and letting another good suggestion die in Parliament before it is referred and receives adequate consideration and study.

[*Translation*]

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, when preparing for the debate this afternoon, I fully intended to congratulate the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) on raising this issue in the House. However, after listening to the Hon. Member, I am afraid I had to change my mind, because what he said was really not on target, and not once but several times.

First of all, he would have us believe that only he and his Party are concerned about the problems of home owners. That is just not true, and I may refer the Hon. Member to a passage in the last Throne Speech where the Government announced it would be proposing legislation to further strengthen confidence in the housing market by giving greater protection to home owners and by broadening the choice of mortgage instruments. These measures should increase the accessibility and security of home ownership, provide a greater measure of confidence and stability to the homebuilding industry, and enhance the flexibility of the mortgage market.

[*English*]

Second, the simplistic solution of the Hon. Member is clearly not the answer. He has not really put forward any changes or any new ideas since the last time his Bill was debated in the House in the previous session of this Parliament. Indeed, many know that the current three-month penalty on a five-year mortgage is said to have caused disappearance of the long-term mortgage, that is those over five years. He had nothing to say about that particular problem.

As the Hon. Member should know, financial institutions operate on the basis of the difference between lending rates and savings rates. By introducing uncertainty on the lending side, everyone knows that the same would be done on the savings side. This could have negative consequences for depositors—consumers, widows and pensioners.

[*Translation*]

Third, Mr. Speaker, the Hon. Member grossly oversimplified an issue that is very complex. He referred to a statement made by the Prime Minister in 1974, namely, that the Government intended to propose amendments or legislation that would enable mortgage holders to prepay their mortgages. The Hon. Member has been sitting in the House for ten years, and I wonder where he really was all this time. Was he wide awake when the subject was being debated in the House and in the Committees of the House? If he was, he should be aware that a Bill was tabled at the time by the Minister of Consumer and Corporate Affairs.

• (1730)

[*English*]

Indeed the Borrowers' and Depositors' Protection Act, which was introduced on October 27, 1976, in response to the promise of the Prime Minister (Mr. Trudeau), would have allowed a borrower to prepay the full amount of a mortgage loan after three years upon paying a penalty of three months' interest. These proposals received much criticism, probably from the Hon. Member and his Party—

Mr. Dick: Probably or factually?

Mr. Berger: I was not here in 1976. The Hon. Member was, so I will let him answer the question. These proposals received much criticism on the grounds that they would result in all borrowers paying higher interest rates to compensate lenders for losses incurred due to prepayment when rates decline. This is the problem I referred to in my earlier comments. They would make matching of funds more difficult. They would have reduced the volume of mortgage funds available and would have reduced the variety of mortgage vehicles available to borrowers.

With the demise of this piece of legislation and the end of attempts to implement comprehensive consumer credit legislation at the federal level, the thrust turned to join federal-provincial co-operation for reform. It was hoped to achieve uniform and adequate credit regulations through a series of changes to existing federal and provincial statutes, including at the federal level the Interest Act and the Bank Act.

The federal-provincial task force on consumer credit, which was created in 1977, was instructed to develop suitable reform measures. After lengthy discussions, the task force was able, in 1980, to agree upon a mortgage prepayment formula which would have allowed prepayment in full at any time and would have limited prepayment penalties to three months' interest. However, this scheme, when put to federal and provincial Ministers of Consumer Affairs at the conference of October, 1980 was not unanimously accepted, and the task force was instructed to examine the matter of mortgage prepayment

further. I wonder if the Hon. Member has ever taken the trouble to refer to the deliberations of this task force and to the difficulties that have been encountered in coming up with answers to this problem.

The task force was unable to agree on any scheme for regulating mortgage prepayment at subsequent meetings. However, the task force did agree that full disclosure of the terms and conditions of mortgage contracts, including prepayment rights or the lack thereof, should be made to borrowers before they entered agreements. I would like the Hon. Member to know that this proposal has been adopted in the new regulations on cost of borrowing disclosure under the Bank Act, which was put forward by this Government in the last session of Parliament. It contains prescribed forms providing for the disclosure of prepayment terms and conditions. I regret to say that comparable provincial legislation, applicable to all provincially-regulated lenders, has not been forthcoming.

I would be remiss if I did not mention the assistance provided by this Government under the Canada Mortgage Renewal Plan. As we all know, during the period of high interest rates the federal Government and some provincial governments provided assistance to many individuals faced with mortgage renewal. Some provinces subsidized renewed mortgages so that borrowers in difficulty paid effective rates of 12 per cent. The federal Government created the Canada Mortgage Renewal Plan, but we did not hear any reference to this in the Hon. Member's comments.

This is a complex question. It not only relates to the matter of prepayment of mortgages, but to the question of full disclosure of information at the time the loans are made. The Minister of Consumer and Corporate Affairs (Mrs. Erola) conducted a study in the past year of these alleged misrepresentations relating to mortgage negotiations. As we all know, allegations were made about representations by mortgage lenders regarding prepayment penalties. When we had the high interest rates in 1982, certain persons alleged that they were induced to take out a five-year mortgage rather than one of a shorter term. They were allegedly told that they could renegotiate at a lower rate should interest rates decline, provided that a three-month penalty was paid. A study has been conducted by the Marketing Practices Branch of the Bureau of Competition Policy, and the Minister, who has had the benefit of this study, will be making proposals for legislative changes dealing with all aspects of this problem.

In conclusion I refer again to the commitment that was made by this Government in the Speech from the Throne. I assure the Hon. Member and all Canadians that the Government will be bringing forward comprehensive proposals within a short period of time.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, this is a serious matter that has been raised by the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick). Before beginning my remarks, I want to thank the Parliamentary Secretary to the Minister of Consumer and Corporate Affairs (Mr. Berger). He has done his usual outstanding job in his presentation. I am happy to tell the House that he has done such a good job that there is an unusual precedent here. The people in my riding are starting a draft to nominate him in my riding so that he will come and run in Mississauga. He is such a great guy that they want him to run there. I understand he would be happy if I would run in his riding, but we will let him come to Mississauga first.

Mr. Deputy Speaker: Order. I invite the Parliamentary Secretary to be relevant to the Bill now under study.

Mr. Fisher: Thank you, Mr. Speaker. I needed that reminder. If I had not had a little check from you, I would have gone on for hours on the fine qualities of the Hon. Member. I would not want to do that.

The Hon. Member for Lanark-Renfrew-Carleton offers a surprising sense of populism in his Bill. In fact, the Hon. Member for Kamloops-Shuswap (Mr. Riis) must have felt tempted to invite the Hon. Member to join the NDP caucus. It was terrific rhetoric. I am glad there is at least one Progressive Conservative who is prepared to stand up in the House and defend the rights of ordinary people. Many others have been prepared to defend the rights of the boardroom and the fat cats, but this individual is obviously prepared to show some conscience. The Hon. Member has done well on that.

This is the second time he has raised this issue. In each case we have seen the strong sense of populism. I suspect, and I am sure other Hon. Members do, that this will lead to his getting kicked out of this Party. I do not know why they would listen to somebody who wants to represent the ordinary man. I warn him that the Tory Party has been throwing out some members and has been stabbing them in the back. That happened in my city with the Hon. Member for Mississauga South (Mr. Blenkarn). He was almost attacked on his nomination. I hope a good, populist, sensitive, conscientious Hon. Member like this one has his nomination all ready, because his Party will come after him for presenting an issue of this sensitivity, particularly one with such a common-sense basis.

• (1740)

In his Bill the Hon. Member has not addressed some important economic facts, which I just want to remind him of. I know the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) will recount in a few minutes some of the history of the efforts made by the Standing Committee on Finance, Trade and Economic Affairs along this line, but I just want to take a look at the mortgage market as it is today because I think there are some really interesting things happening. In my opinion, the short-term mortgage market—and I am going to come back to this—is a really exciting thing for home owners today. We have one year mortgages down around 10 per cent, and that is pretty good for most home owners. In fact, when you contrast it, as the Hon. Member rightly has, with mortgage rates of a couple of years ago, this is a lot of relief from the 20 per cent level people were once experiencing.

Interest rates, Mr. Speaker, clearly reflect the state of the economy. Today's lower interest rates reflect the great health that we are starting to experience once again in our economy.

Interest rates are a symptom. They are not the actual cause of much of our economic disorder; they are a symptom of a deeper disorder. Today's low interest rates are a symptom of underlying health. That is what is important for us to recognize. We have an economy on the road to recovery, an economy that once again is feeling strength, and that is reflected in lower interest rates right across the board. All of us would like to see them lower, and as the Minister of Finance (Mr. Lalonde) has said repeatedly in the House, that is his ambition as well. But we cannot get them lower at the moment because of American interest rates and the influence of that enormous economy south of the border. When their interest rates are as high as they are today, we too must keep ours a little bit higher than we would like. We cannot afford to go too much below the level of their rates or we would have an enormous run on our dollar and we would be once again inviting some weaknesses into our economy. We know, because we are practical people, that our economy cannot get so far out of line with the U.S. While American money markets and interest rates are high, ours must remain at a higher than desirable level as well.

Having said that, I say that 10 per cent is better than 20 per cent and it is good to see it back in the area of 10 per cent again. In fact, I think there are mortgages now which are as good as those offered in 1972. We have to go back all that way before we find some in the same range as they are today. I would like to check that but I know we have a kind of health in our economy that we have not seen in a long time. We have the promise of stability in our economy and those things have helped to lower interest rates.

I said at the beginning that I am a person who likes short-term interest rates. I believe that many people last year and two years ago were frightened by the economy and searched for some kind of personal security for their families. They felt that although 18 per cent was not good, it was better than 25 per cent, and they were worried that they were going to be facing 25 per cent mortgages. Consequently, they took five-year mortgages. They thought stability was preferable. They went the long course. They chose the option of predictable interest rates at 18 per cent. That certainly happened in my riding. I have street after street where people have taken out five-year mortgages at very high levels and they look around now at the 10 per cent range and they feel the pain. The Hon. Member's comments on that are very appropriate indeed.

When looking at current rates, Mr. Speaker, some people feel they have been cheated. But we must remember when people draw that comparison, that they signed the papers themselves. In my riding the people who signed those contracts knew what they were doing. They did it for a purpose, a reason. They sought stability. They were frightened by what they saw in the economy and did not want to get into a situation that would be even worse a year down the road. Therefore they gambled and went for five years. I think they knew what they were doing.

Mr. Dick: You think!

Mr. Fisher: People from Kamloops-Shuswap contacted their Member of Parliament. Well, people from Mississauga North contacted me and told me over and over again that they knew what they were doing when they got into those mortgages. They did not like it but they knew what they were doing and they did it for predictability and security. They took out five-year mortgages at 18 per cent because they thought it would be better than taking out a one-year mortgage at 18 per cent and then one year later looking at another mortgage for 25 per cent. They were frightened of that. They did not want that kind of situation. That is what clearly came across to me. People in my riding said they had a reason for doing what they did and they knew what they were doing. They know that they deliberately entered into a contract. They did not do this with the wool pulled over their eyes.

Now, the Hon. Member for Burlington (Mr. Kempling), who is another great populist—and I want to tell the NDP that it is getting threatening when there are two populists in the Tory Party—has raised this issue as well, but from a business perspective. He has asked whether there have been cases of fraud, cases of misleading consumers. He asked whether the companies deliberately set out to confuse the situation and mislead the home owner. He raised some specific cases, and the Minister of Consumer and Corporate Affairs is investigating those cases. I think we should be clear that we are talking here about a limited number of cases, a small number, and the Hon. Member for Burlington said that in this very House. That does not excuse what happened. When one person suffers, that is too many, and we all agree with that. So it is worth investigating to see if there has been a case of a bank, a trust company or some other institution misleading a home owner. We have to make sure that has not happened. It is a serious charge, we have to investigate it, and I congratulate the Hon. Member for Burlington for raising that charge. However, we also have to know that the vast majority of people knew what they were doing. They entered into a contract deliberately for a specific reason. They knew what the cost would be per month and they were willing to pay it. At least in my riding the vast majority of people knew of some options that were shorter-term, and they were frightening and so they would not go into it. However, I think we all look forward to the report from the Minister on a very important investigation.

The charge has also been made that sometimes verbal promises were made which were not kept. Sometimes the mortgage holder was given new documents to sign or documents that purposely omitted the mortgage holder's rights. That is not good enough. I think we should clearly give a message to the financial institutions that such a thing is not good enough. The Hon. Member for Burlington said that to the trust companies when they appeared in front of the committee last fall, and I joined him in that discussion. The financial institutions said they were concerned about such a thing. We have heard this from *The Toronto Sun*; it has raised concerns. I might say that Garth Turner, in *The Toronto Sun*, likes to kick Liberals around a lot, but I always like reading

his column because he gives good advice. I think his politics are wrong but his financial advice is very good. I think he has some interesting things to say about mortgages in particular. He raised the question of trust companies and their behaviour on mortgages. Gradually, as this debate progressed over a period of some months, it became clear to us that we were talking about a limited number of cases. We are not talking about hundreds of thousands of individuals, as the Hon. Member implies. I applaud his conscience but I must question his mathematics. He has the numbers right in terms of mortgages outstanding, but I do not think all those mortgages were fraudulently obtained. We would have to say again that most of those mortgages were given to people who understood exactly what they were getting and were happy to get it.

• (1750)

The Hon. Member for Burlington raised the question, however, and in committee the trust companies answered those concerns and expressed concerns of their own. We also heard from the Minister of Consumer and Corporate Affairs (Mrs. Erola).

As I said at the beginning, interest rates are not in themselves signs of problems in our economy but rather are symptoms of problems. Today they are a symptom of health, because they are coming down.

I should like to quote some of the interest rates that are in place today. As of January 30, a Canada savings bond would yield 9.5 per cent for one year and 7 per cent for six years after that. That is a long way from the 19 per cent we had to pay a couple of years ago in order to be competitive. The Bank of Canada rate was at 9.98 on January 30, the prime rate at the tanks was 11 per cent, one year variable mortgages were 10.25 per cent, and five-year fixed mortgages were 12.50 per cent. Those figures indicate health and strength in the economy and show that the banking system is not trying to clean everybody's clock or to skin the country.

Let us remember the good work done by the Finance Committee when it examined bank profits. If there are problems with the mortgage system, let us address the manageable parts of the problems and not throw out the baby with the bath water. Let us not destroy the whole financial system or mortgage system in order to get to smaller problems.

If we paid attention to the findings of the Finance Committee, we would see that many of the charges made about improper profits are not true at all. There was a minority report from the NDP, and I am sure the Hon. Member for Lanark would be happy to sign it but the other Tories did not sign it. They agreed with the majority and did not find that bank profits were unconscionably high. I think the Hon. Member should know that his Party does not think the banks are ripping off the Canadian people. I do not think the Canadian people want to see a cure for specific problems that would destroy the banks. I do not think the Canadian people want to see the Bank of Nova Scotia sent down the tube because a customer has a problem with his mortgage. That would be too much of a response to a specific problem. We must bear in mind that any cure we introduce for a problem has to be relatively balanced. We have a delicate system where the banks incur an obligation with a depositor and use the depositor's funds to loan out the mortgage money. Are we going to throw away those mortgages and all those—

Mr. Deputy Speaker: Order, please. Is the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) rising on a point of order?

Mr. Dick: Mr. Speaker, I wonder if the Hon. Member would permit a short question.

Mr. Fisher: I will if there is any time left at the end of my comments, Mr. Speaker. The Hon. Member had his 20 minutes and I should like to have mine. I think some of the things he said need to be answered.

We might find that the kind of cure he is seeking could come from a slightly different direction. There is the Canada Mortgage Renewal Program, for example, which addresses the problems that people have in extreme circumstances. When their mortgage payments amount to more than 30 per cent of the gross family income, we help them out with a grant to bring it down to a manageable rate. We have not gone to the banking system and turned it topsy-turvy because of one problem. Instead, we have gone to the home owner who has the real problem and given him help directly. That is a more balanced approach. We have not made a sweeping proposal that would disrupt the normal system. We have given help to the individual home owner, and in my riding that plan has been well received because it has gone to the people who need the help. When the crisis has passed then our help is no longer needed.

I see that the Hon. Member for St. Boniface (Mr. Bockstael) wants to enter the debate, Mr. Speaker, and I know he agrees with what I say. We have offered special rate considerations of the same type in a variety of other circumstances. There is the Farm Credit Corporation and there is the Small Business Loan Program which addresses special circumstances and give grants to people when the system cannot accommodate them. That is more balanced than simply throwing everything out. We must follow that kind of approach in many circumstances and realize that we should aim our help where it is needed, and not throw out the whole system.

We do not need a general attack on banks at this point. Instead, we need to investigate and determine the extreme circumstances and find answers for them. The system is a good one for home owners and for the banks and it works well.

I remember the day when mortgage money ran out. Every year you had to get in line to prove you were eligible for money. We fixed that problem, and now the vast majority of Canadians can have secure mortgages in a secure financial system, without things thrown topsy-turvy. When we perceive a problem, as was done by the conscientious Hon. Member, then let us get a specific and directed cure.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but his time has run out.

Mr. Dick: Mr. Speaker, I should like to ask the Hon. Member a very short question.

Mr. Deputy Speaker: Order. That can only be done with the unanimous consent of the House. Is it agreed?

Some Hon. Members: Agreed.

Mr. Dick: Is the Hon. Member aware that Bill C-212 was quite specific? It changed one word in an entire statute—it changed the word "five" to the word "one". It did not cover the whole waterfront, but just one word was changed.

Mr. Fisher: Mr. Speaker, with your indulgence I would have to ask for some clarification on that. Does the Hon. Member mean to tell me that changing that one word is just a little tinkering? Does he not recognize that changing that one word is a massive change?

Mr. Dick: It certainly is not as broad as the Hon. Member tried to make out.

Mr. Fisher: Mr. Speaker, I reject that as an irresponsible statement. The Hon. Member would have to admit that it is an enormous change and not the small tinkering that he would have it. Otherwise, why do we hear so much concern expressed by the lender? Maybe the Hon. Member could tell us that.

Mr. Dick: You are the one who is expressing the concern.

Mr. Deputy Speaker: Order. Hon. Members are not in committee at this time.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, all I have time to deal with is the fact that it should be known that this motion was brought forward by the Prime Minister (Mr. Trudeau) on statements in 1974. In 1976, the Government introduced legislation when I was part of the Public Service and worked on it with the Minister and provincial Governments to try to come up with a solution. The Tories blocked the legislation.

Mr. Deputy Speaker: Order. Before reading the adjournment motion, I should inform the House at this time that there has been agreement between the Hon. Members who have the first two items, to switch them around.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

ROYAL CANADIAN MOUNTED POLICE—McDONALD COMMISSION FINDINGS OF LAWBREAKING—DECISION NOT TO TAKE DISCIPLINARY ACTION. (B) REQUEST FOR WITHDRAWAL OF SECURITY SERVICE LEGISLATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise at this point to follow up on a question I asked of the Solicitor General (Mr. Kaplan) in this House on January 31. It concerns the findings of the McDonald Commission with respect to wrongdoing and illegalities on the part of some members of the RCMP security service. At that time I asked the Solicitor General what action he intended to recommend to the Commissioner of the RCMP in so far as disciplinary action is concerned in order to ensure that the rule of law is upheld in this country.

As background to the question I would like to note that the McDonald Commission, following an extensive series of hearings, found a common thread, if you will, running through the actions of the security service, particularly at the senior level. What was found, and I quote from their report; was:

> —a willingness on the part of members of the RCMP to deceive those outside the force who have some sort of constitutional authority or jurisdiction over them or their activities.

I should note, Mr. Speaker, that had responsible Ministers, that is, the Solicitors General of the day, been more vigilant and more diligent in pursuing their responsibilities for oversight of the activities of the security service, then certainly it would not have been able to operate in the policy vacuum in which it so obviously operated. I should note, as well, that in a number of cases it was clearly the situation that members of the security service were urged on, at best, wilfully blind to the legality of its operation, by a Cabinet and by Solicitors General who were anxious that they be a little more effective than perhaps they had proven to be during the October 1970 crisis.

It is important in looking at the question of the rule of law and discipline to examine the kinds of activities which were carried out by some members of the security service, the so-called "disruptive measures" and countering measures. For example, a number of measures involved criminal conduct; burning a barn, attempting to render a vehicle inoperative, filing false income tax returns, theft, threats by phone and kidnapping, as well as a number of other activities which, as the McDonald Commission indicated, while not perhaps unlawful, certainly were highly improper and unacceptable. For example, the issuing of false communiqués with the intention that the news media and the FLQ sympathizers would regard it as a legitimate call to arms, actually persuading an employer to fire a person suspected of belonging to a subversive group, spreading false information and attempting to disrupt meetings of radical labour organizations by conspicuous surveillance. As the McDonald Commission noted:

> These methods violated the rule of law, inflicted damage on Canadian citizens and involved secret attempts to manipulate political events and the news media.

One would have thought, Mr. Speaker, given a history of very serious wrongdoing and criminal illegalities such as that reported by the McDonald Commission, that the Commissioner of the RCMP would have taken at least some disciplinary action, and most importantly, the Solicitor General, ultimately

responsible to Parliament for the activities of the RCMP, would have ensured that any disciplinary action which was taken was in fact reported to the public.

In August of last year the Minister of Justice (Mr. MacGuigan) stated that the Government did not in fact intend to take any disciplinary action. He said, "... I recognize it as a responsibility of the Commissioner to proceed in this area", although obviously the Minister cannot wash his hands of his own responsibility. The Minister of Justice said that the Commissioner had decided that it would not be appropriate to institute disciplinary proceedings in any of the instances referred to by the Commission while it remains possible that disciplinary action might result from the findings of Quebec courts.

Subsequent to that statement, it has been suggested by the Solicitor General that, yes, in fact there was disciplinary action but he is not going to tell us when that disciplinary action took place or against whom it took place, or the nature of the disciplinary action. We just have to trust him that somehow in fact this was the case. That is an astonishing statement, surely, for the Solicitor General to make. It is an astonishing statement that we in Parliament, and members of the public, are not entitled to know clearly what disciplinary action, if any, has been taken against those members of the security service who were found to have either broken the law or breached the high standards of ethics which they were obliged to uphold.

• (1805)

I would welcome a clarification from the Solicitor General at this point as to exactly which members of the security service have in fact been disciplined and, if he indicates there has been discipline, what the nature of that discipline was and when that discipline took place. Failing that, Mr. Speaker, surely the rule of law itself is being cast into very serious doubt in this country. How can it be suggested that when discipline does take place it is not in the interest of the Canadian public to know precisely what in fact has been meted out in that regard? This is equally important in terms of other members of the security service who must be put on notice that should similar conduct be repeated in the future we are prepared to take this kind of disciplinary action in these circumstances.

Anything other than a full accounting to the Canadian public in these circumstances amounts to a dereliction of the duty of the Solicitor General in terms of his reporting responsibilities to the people of this country, and also in terms of his responsibility to ultimately oversee the activities of the security service and ensure that it obeys the law and adheres to the high standards which any security service in a democratic societyy must adhere to.

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the Hon. Member for Burnaby (Mr. Robinson) takes great delight in reminding and re-reminding the Canadian people of what is perhaps the most regrettable chapter in the history of the RCMP. It is certainly the most regrettable in the history of the security service of the RCMP. It is a chapter which the force, the security service and the Government are working very hard to close and put satisfactorily behind us.

He indicates that disciplinary action would be a proper way of showing respect for the rule of law. I would like to remind Hon. Members that the incidents to which the McDonald Commission referred which dealt with rule of law issues, that is with possible law breaking, were not matters to be looked at by the Commissioner in terms of discipline. They were matters which were to be referred outside of this Ministry and beyond the responsibility of the Commissioner, to federal and provincial attorneys general to make decisions to satisfy the Canadian people with respect to the honouring of the rule of law. I am not the proper Minister and this is not the only Government that should be addressing that question. That is a matter he should address to other Ministers and other Governments if he is not satisfied with the requirements of the rule of law on matters found by the McDonald Commission.

As far as the matter of discipline is concerned, I refer him to the RCMP statute which provides clearly that discipline is a matter within the responsibility and purview of the Commissioner. I informed the House that the Commissioner had addressed that, taken action and reported to me that discipline had been imposed in some cases. If the Commissioner had wanted publicity to be part of the penalty imposed that would have been part of his decision. Our tradition, which I intend to continue to respect, calls for those actions to be within the responsibility in all ways of the Commissioner.

Mr. Robinson (Burnaby): So much for accountability.

Mr. Kaplan: I would like to remind the Hon. Member that we have an opportunity to take a real step to do something to provide for greater accountability and responsibility. That is to take the security service as has been recommended now by two royal commissions and the Senate Committee and re-establish it within a proper system of safeguards and controls where there is independent outside scrutiny and review. I am not asking the Hon. Member to trust me, as he incorrectly quoted me as saying. I am asking him to work with me to help develop our national security on a proper basis in a legislated framework with proper control and review which we can be proud of, which the security service will be much better served by having, and which will better serve the national security of our country. We have had two days of debate now. I look forward soon, with his support, to seeing the matter referred to a parliamentary committee.

• (1810)

FISHERIES—FUTURE OF INDEPENDENT FISH COMPANIES IN NOVA SCOTIA

Miss Coline Campbell (South West Nova): Mr. Speaker, I am sure you are well aware of my concerns about the fishery on the East Coast. I rise tonight to reinforce the reason for the question I asked the Minister of Fisheries and Oceans on February 7, and also to show my disappointment at his response. He said that he would take note of my representations. This sometimes means that that is exactly where it ends.

My question related to the fact that the Government had guaranteed to pay the Bank of Nova Scotia approximately $70 million over the next five to ten years, and that not all of the money allocated under Bill C-170 for the restructuring of the East Coast fisheries was spent. I estimate that to be approximately $45 million. In light of those facts, I asked the Minister to reconsider the small independents on the East Coast who are suffering.

I was not one of those who supported the restructuring Bill, because I have always believed that while restructuring is necessary, the banks should have put the companies on the East Coast that were in difficulty into bankruptcy, rather than the federal Government guaranteeing the bank its loans for the restructured company debts over the next number of years.

There has been no guarantee for the small independents at the federal level. In Nova Scotia, there has been no guarantee for the small independents. In Newfoundland, at least we saw the provincial Government bring in a $12 million loan guarantee to the small independents that might be suffering in order to adopt the restructuring plan. Large companies were also squeezing those independents.

Those small independents are the backbone of every small community, not only in South West Nova but throughout the maritime provinces. Those companies have not come looking for assistance, as the big companies have done, yet they have been hurting. The banks have been squeezing their financing in order to make it difficult for them.

I am asking that the $45 million that was not spent but allocated for restructuring on the East Coast now be directed toward loan guarantees to the many small independents across the province. The federal Government and both provinces have not only gone ahead to help refinance the off-shore sector, they have also guaranteed off-shore resources for the next five years for this off-shore operation. They have added to their quotas. They have given them red fish in the gulf and access to more northern cod. At the same time, in areas such as south western Nova Scotia where the industry has been able to sell the fish and keep inventories low, the banks have put the squeeze on because of other financial restraints in the off-shore sector. For instance, instead of increasing the allocation in cod, it has been decreased. This was done without even studying the cod stocks that were there. There was a limit set in 1981 and that limit has been maintained. The Minister has promised to do a study but has not done so. During all this time, we have seen this need in the off-shore fishery. I do not believe that they will not be back for more next year.

• (1815)

What I am specifically asking is that assistance be given to the small independents, the inshore fishery in the Maritime Provinces. The Minister has that money now, the $45 million. He does not have to wait for the new fiscal year on April 1 to act on the call for an additional $100 million guarantee. The Minister could be helping those companies immediately.

The fishing season is starting. Our plants are not working. Their finances are spread out. They are looking both to provincial Governments and the federal Government for some financial guarantees, similar to what was given in the offshore; perhaps not to the extent of the financial commitment the federal Government has made to the offshore sector. The federal Government and the Provinces have made those commitments, asking for guarantees of resources, paying off their debts, without asking them to slim down their operations. Those companies will have more fish to put into inventories next year than they had last year.

There has been no consideration given to the dependency throughout the East Coast on the small independent processors. Unless something is done many plants will not be able to reopen because they cannot get the financing from the lending institutions which they have dealt with in the past. Perhaps pressure has to be put on the banks. Perhaps the banks have not been asked by the Provinces or the federal Government what they are doing to the small independents. If the future on the East Coast is in the fishery, a natural resource, surely Governments at all levels, have to take into account the plight of the many small independents and the inshore fishermen in areas such as those I represent.

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I welcome this opportunity today to expand in more detail than was possible by the Minister during Question Period last week in response to a question raised by the Hon. Member for South West Nova (Miss Campbell).

Let me say at the outset that the cause taken up by the Hon. Member for South West Nova, that is the plight, and the future stability of the small independent processors, is in my view most legitimate, and one which the Department of Fisheries and Oceans shares with her. We too are very concerned about the small independent processors on Canada's East Coast and across this country. We note and we congratulate those who have survived with no government assistance over the last two or three years. We found it necessary—not as a desirable act, not as something we want to do because there is a list of 100 things in which we would like to be involved, in order to maintain the social and economic base of eastern Canada—to step in and to restructure those large companies.

Having said that, I would like to reiterate at the outset that the primary purpose of the Atlantic Fisheries Restructuring Act, Bill C-170, to which the Hon. Member referred, has been to rejuvenate those major offshore companies which have been or are in the process of being restructured. I would remind the Hon. Member, and all Hon. Members, that there are programs within the Department of Regional Industrial Expansion which are available to all industries, including small fish processing industries, for such things as modernization, expansion and restructuring. All Members are aware that these programs have been used in the past by small independent processors.

Perhaps I would be wise to say that some $45 million remains in a fund and is available. All we have to do is spend it. I recall, Mr. Speaker, as I know you do, just last week seeing a delegation of 114 fishermen from western Canada,

and know that as a result of that visit many questions were asked in this House of the Minister about the problems confronting fishermen on the West Coast. I think we have a responsibility as well to address those concerns.

I can say to this House and to all Members that the Minister of Fisheries and Oceans (Mr. De Bané) and his colleagues in cabinet are concerned about the problems confronting small independent processors. A number of possible solutions are currently being examined. I do not know whether having Governments take an equity share position, as was the case in the offshore, is the right solution for what is often a small independent family-owned operation. I can tell you that we recognize that these people have survived when larger companies have not. We recognize that they are still in operation because of their resilience and their entrepreneurial spirit. We recognize as well that that kind of success deserves the attention of the people of Canada and deserves the reward when the need is there. The people of Canada cannot—

Mr. Deputy Speaker: Order, please.

• (1820)

NATIONAL REVENUE—DEPARTMENT'S SEIZURE OF TAXPAYERS' ASSETS. (B) TAXPAYERS' COSTS IN APPEALING ASSESSMENTS

Mr. Bill Domm (Peterborough): Mr. Speaker, it has become increasingly obvious that individual Canadians are currently experiencing two systems of justice. First, there is justice for the ordinary citizen and, second, justice for the Government. In fact, what we are witnessing is the enactment of a discriminatory double standard in taxation and the means of collecting the money from prosecutions. This will come as no surprise to anyone who has had the misfortune of opposing government rules and regulations in the courts. The struggle against this monolithic state generally leads to a very lengthy legal battle accompanied by considerable costs. Justice in this case, it is very evident, is far more expensive for the private citizen relying on his or her own finances than it is for the Government whose case is fully supported by taxpayers' dollars.

For instance, an appeal launched against the Government can result in excessive costs with virtually no guarantee of success. A crucial decision must be made by a private citizen to appeal a case, whereas the Government with its vast sources of revenue automatically chooses this course of action. I am personally aware of an individual who to date has spent $5,000 on legal fees and estimates the cost of an appeal to be approximately $18,500.

On February 9, the Minister of National Revenue (Mr. Bussières) referring to myself stated:

> Should he have specific cases to bring to my attention, I can give him every assurance that we will look into the particular circumstances—

Well, there is the Ernest Herbst Food Company of Downsview, Ontario. It was found guilty of selling candy bars with a declared weight by ounces only. I was informed by Mr. Herbst that his legal fees thus far have amounted to approximately $5,000 and that he can expect to spend an additional $18,500 for an appeal. His choice, therefore, is to risk an expensive appeal or resign himself to paying the $4,000 fine.

It is appropriate to compare this example with the case of Mr. Jack Halpert and Mr. Ray Christiansen, two independent gasoline retailers who were found innocent by an Ontario Provincial Court judge. Following this decision, the federal Government had no hesitation whatsoever in launching an immediate appeal, using taxpayers' dollars. Not only did it launch the appeal, but it withheld compliance with the court decision to pay both Mr. Halpert and Mr. Christiansen $42,000 in costs. This means that these two small independent dealers are out their costs until the appeals are finalized.

I maintain that Ernest Herbst Food Company in Downsview should be afforded the same opportunity as the Government in its right to appeal. If the Government can use taxpayers' money in court while it appeals its own lost cases, why cannot a private individual who wins a case which the Government has brought to court be entitled to the same opportunity?

What is happening in the tax Department today is that a man is proven or found to be guilty by tax assessors without any day in court. What is happening in reality—and I think every Member of Parliament knows it—is that the taxman comes along and says that a person is being reassessed $200, $800 or even $1,000 more in tax. Individuals say that the new assessments are wrong. We hear people say that a wrong interpretation of the tax law is being made. The bureaucrats say that if the individual believes that then as a taxpayer he has the right of appeal. Then the taxpayer looks at the cost of appealing which could amount to $5,000 or even $50,000—and in the specific case to which I referred, it would be $18,500—and it is more than the amount of the reassessment.

• (1825)

It is a normal human reaction to say "I know I am right as a taxpayer. I would like to prove that I am right. I would like to prove that the taxman is wrong, but it will cost me so much money that I will be better off simply to accept the judgment of the civil servant, the servant of the people." The Minister responded to me on February 9, by saying there is an option open to that individual. That individual can appoint a third party who will guarantee the amounts of the moneys owed to the Government in tax and then we will go ahead and hear the appeal.

I say with all due respect to the Minister that it is one thing for him to say that that person who has been assessed has the right of appointing a third party. It is an entirely different thing to assume that that individual who has been assessed and taxed on business and then driven out of business because of his inability to pay is able to find such a third party to guarantee all the costs, all the fines and the ensuing costs that go with going into receivership, which is very often the case. Often the efforts of the tax people force independent businessmen right out of business today.

If the Minister was fair with the people of Canada he would recognize the need today for some form of financial assistance so that the Halperts and the Christiansen's of Toronto, who

have won the cases brought against them by the Government, would be afforded those dollars awarded to them by the court rather than having to wait for perhaps three appeals. Halpert and Christiansen will now have to go to the Ontario County Court, then to the Ontario Court of Appeal and then to the Supreme Court of Canada. In the meantime, the Government is forcing people out of business by its unwillingness to see the other side, and through its heavy-handed approach in the matter of collecting debts to government, without the same opportunities of recourse being available to the independent businessman or the private individual.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, in reply to the Hon. Member regarding question he asked on February 9, 1984 dealing with tax problems, one has to ask if it is a responsible act for a member to stand in this House and make charges filled with loaded words and phrases against the department and the Government in general without citing any proof and in disregard of the facts. Take for instance the words and phrases in his question when he originally raised it. First, he claimed that Revenue Canada considers a person guilty without trial; second, locks up businesses without trial and, third, that the Minister justifies the principle of guilty until proven innocent.

The Hon. Member then went on to talk about seizing the bank accounts of children, senior citizens and the handicapped. He knows, I am sure, that the seizure of a child's bank account was in fact as a result of a mistaken indentity by a bank, not by the Department of National Revenue.

Who are these seniors and handicapped whose accounts have been seized. Has the Hon. Member identified any cases of injustice and has he taken the trouble to inform the Minister about them? Any seizure of bank accounts or garnishee of salaries takes place after a number of other collection steps have failed and after the taxpayer has failed to avail himself or herself of the standing offer to negotiate suitable terms for payment.

The Hon. Member then referred, as I understand him, to some award of costs against the federal Government and in favour of some independent dealers. It would seem that this is not a tax matter. It is just another example of members having before them a few evasive facts of a case and then drawing conclusions which are often erroneous. I invite all Hon. Members, in situations where they deem that their constituents have been unfairly treated by the Department, to bring the matter to the Minister's attention with all the details—and I stress all the details—pertaining to the case.

[*Translation*]

Mr. Deputy Speaker: The motion to adjourn the House being deemed to have been adopted, this House stands adjourned until tomorrow at 11 a.m.

At 6.30 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, February 14, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—
JOB-CREATION POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap) moved:

That this House condemns the government for:

1. employing corporate tax handouts to produce business profits without any guarantees that such tax benefits would result in new investment or job creation;

2. increasing the tax burden on Canadians at the very time when more stimulus is needed in the economy; and

3. allocating job-creation funds in a partisan fashion not based upon local employment levels.

He said: Mr. Speaker, I think last Friday we witnessed in this House perhaps the most arrogant kind of gesture that we have seen in many, many years. First, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) rose in his place and pointed out what is happening in Canada. We have people lining up at food banks because their funds at the end of the month have simply been exhausted. There are thousands and thousands of students unable to obtain access to the courses and classes they need. There are single mothers who are unable to afford to take their children to dentists. War vets are calling Members of Parliament, people who fought in battles such as Dieppe, who at the end of the month have to go to the Legions and beg to open up the poppy funds in order to put food on their tables.

The Hon. Member for Vancouver-Kingsway told us that these things are happening while at the same time in a suburb of Quebec City the Liberal Government had just allocated the sum of $300,000 to a judo club. If this is not indicative of a Government that has virtually gone mad, a Government of snakes and a Government that has become so arrogant, so uncaring and so lacking compassion for Canadians, then I do not know what is.

The Prime Minister (Mr. Trudeau) on many occasions has stood in his place and has said that the Canadian economy is performing relatively well. The Minister of Finance (Mr. Lalonde) stands up almost daily and suggests yes, there are signs all over the country that the recovery is strong. There are people like Michael Walker, that infamous economist working for the Conservative think-tank in Vancouver, the Fraser Institute, who said the other day that, despite an unemployment rate of about 11 per cent, the Canadian economy is going full tilt. Full tilt in what direction, or who is going full tilt? Perhaps he is going full tilt.

• (1110)

Are single parents raising children going full tilt ahead these days? Are the hundreds of thousands of pensioners still living below the poverty level progressing full tilt with this recovery? Are the 1.5 million jobless Canadians progressing full tilt? Are the one million people who are participating in part-time jobs in an effort to put food on the table for their families participating in this recovery? Are the hundreds of thousands of small-businessmen who are struggling through mounds of red tape to survive these days part of the recovery? What about the fishermen who were here last week from the West Coast and are literally struggling to survive in that particular industry? What about the one out of every five young people in the country who find themselves jobless today and about to be entering into a period of competition with hundreds of thousands of other young people leaving high schools, colleges, technical schools, vocational schools and universities, about to be entering the job market for the first time in full-time and part-time work?

Some people talk about a recovery. Some people talk about the economy moving ahead full tilt. But let us face it, when they use these terms they are talking about a recovery in corporate profits only. In 1983 after-tax profits for corporations in Canada were up 69.4 per cent. That is the recovery about which they are talking; let there be no mistake about it.

In the last Budget the Government said that the answer to our economic problems was to give grants and tax concessions to corporations so that they could take that money and reinvest it in the Canadian economy, that economic development would begin to occur and jobs would be developed in those corporate structures. That was the theory, that was the myth. That was the explanation the Government gave the people of Canada for the massive hand-outs to corporations in the last federal Budget. It is simply a continuation of a policy we have seen for many years. What I have heard from Progressive Conservatives in terms of their answer to stimulating the economy is that additional tax concessions should be provided to the corporate sector. If that is not the case, I hope those Hon. Members will rise in their seats later and clarify that particular point. That is what I understood the Leader of the Opposition (Mr. Mulroney) to be saying.

What we anticipated was about to happen did not happen. Indeed the corporations took the corporate hand-outs or accepted tax concessions, and we cannot blame them for that.

However, did they invest in new plant and equipment? No, they did not. As a matter of fact, when we look at investments in the country, in 1982 they were down 12 per cent from 1981. In 1983 they were off another few percentage points, and all the projections I have seen indicate that investment in Canada will be down in 1984 and in 1985.

In other words, the investment, and therefore economic expansion and job creation, did not occur, so only half the equation was fulfilled—the tax concessions went out. They went out as part of the Reaganomics application here in Canada, or what is more commonly called the trickle-down theory. That theory is to help those at the top of the pyramid and large corporations, to give tax concessions to the wealthy of Canada, and eventually the benefits will trickle down to the average Canadian citizen. We are seeing absolutely no evidence of that happening in this country.

• (1115)

Corporations love these Government tax concessions and grants. In fact, they demand them. The other day the Canadian Manufacturers' Association called upon the Minister of Finance to add another billion dollars in tax concessions in his upcoming Budget. The last Budget gave $2.7 billion in new corporate tax breaks over the next four years to the corporate sector on top of the $8 billion already given to the major oil companies in PIP grants between the years 1982 and 1986.

In the last year we have seen about $10 billion in corporate tax breaks given to a very select set of corporations. There is the myth that these are available and are used by all corporations. If you look closely at the corporations receiving the tax breaks, you are talking about a very elite section of the corporate community which actually makes use of and obtains these tax breaks, using one or more of the 200 loopholes provided in the tax system.

There is even a great deal to say, particularly from members of the Government, about the corporate tax rate in this country being 50 per cent. That is a laugh. We have seen countless reports and all sorts of evidence indicating that the average corporation paid 23 per cent on their taxes in 1980. When you start looking at what corporations are doing with the tax system, you can list dozens and dozens of corporations in this country that last year made significant profits and paid no income tax to the federal Government, not a single nickel. I will list a handful of them. The Hudson's Bay Company made profits in the millions of dollars, but did not pay a single cent in income tax. Steinberg Incorporated had $34 million in profits and paid not a single penny in income tax. Simpsons-Sears had $27 million in profits and did not pay a single cent in income tax. Total Petroleum, $12 million in profits, not a single cent in income tax. Domtar Incorporated paid not a single cent in income tax.

One could go on and on listing all the major corporations in this country that were very profitable last year, extremely profitable, but did not pay one single red cent in federal income tax as a result of the over 200 loopholes provided by the federal Government for its corporate friends.

The corporate highrollers of them all are the banks. Look at what the banks have been able to do with our Liberal and Conservative Governments over the years. They have fine-tuned that corporate loophole section into a fine art. In 1982 the banks made hundreds of millions of dollars in profits. In some cases their after-tax profits were as high as 130 per cent. What was their average rate which they paid across this sector? The average rate was 8.1 per cent income tax.

Mr. Nickerson: Too much.

Mr. Riis: The Conservatives yell "too much"; 8.1 per cent is too much for the banks. They perhaps betray their true feelings by some of these side comments. We have an 8.1 per cent average tax rate for the major fives in 1982, a time when the average Canadian with an income of $18,000 was paying in the 20 per cent range, let alone the two major players that did not pay a single penny in income tax.

I offer a challenge to Hon. Members on the Government benches to stand in their places and suggest a single economist who is credible who would suggest that corporate tax concessions is the way to stimulate the economy during these recessionary times. Members of Parliament have had provided to them over the past few weeks countless studies and reports by well-known and reputable economists who suggest that tax concessions to corporations add little if any stimulus to the economy, both long and short-term. In fact, there were four major Canadian studies done in the early 1970s, all of which showed the amount of increased investment generated by incentives was actually less than the amount of money lost in Government revenue. A study done recently at Memorial University found that for every 21 cents of investment generated by tax breaks for manufacturers, the Canadian treasury lost a dollar of revenue. We are losing money, Mr. Speaker.

• (1120)

I would like to ask Government Members opposite what they have done with the tax expenditure account which was introduced in 1979. The tax expenditure account clearly showed the amount of money the corporations and certain Canadians in the upper income brackets received in tax concessions. This was intended to give us some idea of how we measure the benefits to Canadians. The Liberals have abandoned that particular tax expenditure account now. There is no way of accounting for what the corporations are doing. It is time we totally revamp our corporate structure to tie the grants and tax concessions given to corporations to such things as research and development, skill training, purchasing Canadian equipment and services, job creation and the like. Let us expect something from the corporations if we are going to be giving them taxpayers' money.

When we look at what is happening to the average taxpayer in the country as a result of corporate tax concessions, we have almost had it. This year the average Canadian has had his taxes increased significantly. The average Canadian is paying more taxes in 1983-84. In 1984-85 personal income taxes will go up by $1.9 billion. Over the next four years we are

expecting the taxes of the average Canadian to increase by nearly $9 billion. That means $9 billion is being taken out of the pockets of average Canadians at a time when disposable incomes for the manufacturing sector have never been more in need. We have manufacturing plants operating at 20 to 30 per cent below capacity. They need Canadians to be purchasing homes, appliances and vehicles.

Disposable income in the country is decreasing, and one of the reasons it is decreasing is that the Government is taking more money out of the hands of average Canadians. Personal income tax is going up. Federal sales tax is going up. We still have that special charge on gasoline that should not be in place today. Over $9 billion will be taken out of the pockets of average working Canadians over the next four years as a result of the Government trying to find ways to grab more money to offset the money being given to the corporate tax sector.

In closing, Mr. Speaker, I think the most disgraceful performance we have seen in the House for many months was the recognition that the Government had set out a special initiatives fund, presumably an opportunity for all Members of Parliament to take to the bureaucracy suggestions for job creation in their own constituencies. They were looking for projects that were needed, such as bridges to be built, railroad crossings to be established and community infrastructures to be developed. The Government forgot one important aspect. It told only Liberal Members of Parliament about this particular fund. By the time Parliament even recognized that such a fund was in place, $138 million out of $150 million had already been spent in Liberal constituencies only. The fact that the Province of Quebec has received about 50 per cent of this money, although it only has 30 per cent of the country's unemployed, indicates very clearly the bias in favour of Liberal ridings. Members of Parliament were told last November that there was a fund and that we would be receiving guidelines on how to access this particular money for job creation. It was not until weeks and weeks later that Members of Parliament found out the terms of reference. By that time $138 million out of the $150 million had already been allocated to the Liberal caucus members.

• (1125)

That is the kind of hypocrisy, the arrogant, cynical behaviour, that Canadians have come to accept as the norm for the Liberal Government of Canada. We cannot expect anything more than this sleazy, snake-in-the-grass kind of approach to economic development in this country. The Canadian people do not expect anything more. They know that in their dying days as their nails scrape down the walls of the House of Commons, as they slip out of this place, members of the Government are prepared to do anything.

It is an embarrassment to have a government in place that is prepared to be so uncaring about the recovery program. It knew full well when it introduced its monetary policy of high interest rates and high unemployment what the social cost would be. That was done consciously and it was clearly outlined where it had been applied in other countries. It knew the social costs, the human suffering and the pain that Canadians were going to experience. It was prepared to gamble.

What we see is a government that is prepared to salvage its electoral fortunes in the country, through the Special Initiatives Program, on the backs of the unemployed of the country, on the backs of the poor of the country, on the backs of the single parents of the country, on the backs of the war veterans in the country—one could go on and on. It is an uncaring government that is prepared to do anything to regain its electoral successes in selected ridings in the country.

We in the New Democratic Party want to make two points, Mr. Speaker. First, that the recovery program in place today is a recovery program that is unfair, that is biased, that discriminates against Canadians who can least afford it these days.

Second, the last indication we have seen in the House of how concerned the Liberal Government is with a fair recovery program was the Special Initiatives Program designed specifically and only for Liberal members.

Nearly half the people in this country, half the unemployed in this country, half the poor in the country, half of the young people, did not have an opportunity to take advantage of this job-creation initiative. That is an example of a government that has become arrogant in its approach, a government that has become uncaring in its approach. If that is the kind of government we have in place, then I suspect, when we see the Budget in a few hours from now, it will be a Budget, as the Minister of Finance indicated, of the *status quo*—more of the same. That means more unfairness, more suffering, and in turn that means years and years without prosperity for an increasing number of Canadians. It is a recovery of profits only, not a recovery for people.

We in the New Democratic Party hope and pray that the Minister of Finance will recognize that he has erred in his judgment, that the monetary position that he and the Governor of the Bank of Canada have continued with is not working. With a sense of fairness, fair play and compassion, we hope and pray that the Government of Canada and the Minister of Finance will introduce a Budget that will put people in Canada first as opposed to profits first.

Mr. Hawkes: Mr. Speaker, the Hon. Member who spoke for the New Democratic Party will recall a nine-month period when there were a lot of commonsense principles in public policy. There was an acknowledgment that poor people were important and that most of the jobs in the country were available in the private sector. In fact, that nine-month period produced a net gain of close to 300,000 jobs in the economy. We have had a four-year period in which we have lost over half a million jobs because of a difference in philosophy.

Does the Hon. Member and his Party believe that it is critically important that employers be left with sufficient money to modernize, to conduct research and development, to develop new products? Are these not the really critical ingredients in preparing jobs for the future, or is the NDP suggesting that the more money that comes into government hands, the better it would do as managers in conducting that research and

producing those products? Is the Hon. Member really arguing that people in the private sector should lose their jobs so more jobs can be created in the public sector? Is that the basic thrust of his argument?

• (1130)

Mr. Riis: Mr. Speaker, it is with pleasure that I respond to the question raised by the Hon. Member. Before I respond, however, I would like to remind the Hon. Member that when the Progressive Conservative Party formed the Government for that short period back in 1979, it seems to me that it took all of the job-creation programs across the country and scrapped every single one. In my constituency, I remember, there were very progressive ideas. It was felt we needed certain infrastructure development in our community. The people went to their Member of Parliament, who at that time happened to be of the Conservative Party, saying: "We know the Government has these programs in place; we desperately need some funds". The answer was: "Go home; we have scrapped the development of the safety net". That is the kind of caring, compassion and concern which the Conservatives had when they were in power for that brief time. They simply cut out all of the job-creation programs.

To answer the nonsensical question raised by the Hon. Member, if he had listened to my speech carefully—and even if he did not, I made the point very clearly on a number of occasions—he would know that we do not want these across-the-board, broad-axe concessions to corporations because they have not resulted in the development of new product lines, new plants and investment in new equipment. They have resulted in mergers and takeovers which, in turn, resulted in a net decline of jobs and a net decline in investment in the kind of things he mentioned.

What I suggested, and what we have proposed, is that if we give tax concessions to corporations—and there is a place for it, make no mistake about that—if we are going to give them taxpayers' money as grants, tax concessions, loopholes, or whatever, we should expect something in return, such as investment in new product lines, research and development, new marketing techniques, new production techniques, job creation and job training. They should not get the money unless they do that. That is the expectation we have.

If these companies are going to perform as good corporate citizens and add to the Canadian economy directly or indirectly, tax concessions can make a great deal of sense. But to give away billions and billions of taxpayers' dollars and see in return a skyrocketing increase of mergers in this country's industry, I ask any Hon. Member how this benefits the Canadian economy or Canadians directly or indirectly. It is just taxpayers' dollars being spent on investment in mergers or in overseas investments.

Mr. Evans: Mr. Speaker, I listened carefully to the Hon. Member's speech and I do not feel any of us in this House could disagree with the passion and concern of the Hon. Member for individual Canadians. We have concern for those who are in greatest need in our society and agree that we must do something about it. Where I disagree violently with the Hon. Member and his Party is in the prescription they have for changes, for rectifying the situation.

The Hon. Member said that corporations were not paying their fair share of taxes. Two weeks ago in this House, the Hon. Member for Kamloops-Shuswap (Mr. Riis) spoke and I asked him a very straightforward and simple question: Was he aware that over the period of the 1970s, after inflation, in real terms, personal disposable income doubled, wages and salaries doubled?

An Hon. Member: What about 1980 to 1984?

Mr. Evans: Corporate profits during that period had gone down by 5 per cent in real terms.

Mr. Broadbent: Talk about the last four years.

Mr. Evans: A doubling versus a decline of 5 per cent. That has to say something to the Hon. Member about the incentive to reinvest—which is what he wants—in more research and development, more investment, more job creation. However, if the facts are that over that period of time corporate profits have declined, it says something about the incentive to reinvest. Do you not really think that instead of standing up and railing at corporations, saying they are not doing their share, we should look below the surface and ask what are the fundamental problems? We are not going to get to a solution of those problems by condemnation, by railing in the House of Commons, or by looking at superficialities. We must look at the fundamental problem of why jobs are not being created in the private sector. That is the question. What does it have to do with profitability of business in the private sector and how can we resolve that problem?

Mr. Riis: Mr. Speaker, there are many questions raised by the Hon. Member and I will respond to them as best I can. First of all, I want to challenge a point made by the Hon. Member when he raised the question two weeks ago in the House. I distinctly recall him doing so. I asked our parliamentary research department to analyse his statement. I must say it was found to be incorrect. When one looks at corporate profits from 1960 to 1980—

Mr. Evans: 1970 to 1973. You changed the time period and changed the whole thing.

Mr. Riis: Using 1982, profits came down, but the Hon. Member is using statistics in a very limited way. In response to the Hon. Member's question as to what can be done, I would like to quote from *The Globe and Mail* of two weeks ago wherein the chief executive officer of the Bank of Montreal was quoted as saying that the corporate sector in Canada is awash in tax concessions. They cannot deal with them. They do not know what to do with them. The problem in this country, Mr. Speaker, is that this country lacks an industrial strategy. This country has no concept of where it is going in terms of corporate or public growth and development.

Mr. Pepin: Name one country which has one.

Mr. Riis: The question was asked which country has one.

Mr. Pepin: They are changing all the time.

Mr. Riis: Japan has a very clear idea of what it is doing with the major sectors of its economy. Canada has not. One of the reasons it has not is that this Government has not taken upon itself to develop industrial sectoral strategies. How can the corporate sector evolve in any realistic way? Does it know where to invest? How does it invest and in what does it invest? In what direction are we going? The result is we have one part of the corporate sector going one way and another going another way. This is because the federal Government has failed to develop the economic leadership it should. It failed to take the responsibility of developing, in co-operation with the provincial governments, the private sector and labour, sectoral strategies for our economy. That is the fundamental reason, Mr. Speaker, why we do not have the appropriate investment in our economic infrastructure, why we do not have the appropriate investment in job creation and why we cannot have the appropriate investment in education and post-secondary training of one kind or another. We do not know where we are going, Mr. Speaker. Therefore, how can we prepare ourselves for that mission?

The Acting Speaker (Mr. Guilbault): This puts an end to the question period. Debate.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member opposite, not surprisingly, began his speech, as he frequently does, with a doom and gloom picture of the Canadian economy today. He offered us a bleak outlook for the economy which, certainly in his view, leaves no hope at all.

That, of course, is at complete variance with the record, the evidence and any statistics which the Hon. Member may want to cite. Every statistic would indicate quite an opposite direction in our economy. In fact, we are experiencing a major recovery of our economy. The stage is now set for growth at a rate which we have not experienced in this country and, indeed, in the industrialized world generally, for some time.

• (1140)

The Hon. Member opposite cited some graphic examples of hardship. Those are, of course, of concern to us all. But equally, he should recognize that our Gross National Product has increased substantially. Real economic growth was running at a 7 per cent to 8 per cent rate through much of 1983, bringing with it an increase in housing starts, retail sales and industrial production. All those factors improved substantially in the course of the past year.

In addition we have seen a major growth in trade, reaching record levels of exports over imports. Restraint of inflation, one of the key factors to economic recovery, was achieved beyond any forecast of a year or more ago. In May, 1982 inflation was at 11.9 per cent; today it is 4.5 per cent. We have seen interest rates fall substantially, another major factor in setting the stage for our future economic growth and an essential element of the economic recovery we experienced during the past 12 to 14 months.

The picture, then, Mr. Speaker, is one of great promise, indeed of great realization. There is a consensus in this House that unemployment is a continuing and deep seated problem for Canada. We have created many more jobs in the economy during the past 12 months than had been foreseen, but equally, large numbers of new workers joined the labour force. The rate of unemployment, while down significantly from 1982 and 1983, is still at levels that none of us welcomes. We want to see a faster rate of decline in the rate of unemployment and I want to touch upon that again as one of the real reasons behind the tax incentive initiatives this Government has undertaken in recent years. The recovery is there, it is happening; it is good news and not the gloomy news that the representative of the New Democratic Party always deals in.

The motion before us, Mr. Speaker, addresses several areas of Government fiscal policy. I want to deal first with the question of tax incentives. The Hon. Member opposite appears to favour the more pejorative words "tax hand-outs" and "tax loopholes", as if there were something wrong or, even on a theological plane, something evil about tax incentives. They are, of course, present in personal income tax, but in the case of corporate taxes they are there for very real purposes and bring very real benefits to the Canadian economy, hence to the Canadian people.

Given the limited time available this morning, I want to touch on three areas: research and development; capital investment; and small business. I take it that the Hon. Member of the NDP is opposed to tax incentives for research and development. I find that a surprising admission on his part when he must recognize that, as never before in our economy, we need the application of high technology and the ability to develop new research and technology which can bring further prosperity.

The reason we put in place tax incentives for research and development in Canada more generous than in most industrialized countries is that we have an economy with a large degree of foreign investment. Typically a foreign-owned multinational corporation centres its research and development at its corporate headquarters or at the point of international excellence in that particular field. For us in Canada to develop a greater research and development capacity, especially among Canadian-controlled businesses and smaller businesses, we put in place a series of tax incentives which are proving to be of great benefit to the development of Canadian technology. I am surprised that the NDP sets itself against such a policy, but I am afraid it is typical of the attitude of that Party in recent years, a subject which I will return to in a few moments.

Regarding capital investment, surely the Hon. Member recognizes that the accumulation of capital is an essential element to further growth in our economy. The incentives in the April, 1983 Budget, for example the tax carryforwards and the tax carrybacks or the other forms of tax credit, are intended to channel and encourage investment during the medium term. The Hon. Member says he does not see the

immediate impact. Indeed, no one suggests that he would. I will return for a moment to that point as well.

Regarding small business, evidently the Hon. Member opposite does not regard small business as the principal generator of jobs in our economy. It is not only the principal generator of jobs in our economy, it is also the sector of our economy with the highest degree of Canadian control and it often generates in a most innovative way the high technology we need here in Canada. Yet the tax incentives, for example, a lower tax rate for small business, is evidently anathema to the Hon. Member. He rejects the idea there should be a tax incentive for investment for small business here in Canada.

On any of those three grounds, Mr. Speaker, whether research and development, capital investment or tax incentives for small business, I think the Hon. Member fails utterly to make his case against what he in a pejorative way calls tax hand-outs. There is underneath his statement, however, a rather more fundamental issue which he has never been able to quite reconcile in his own mind: the role of profits in our society. After all, corporate profits, along with personal savings, are a crucial source of funding for investment in our economy. The accumulation of capital through profits plays an essential role in the further expansion and growth of our economy. Yet the Hon. Member speaks of profits as if they were something that top-hatted capitalists put in their pockets and somehow the benefits are never seen throughout the economy but merely relate to the individual entrepreneur or businessman whom the Member seems to suspect of all sorts of nefarious dealings.

The point is that our economy cannot function without the accumulation of capital, and the principal way of accumulating capital is through corporate profits. On the one hand, the Hon. Member apparently wants lower personal income tax rates, while at the same time, with the removal of what he regards as bad tax incentives, he would raise the corporate tax rate. He cannot have it both ways.

• (1150)

If we want more investment in our economy, if we want more growth in our economy, if we want to create jobs in our economy, which I am sure all Members in the House believe, then it must follow that corporations must have the opportunity to reinvest their profits and, indeed, in some instances, be offered incentives to reinvest those profits.

If I might digress for one moment, once again the Hon. Member opposite, as is his wont, attacked bank profits. That is one of his favourite chestnuts and I must say that I get a little weary of it. The Member should understand that, according to the Bank Act and under the regulations of the Inspector General of Banks, the system of reporting bank profits is substantially different from that of reporting any other form of business profits in Canada. The Member should know that the accounting practices followed by banks in Canada are different from those of other businesses, the most critical difference being the accounting treatment which applies to a bank's loan losses. Those losses in the case of banks are spread over a much longer period and are required to be spread over a much longer period than in any other form of business. Therefore, of course, it appears in certain circumstances that bank profits are at a substantially higher rate than in other forms of business, which is simply a matter of different accounting practices and not a matter of banks somehow making exorbitant profits on the backs of the poor worker.

Mr. Orlikow: Tell us why they do not pay taxes.

Mr. Riis: No taxes. Absolutely none. They made $300 million in profits.

Mr. MacLaren: Our friends opposite ask about the companies that do not pay taxes.

Mr. Orlikow: The banks.

Mr. MacLaren: I dealt with that the other day. The fact is that there are large numbers of companies that make a loss in one year or another, as individuals may suffer a loss of income in one year or another. In our tax system, in the name of equity, there is an evening out of losses and profits over certain specified periods.

As I suggested earlier, there are incentives for companies and for investment in the form of tax carried forward and tax carried back. Thus, there are also incentives in the form of various tax credits. The conjunction of a tax carried loss and a tax credit can mean that in any given year a bank or a business may not pay a profit.

Is the Member opposite suggesting that in any given year a corporation or an individual should pay exactly what he or she earned or lost in that year and the tax rate should be applied without any reference to an earlier year or a future year? If he suggests that, the rate of bankruptcy among corporations and hardship for individuals would increase substantially. I would be surprised if that is what he has in mind.

I think the essential problem with the Hon. Member's motion and indeed with is speech is one that faces his Party as a whole. I do not know whether Professor Laxer is still a member of the New Democratic Party but he certainly has been for a number of years. He summed up very well the difficulty that faces the Member opposite when he attempts to deal with the question of tax incentives and corporate profits.

Professor Laxer, in his interesting report on the present state of the NDP, said that the NDP wants to leave the bulk of productive enterprise in the private sector. Favouring tax incentives to business, even with very precise performance guarantees included, reminds New Democrats too much of give-aways to business. Professor Laxer continued to say that in practice the NDP does not believe that there are problems on the productive side of the economy but believes that the chief problem is the absence of sufficient consumer demand. He believes that the NDP rejects the idea that there should be tax incentives, yet does not know what else to put in its place. It has no policies. It has no suggestions to make. Professor Laxer says that the chief problem is to work out ways to direct the savings of Canadians into the sectors of the economy that

have the most promise for growth. Yet the NDP has no idea of or no proposals for how that might best be done. They speak only about redistribution of income and do not offer one constructive suggestion about how we should encourage investment in Canada.

Professor Laxer, himself an NDP member presumably, said that if Canadian-owned manufacturing companies were offered a choice between a high corporate tax if profits are not usefully reinvested and a lower one if useful investments are made—that is to say, tax incentives, or tax loopholes, or tax hand-outs, as the Hon. Member opposite says—they will make the second choice.

Professor Laxer proceeded to give his advice to the NDP and I would join him in offering this advice—

Mr. Sargeant: Liberal advice.

Mr. MacLaren: —to that Party which seems to be in such a state of mental sterility these days. Professor Laxer urges that companies should be given corporate tax points off, that is to say, tax incentives, if they purschase Canadian machinery, carry out research and development, deploy new and more productive techniques, train workers for skilled jobs and encourage advancement for women.

Mr. Kristiansen: The word is "if".

Mr. MacLaren: Those are all things our present system of tax incentives provide in this country.

Mr. Kristiansen: They are awash with tax give-aways.

Mr. MacLaren: For the Hon. Member opposite to say that tax incentives are somehow a dreadful and evil practice overlooks this whole issue. It is typical of the state of his Party today. As Professor Laxer says, it stands on the sidelines as far as this great debate about the future is concerned. He said it is time for the Party to face the future and enter the debate.

Since the Hon. Member has a contribution to make, I would urge him to address the real questions in our economy. Instead of being preoccupied, as he always seems to be, with the question of distribution rather than production, let him tell us if he has some answers for what he thinks should be done about the adaptation of the resource industry in Canada, our forest industry and our mineral industry, to new technologies, to new markets and to new competition.

Mr. Riis: You take the money and put it into Liberal ridings.

Mr. MacLaren: Why does his Party not address the central question in our economy and in our society, which is the adaptation of our work force to high technology?

Mr. Fulton: You are in government. You do not have a policy.

Mr. MacLaren: Why does the Member opposite not speak about training? Does he have anything to say about training of people in our economy?

Mr. Fulton: Let us hear your policies.

Mr. MacLaren: Most of all, we are doing all those things—

The Acting Speaker (Mr. Guilbault): Order. May I suggest to Members on my far left that they will have the opportunity for questions or comments in a few minutes. They might try to maintain some order while the Minister is speaking.

Mr. MacLaren: We, in the Government, on this side of the House, are doing something else. We are recognizing the fact that the future growth in the Canadian economy depends directly on our international competitiveness. Our ability to produce goods and services more efficiently is a real answer to our future prosperity. For that reason we have put in place methods to consult and co-operate with business, labour and government in novel and exciting ways which we think are the real answers to the questions that the Member attempted to raise this morning but utterly failed to address.

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Minister about precisely the point on which he attempted to criticize our Party. We have never said that unemployment can be greatly alleviated simply by increasing consumption. What we said about tax incentives and how corporations are taxed is that blunderbuss give-aways do not actually improve productivity.

People of Canada are told every day by government and industry that we must improve productivity to get jobs. Let me give the Minister some specific examples of what happens. Bell Canada recently spent hundreds of millions of dollars to take control of TransCanada PipeLines. Edper in recent years has taken over Brascan, Noranda, some trust companies and some insurance companies. That was done because of the capital it was able to accumulate as a result of the kind of tax policies and loopholes we have.

• (1200)

I would like the Minister to tell us how any of these takeovers have produced one new job or caused an improvement in productivity. It was great for the people who control these companies. It increased the financial worth of the companies. But how did these takeovers improve the economy? How did these takeovers improve productivity and how did these takeovers create one new job?

Mr. MacLaren: Mr. Speaker, the Hon. Member seems to have a bias against large corporations. He is welcome to that bias. That is his own concern. We on this side of the House, however, see benefit both in large corporations and in small business to the total society. Some of the mergers and acquisitions that took place over past years may, on analysis, seem to the critics to be of limited benefit publicly. Others may seem to be equally of very real benefit. Synergism can come from mergers, corporate rationalization and new sources of capital can be accumulated for further investment. The ability to compete abroad with large corporations from other countries can be enhanced through merger and acquisition policies. The question was addressed extensively some years ago in the

Bryce Royal Commission on mergers and acquisitions in the Canadian economy.

I see the Hon. Member opposite decrying all such mergers and acquisitions as if they were to be somehow prevented and deplored. I do not share that view. As I have said, they can bring very real benefit to our society as a whole if we have some large corporations capable of competing internally and marshalling the resources necessary to exploit our various talents and natural resources.

Mr. Hawkes: Mr. Speaker, I have a brief question. The motion implies that the New Democratic Party would like employment creation funds distributed on the basis of local employment levels. We have heard the Minister of Employment and Immigration (Mr. Roberts) on numerous occasions tell us that Canada Works funds are distributed to constituencies on the basis of an objective formula, one based on employment rates and unemployment rates in different ridings.

I have a difficulty, and I would like some comment from the Minister on it. I have certain knowledge that once every 10 years in a census we collect data. It tells us how many people are employed and how many people are unemployed in every riding and community in the country. However, in between those 10-year periods, nobody, no agency of government,—including Stats Canada, and Employment and Immigration—collects unemployment data or employment data on the basis of local communities or on the basis of ridings. The dilemma is how can we distribute funds on the basis of an objective formula when we do not have data anywhere in Canadian society which would enable us to do that, except once every 10 years? How can the Government think it is doing an objective job when the data base is simply not available?

Mr. MacLaren: Mr. Speaker, I believe one of my colleagues will be speaking to the broad question which the Hon. Member raised a moment ago. On the specific question of compilation of data, it had been my understanding that the Unemployment Insurance Commission as well as Statistics Canada does compile interim statistics between decennial censes. If I can assist the Hon. Member in that regard, I would be pleased to provide him with some information. I will seek it and obtain it for him.

Hon. James A. McGrath (St. John's East): Mr. Speaker, it will probably come as a bit of a surprise to our friends in the New Democratic Party if I tell them at the outset that, although we have some slight difficulty with the wording of the motion put by the NDP and although we feel it requires a little fine tuning, we intend to support it.

In an effort to provide that fine tuning and in an effort to make the motion more precise, to eliminate some of the obfuscation, ambiguity and uncertainty of the motion, we intend, and I do so now before the clock overtakes me, to move an amendment. I hope this amendment will lend itself to the NDP because I think it strengthens and substantially improves the motion as well as addresses some of the concerns raised during the course of the debate.

I move, seconded by the Hon. Member for Calgary West (Mr. Hawkes):

That the motion be amended by deleting the period after the words "levels" and adding the following thereafter: "instead of focusing on job creation programs open to all eligible Canadians, such as career access and refundable employment tax credits".

The Acting Speaker (Mr. Guilbault): If the Hon. Member will continue debate, the Chair will consider the amendment and reserve a decision on it.

Mr. McGrath: Mr. Speaker, I just wanted to make sure, given the limited amount of time we have in these debates, that I would not be overtaken by the clock before I had an opportunity to move my amendment. I am sure you will find it in order.

It is rather interesting that the very substance of my amendment was addressed in an intervention by the Parliamentary Secretary to the President of the Privy Council (Mr. Evans), who in a previous incarnation suffered under the terrible strain of being Parliamentary Secretary to the former Minister of Finance. Although we did not always agree with the Member, we had great admiration for the way he went across the country trying to defend the indefensible.

He put forward this question in his intervention. Why are jobs not being created in the private sector? That is precisely the nature of the amendment that we have put forward. We believe that, through the mechanism of a refundable employment tax credit, we can focus on the specific problems within the work force.

For example, a refundable employment tax credit has the ability of being able to focus on youth unemployment, which is a serious problem. We have over 500,000 young people unemployed in Canada today. That rate of unemployment among young people is static. It has remained so for the past 15 or 16 months, representing as it does some 20 per cent of the work force. A refundable tax credit would have the advantage of being able to focus on youth unemployment in a direct way and provide permanent—and I underline the word permament—meaningful, jobs within the private sector.

There is one area on which I agree with the Minister. It is this. He said in reply to a member of the New Democratic Party that small business is the biggest generator of jobs in our economy. We in the Conservative Party support that thesis and are prepared to back it up. That is why we have put forward this policy.

It is important to understand why it is necessary to bring in a refundable employment tax credit. I was rather surprised to hear the Minister of State for Finance (Mr. MacLaren) talk about economic recovery. I suppose we will hear more about that in the Budget tomorrow when we hear the Minister of Finance (Mr. Lalonde) talk about economic recovery. But the Minister of State for Finance seemed to get carried away. In the euphoria he has created around this area of economic recovery, he talked about an improvement in the unemployment situation.

There has not been an improvement. If you take the average unemployment rate for 1982, the depth of the recession, it was 11.1 per cent in that calendar year. In 1983 that rate rose to 11.9 per cent. These are Statistics Canada figures which were released in January of this year. We see for the last quarter of 1983 the unemployment rate remaining static at 11.1 per cent and actually rising in January, 1984 to 11.2 per cent. All this was happening at a time when unemployment in the United States, year over year, month over month, was actually declining. In 1983 over 1982, unemployment in the United States actually fell by 2 percentage points. In every month of the last quarter when unemployment in Canada was locked in at 11.1 per cent, unemployment in the U.S. kept coming down one or two points to the stage where it is now at 8 per cent, and it will probably break the 8 per cent rate in the figures to be released next month.

• (1210)

I am afraid, indeed we are afraid, that the Minister of Finance will rise tomorrow and talk about economic recovery. He will talk about how the economy is growing. He will boast about how successful his policies have been in bringing down the rate of inflation. In the process he will forget the fact that the seasonally adjusted 11.2 per cent of the work force unemployed at the present time represents 1,400,000 Canadians without jobs. Included in that figure are two groups of particular concern, the two groups that have been hardest hit by the recession and indeed are being hardest hit by the structural change which is taking place in the economy as a result of the technological revolution brought on by the microchip. These are young people wo seem to be permanently unemployed, because the figure has stabilized at around 18 per cent to 20 per cent over the last 15 months. We are told by the OECD that that will continue in the next two years. The other group is the older, middle-aged worker who faces the problem of having to undergo retraining in order to cope with technological change and at the same time has to face the prospect of moving elsewhere in the country, if indeed there is any hope of finding a job.

These are the two groups that are being left behind. It is morally irresponsible to talk about economic recovery when we have these unemployed people in Canada, when we have a lost generation of over a half a million young people without jobs for the past two years, and when we have this middle-aged group of males, heads of families, who are the hardest hit and represent some of the most chronic, long-term unemployed without job prospects. This is why we believe there should be a refundable tax credit in the Budget tomorrow. It is not a new idea. It has been tried before, and it has been tried successfully.

I would like to refer to the 1982 publication of the Economic Council of Canada entitled: "In Short Supply—Jobs and Skills in the 1980s". In terms of the employment tax credit, its recommendation 11 reads:

> We recommend that the federal Government institute a short-run direct employment creation program in the private sector, based on the employment tax credit system and targeted at those groups who bear a disproportionate burden of unemployment.

Then it went on to back that up by referring to our brief experience in the past with the refundable tax credit. At page 107 we see:

> As for the scale of the program, we note simply that in its last year the ETCP provided roughly 50,000 jobs at a cost of about $100 million.

We are talking about permanent jobs. We are talking about revenue-creating jobs, because these people will be returning money to the exchequer in the form of taxes.

Let us compare that with the Government's NEED Program for the same year. The NEED Program is rather interesting because it was designed to help probably the most pathetic of the unemployed, the so-called exhaustee or the person whose unemployment insurance benefits have expired. It was built around providing a short-term job just long enough in duration to enable the person so employed to qualify for unemployment insurance. The NEED Program created 40,000 jobs from 1982 to 1984 at a cost of $500 million. Here we have the refundable employment tax credit scheme producing 50,000 jobs at a cost of $100 million. That is taken from a report of the Canada Employment and Insurance Commission of June, 1983.

If we take a look at the total direct job-creation programs of the federal Government for fiscal year 1982-83, we see 215,000 jobs created at a cost of $609 million. The point which has to be emphasized is that these are short-term jobs with a duration of anywhere from 12 weeks to 16 weeks. What we want are permanent jobs. Our people who are unemployed want permanent jobs. That is the substance of our amendment.

It is interesting that the Economic Council of Canada came back to it again in its 1983 report, the Twentieth Annual Review entitled "On the Mend". It talked about recovery and about the problem of unemployment as well as the danger of the unemployed being left behind. Essentially it repeated what it said in its recommendation. Page 104 reads:

> Such a program would not be new; it has already been tried in many forms, both in Canada and elsewhere. The principal target population of the program would be those who bear a disproportionate share of the unemployment burden, particularly the long-term unemployed.

Again it recommended to the Government that it bring in a refundable job-creation tax credit. We are in fact committed to the proposition—and we agree with the Minister of State for Finance—that the private sector and that part of the private sector known as the small business sector have the greatest potential to produce jobs, not only to produce jobs but to produce permanent jobs.

Another area of the NDP motion deals with what I believe to be one of the most scandalous, sleazy, reprehensible, partisan abuses which the country has seen in this Parliament for a long time. I am talking about the slush fund or the porkbarrel which has been the subject of questions in the House for the last week or so. Let us take a look at the genesis of that program. It first emerged in the June 28, 1982 Budget of the Secretary of State for External Affairs (Mr. MacEachen). At that time it was known as the Immediate Employment Stimulation Grants Program.

On November 16, 1982 the Hon. Member for Rosedale (Mr. Crombie), as reported on page 20694 of *Hansard,* asked for details of the program. The Minister of Employment and Immigration at that time replied by indicating that it "is not a program" so much as "an allocation of funds that were set aside in the June Budget" and "allocated to a number of different Departments to fund projects which were on the shelf or which could be funded directly through them". He went on to suggest Order Paper questions, and I am not sure whether questions were placed on the Order Paper—I see my colleague nodding his head. But the questions were never answered.

On November 30, 1982 and again on January 21, 1983 the Hon. Member for Rosedale raised further questions. Then we had the April Budget of the present Minister of Finance. A full year has gone by and we know nothing about the program. We know nothing about the criteria of the program. Information has been denied to the Official Opposition through oral and written questions by our official critic, the Hon. Member for Rosedale. A whole year has gone by and $150 million in public funds have been spent without any accountability whatsoever to the House.

It emerged again in the long Budget of April, 1983 wherein it reads:

● (1220)

A further $150 million will be provided for increased spending on local employment intensive projects.

The program now appears in the Budget papers under a new name. The name has been changed. It is now called the Special Employment Initiatives Program.

I am not going to bore the House with any other details in terms of the genesis of the scandal, which is what it is, except to bring the House up to November 29, 1983 when we asked questions in committee to find out more details about this program. Press releases were coming out and they were very interesting. I have a whole handful of them but I will just refer to a couple of them. I quote:

Swift Current: Senator Hazen Argue, Saskatchewan's representative in the national Cabinet, announced Monday a $100,000 federal grant toward the completion of the community arena in Cabri.

Congratulations, Cabri, I hope you got your arena. Where was the Member of Parliament for that constituency? Not only was he not given the courtesy of advance notice, he was not even consulted, as is the case in all other existing programs.

I go on to Senator Olson, the Cabinet representative for Alberta. I quote from a release of October 8, 1982:

Senator Bud Olson, Leader of the Government in the Senate, announced today a federal government grant in the amount of $1 million to the Canadian Hostelling Association (Alberta Association).

Again there is no reference whatsoever to the Albertan Members of Parliament who sit in this House. It goes on and on and on. In a committee of this House, we were denied information on this program. We were denied criteria as to how this program applies. The Deputy Minister of Employment and Immigration, in reply to my colleague from Kingston and the Islands (Miss MacDonald), said: "I believe the criteria will be provided in the next day or so". In reply to a question I asked, the Minister of Employment and Immigration (Mr. Roberts) said in the Standing Committee on Labour, Manpower and Immigration on November 29:

I think there is only really one thing I can say to you: When you receive the criteria, if you believe there are some useful projects in your area which would meet the criteria, you send me the suggestions and I will consider them.

I thought that was a generous offer at the time, although I was concerned that there may be no money left in the kitty because at that time $138 million of the $150 million in the Lalonde budget had already been spent on 844 programs, some of which I just quoted announced by Liberal Senators.

I took the Minister at his word. In my province the unemployment rate is 20 per cent and 42 per cent of the work force is on unemployment insurance. I was grasping. I wanted to take the Minister at his word. I waited and I waited and I waited. I asked the Minister a question in the House on January 17. Again he said it was a fast-track program and that he would supply me with the criteria in a few days.

When did we get the criteria? We got the criteria on February 2. Yesterday we were told in the House by the Minister of Finance that we did not get it until February 2 because he was not satisfied with it, it was rather obscure, it was not clear. He was not quite satisfied with it, yet it was good enough to provide funding for Liberal Members of Parliament and Liberal constituencies. It was good enough to allocate $288 million on unclear, unrefined criteria. Now, before he can give the criteria to us so that we can take advantage of the program, the Minister finds it has to have some fine tuning. We finally get it on February 2. The program is probably dead because there is no money left in it.

I will make you a wager, Mr. Speaker. I am prepared to bet any amount that we will see that porkbarrel emerge again in tomorrow's Budget under another name. You watch for it, Mr. Speaker, because it will be there.

The Acting Speaker (Mr. Guilbault): The Chair has considered the amendment submitted by the Hon. Member for St. John's East (Mr. McGrath) and finds it in order. There is now a ten-minute period for questions, answers and comments.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I would like to thank the Hon. Member for Kamloops-Shuswap (Mr. Riis) for moving this motion today. In view of the comments of the previous speaker from the Conservative Party, I move, seconded by the Hon. Member for Skeena (Mr. Fulton):

That this House continue to sit through the lunch hour for the purpose of continuing consideration of Supply Motion No. 5.

The Acting Speaker (Mr. Guilbault): The Chair has considered the proposition of the Hon. Member and finds it to be in accordance with Standing Order 8(4)(a). Those opposed to the motion will please rise.

And less than 25 members having risen:

The Acting Speaker (Mr. Guilbault): Less than 25 members having risen, the motion is considered adopted. There is now a ten-minute period for questions or comments. Debate.

Hon. David Crombie (Rosedale): Mr. Speaker, having regard to the amendment made by my colleague for St. John's East (Mr. McGrath), I thought I might spend my time on this matter today dealing with the question of the refundable employment tax credit. The essence of the amendment made by my friend is to ensconce in our job-creation program in the private and public sector the idea of the refundable employment tax credit. There are a number of features to that idea which need to be brought to the attention of the House.

As the Hon. Member for St. John's East pointed out, and it is worth underlining, it is important to understand that with the refundable tax credit we will have an opportunity, simply stated, to create more jobs for the amount of money expended. That is not simply our idea: it is the understanding of the Economic Council of Canada which is why, on two separate occasions in two different reports, they made it clear that we have to move away from direct job creation and toward a refundable tax credit idea. They recommended it irrespective of party politics or consideration of any politics. They recommended it as an efficient way in which we could create more jobs for less money expended.

• (1230)

There are some other advantages to the refundable employment tax credit, Mr. Speaker. It can allow us to target specific groups who are being hurt more than others as a consequence of the recession and economic change over time. As my hon. friend from St. John's East mentioned, we could aid the over one-half million unemployed young people and older workers who find themselves without an opportunity. I could also mention disabled people. The great flexibility of the refundable employment tax credit is that it allows us to deal with specific groups which are being hurt more than others. It also creates permament jobs. Time and again we have heard ministers of employment, as well as the Minister of Finance (Mr. Lalonde), talk about the incredible amount of money being spent and the tremendous number of jobs going to be created as a consequence. They have acronyms for these job programs. People wonder why, after all the money being spent and all the promises for jobs, we have fewer and fewer jobs as more and more programs are put in place by the Government. In the long run people are not looking for short-term jobs. Anyone who has responsibility will take any job if he does not have one. However, people are looking for permanent jobs. That is a feature of the refundable employment tax credit.

Perhaps even more importantly, the refundable tax credit is related to on-the-job training. It can be related to specific sectors of our economy and allow us to combine the Refundable Tax Credit with specific job training. It also allows us to participate in private sector economic growth and development rather than one-shot, short-term, summer-winter jobs. It allows us to deal with the question of technological change as economic sectors develop.

That is why our Party has always supported the refundable employment tax credit, Mr. Speaker. It allows us to create more jobs for less money. It allows us to target certain groups which are hurt more than others. It allows us to combine it with on-the-job training so that people can see permanent jobs in the future in a dynamic and expanding economy. It allows us to deal in specific sectors with the growth and development of those. That is very important at this time in the history of this country because we are living in a time when technological change, particularly in the communications field, is overwhelming us. Less and less people find the opportunity for training programs which will give them real jobs. That is why the motion put forward by my friend, the Hon. Member for St. John's East (Mr. McGrath), as a amendment to the main motion should commend itself to all Members of the House, irrespective of party. It is an idea that is espoused by the Economic Council of Canada and by anyone who has any objective understanding of what is before us in making sure that we bring some growth back to the Canadian economy and expand it to create jobs in the country.

There is another reason we support the refundable employment tax credit as the best method of job creation. Any objective observer would look at the track record of job-creation programs put out by successive Ministers of Employment in the Government for the past three and one half years and see that they have been terribly mismanaged. As the Government constantly extols the programs and talks about the amount of money it is putting into the employment creation fund, at the end of it we have fewer jobs now than we did last year and an unemployment rate of 11.2 per cent. All of those programs, words, and self-puffery which have come from Ministers of the Crown for the past three and one half years have given us a record of job creation in both the public and private sector which is one of the lowest in the western world.

Outside of the other matters contained in the motion, I hope that this amendment by the Member for St. John's East will be agreed to by Members of the House. Mr. Speaker, a refundable employment tax credit is an idea that should be supported by all Parties. You are going to find it in place very soon because the logic and importance of it to so many people who are unemployed is undeniable.

Outside of the virtues of the refundable employment tax credit, it allows us to get around the problem which we have had for the past three years with the Government. The Government has mismanaged job-creation funding in terms of the increasing unemployment rate and loss of jobs. It has also converted job-creation funds to its own political purposes. For the past three years we have had questions raised by my friend, the Hon. Member for St. John's East, and myself when I was the employment critic for our Party. In November of 1982 I asked for the criteria for the program which was being used for Liberal patronage at that time. Fifteen months ago, in November, 1982 I asked the Government by written question in the House to table the criteria and details of the slush fund of that time. Fifteen months later the public has yet to receive

that information. The Government has denied that information to me, our Party, the House and the public.

That information is important. It will show that the Government has for the past three years been consistently using job-creation funds for its own political purposes. That is why it is unwilling to provide the information fifteen months later. That is why in the past few weeks we have again been trying to get information on the new Liberal patronage job-creation fund.

I would like to use one case in point, Mr. Speaker. On December 8, 1983 a press release was issued. It said: "Mrs. Ursula Appolloni announces $230,000 grant for Covenant House". In that press release Ursula Appolloni, the Member for York-South Western, announced that she had secured $230,000 for Covenant House in Toronto. Mr. Speaker, Covenant House is in the riding of Rosedale, which riding I represent. The grant was made to the Toronto Archdiocese of the Roman Catholic Church. I know the people there very well and I phoned them the other day. I asked when it was that Mrs. Appolloni, the Member for York South-Weston—

The Acting Speaker (Mr. Guilbault): Order. This is the second time the Hon. Member has referred to another Member of the House by name. Will he refer to the Member by her riding?

• (1240)

Mr. Crombie: Mr. Speaker, I was using the press release put out by the Hon. Member and it refers to "Mrs. Ursula Appolloni".

The Acting Speaker (Mr. Guilbault): If I may say so, that is no explanation. Beauchesne is very clear that quoting a document that is unparliamentary does not make the quote more parliamentary. It must be adapted to the procedures of the House.

Mr. Crombie: Thank you, Mr. Speaker. The importance of this is that yesterday in the House the Minister of Employment and Immigration (Mr. Roberts) indicated quite clearly that the criteria were prepared "a bit before Christmas". The Hon. Member for York South-Weston (Mrs. Appolloni) had been negotiating with the Toronto Archdiocese since late October in order to give them funding of $230,000. Throughout that time I was with the Minister's officials in Toronto on three occasions, October 14, November 4 and December 3, negotiating for some 32 projects under Canada Works and Section 38. Throughout all that time the Minister's officials did not mention at all that any funding was available through some other fund in the Minister's care. This morning I telephoned the Minister's officials and asked them if at any time during the time I had been negotiating for funding for 32 projects in my riding they had any knowledge of the Minister's fund. The answer was no. I then asked when they found out about the Minister's fund. They said not until late January. These are the Minister's officials.

What I and the people of my riding want to know is, while I am negotiating on their behalf with the Minister's officials, who have no knowledge of any other job-creation fund and no criteria for any other fund, how is it that the Hon. Member for York South-Weston can go into my riding, and presumably any other riding, and negotiate a project with a particular group? What does that mean to representative government?

The Hon. Member for York South-Weston is not the Member for Rosedale. During the time I am negotiating 32 projects on behalf of my constituents, the Hon. Member for York South-Weston walks in and spends $230,000 on one project.

The projects I am talking about are not small items, Mr. Speaker. I am talking about the *North Jarvis Community Newspaper,* the Open Door Centre Self Help projects, project Outreach, and I have a proposal for job creation in Regent Park.

Is it any wonder that people are becoming cynical? They smell corruption. That is the shortest word I know and that is what it is. It is a shame that the Minister of Employment and Immigration will not understand what he is doing.

Mr. McGrath: He is not even in the House.

Mr. Crombie: It is one thing to talk about Liberal members getting money early for projects in their own ridings, which is bad enough; it is not fair, it is not right and it is not honest, but they have been doing it for so long that people have come to expect it. What is different about this is that they are not just loading up patronage in their own ridings but in ridings held by others. A Liberal did not get elected in the riding of Rosedale; I was elected in the riding of Rosedale. I work very hard for those people and when I am negotiating with the Minister's officials, they are ignorant, as I am, of the fact that the Minister allows the Hon. Member for York South-Weston to negotiate a project in my riding.

I do not know what the Government intends to do about this. I do not know what the Minister of Employment and Immigration, who comes from Metropolitan Toronto, intends to do with it. But I can tell you that there is a smell that the people in Metropolitan Toronto recognize. It is even worse than the ancient smell of Liberal patronage and Liberal corruption. The Liberals now think that they do not even have to get elected in order to run the Government—they just have to know the Minister. They do not even have to go through the criteria like everyone else, apply like everybody else or go through some public process of the normal democratic system; all they have to do is know the Minister. When we come to the stage we have now, Mr. Speaker, the people in the country know that it is time for the Government to go.

The Minister of Employment and Immigration should resign, Mr. Speaker. There is no longer a shred of credibility in anything he has to say. We have a minister of the Crown who says that the criteria for his program were not developed until a bit before Christmas, yet he has a member of the Liberal caucus negotiating with someone in my riding in

October. People in my riding are not going to stand for that any longer, Mr. Speaker.

The reason we need the employment tax credit is not only that it provides more jobs for less money, not only that it allows us to target on groups hurt by unemployment, not only allows us to have on-the-job training combined with the tax credit but, far more important, it allows the people of Canada to have some sense that the Government is honest. It keeps Liberal hands off the money and that is what people want.

Mr. Anguish: Mr. Speaker, I should like to ask the Hon. Member a question about a topic brought up by a member of the Conservative Party from Calgary. He talked about the way in which the rate of unemployment is set across the country. I feel that the system is faulty. For example, in the last year that we had community development projects my constituents received about $980,000; this year it was changed to Canada Works projects and the constituency allocation was $100,000. We were told this was because the base rate of unemployment for the area was below the average and therefore we received only the basic $100,000. In the northern part of my riding, however, there are many native communities with unemployment in excess of 90 per cent; 10 per cent is not the unemployment rate but the unemployment rate in many of those communities.

To determine the unemployment rate, Statistics Canada conducts a telephone survey across the country but very few calls are made to some of the remote, northern areas and native areas where few people have telephones. I think this is a fault in the method of determining the real rate of unemployment.

I wonder if the Hon. Member who just spoke has some ideas on how the Conservative Party, if it were the Government of Canada, would determine the actual unemployment rate for all areas.

Mr. Crombie: Mr. Speaker, in terms of the first part of the Hon. Member's question, I believe I made clear my own view that the Government's course of action with respect to job creation is both incompetent in terms of its management and corrupt in terms of its practice. It seems to me the most important thing is to make sure we have a mechanism which allows us to deal with some certainty in terms of employment needs.

• (1250)

I feel one mechanism which has just had birth, and which could be dealt with more effectively, is the Labour Market Institute. The Labour Market Institute has at least the beginnings of a capability for identification of specific areas in a far greater way than the mechanism used by the Government.

I may say as well that as it stands now, when we are dealing with the number of people I have in my own riding—and I, along with the Hon. Member for Spadina (Mr. Heap), have the largest number of people in the country—what we do now is look at both the Canada Works program and Section 38. Section 38 funding in my riding was $70,000, almost as much as the original $100,000. The process right now is inappropriate, mismanaged and corrupt. I believe what we need to do is look at an extension of the opportunities provided by the Labour Market Institute.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rise to speak in this debate today with perhaps a little more enthusiasm than I have had at other times because I have an opportunity, Mr. Speaker, for 20 minutes, to put on the public record, to put into *Hansard* and to put out through the television medium, some of the facts of the backroom manipulation of the Prime Minister's Office in relation to a particular $300 million secret slush fund. I mentioned in the House last Friday, supported by the Hon. Member for Kingston and the Islands (Miss MacDonald), that on Thursday there came into our possession some documentation which helped us begin to understand the secret nature of the use of these funds for partisan political purposes, the secret nature of the use of these funds in a manner which makes a mockery of the attempts by the Government to assert that it cares one whit about the unemployed in this country.

I am going to provide to *Hansard* and will read into the record some significant portions of the material which became available to my office last Thursday. The first quotation I will read into the record refers back to the early days of this program in 1982, when it had a different title. Today it is called the Special Employment Initiatives Program. I will read just one short paragraph out of the minutes of the meeting of the group which was charged with the responsibility of putting this program in operation:

> The projects have been generally selected for their local impact. Speedy implementation is critical as the emphasis is on immediate employment. It was also emphasized that, at this stage, confidentiality is required.

"Confidentiality is required", Mr. Speaker. Anyone listening to me today can phone a Canada Manpower Centre anywhere in the country—close to two years later—and ask for information on this program and, Mr. Speaker, it is not available. It has not been available to all Members of Parliament since the day it was announced in the Budget. It has been available to Liberal Members of Parliament. The Prime Minister (Mr. Trudeau) admitted, yes; other Members of Parliament, no; Canadian citizens, no. It was available simply to Liberal Members of Parliament. We have asked, Mr. Speaker—

The Acting Speaker (Mr. Guilbault): Order. May I ask the Hon. Member to clarify and describe the source of the document from which he is quoting?

Mr. Hawkes: Mr. Speaker, I will provide the documents to *Hansard*. As to the source of the document, they came into my hands through people inside the Conservative Party whom I trust.

The Acting Speaker (Mr. Guilbault): The Hon. Member knows that the rules require that documents quoted in the House be described. The description which the Hon. Member has given is absolutely not acceptable.

Mr. Hawkes: Mr. Speaker, they are internal documents to the secretariat, the civil servants and political staff of different Ministers. It is an internal document which was circulated to people who attended a meeting. It is in the form of minutes, Mr. Speaker. Okay?

The Acting Speaker (Mr. Guilbault): Order. No, I cannot accept "okay". The rules are very clear on this. If the Hon. Member is to quote any more documents, he has to describe these documents in a recognizable fashion, not calling them "committees" or "groups" or "confidential". Is that clear?

Mr. Hawkes: Mr. Speaker, that presents certain difficulties to a Member of Parliament. I will describe them as five pages which I have in my possession, which I will table, and from which I intend to quote. Is that adequate, Mr. Speaker?

Mr. Waddell: What is the title?

The Acting Speaker (Mr. Guilbault): The Hon. Member will be allowed to quote from a document if he describes the document. This is a long-standing tradition of this House. I am not coming up with a new item which is unknown to Hon. Members. If the Hon. Member is not able to describe the source of the document, he will kindly refrain from quoting from it.

Mr. Waddell: If you are going to table it, describe it.

Mr. Hawkes: Mr. Speaker, may I have the unanimous consent of the House to table this document and let Hon. Members decide?

The Acting Speaker (Mr. Guilbault): Is there unanimous consent to table the document?

[*Translation*]

Mr. Laniel: Mr. Speaker, under the Standing Orders the Hon. Member has no right to table documents. Only Ministers are entitled to do so. Otherwise, the Table would disappear under on avalanche of paper. The Standing Orders do not give Members the right to table documents, and the Hon. Member seems to be ashamed of this one since he is even afraid of identifying it!

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I rise on the same point of order. I believe that my colleague, the Hon. Member for Calgary West (Mr. Hawkes), is in the process of addressing a particular motion we now have before us, and in the course of his remarks is in fact reading into the record extracts from a document, which I feel is quite appropriate, with the greatest of deference. As the Hon. Member from the Government side has pointed out, there is only provision for the tabling of documents by Ministers of the Crown unless unanimous consent is obtained. We must interpret the rules to make sure that freedom of speech and freedom of a point of view, especially as it relates to Her Majesty's Loyal Opposition, is not hindered. I say to you, Mr. Speaker, that to restrict my colleague with respect to the presentation of his case by limiting his ability to quote from a document would be a serious infringement on the right of speech of any Member of Parliament.

I understand that the point is that the rules must not be abused and we are not to read speeches. However, if these are documents in the Hon. Member's possession and he is prepared to stand behind these documents, there should be no reason at all why he is not able to quote from those documents, and quote extensively, as long as they are germane to this particular debate. I ask you, Mr. Speaker, to exercise your discretion with respect to this matter and allow freedom of speech and not constrain Hon. Members in terms of a serious debate relating to the practices of this Government, which are under serious attack not only by Members of the House of Commons but by Canadians across this land.

Mr. Waddell: Mr. Speaker, I rise on the same point of order. To assist the Chair, I believe the rules are clear that the Hon. Member has to have a name to the document. Was it Shakespeare who said "What's in a name?" Sometimes there is a lot in a name and perhaps the Hon. Member has a name for his document; for example, an internal memo dealing with employment practices, or an internal memo dealing with grants, or a memo from a particular Department. Surely the Hon. Member has to identify the document in some sort of way before he quotes from it. The Hon. Member should be able to do that if he is prepared to table the document.

• (1300)

Mr. Crombie: Mr. Speaker, when the Chair makes its decision it should have in mind that the Hon. Member is not trying to hide anything. He has offered to table the document. It seems to me that ought to be sufficient. If that is going to be denied by the Government side, then it places the Hon. Member in a very awkward situation. He needs unanimous consent in order to table the document, and that may be denied by the Hon. Member across the way. The Hon. Member indicated that he is willing to have the document made public by offering to table it, and I hope the Speaker will take that into consideration when he makes his decision.

[*Translation*]

Mr. Laniel: Mr. Speaker, to take up the point raised by the Hon. Member for Rosedale (Mr. Crombie)—

[*English*]

—I want to bring to his attention the problem of how I can accept the tabling of a document when I have a Member in front of me who does not have the courage, or enough belief in the document to identify it. I am not ready to give my consent to tabling the document unless I know the identity of the document. If tabling is going to permit him to read a speech from that document because he has nothing to say in the debate, well, he is supposed to be here to make speeches in his own words, not by reading documents or quoting from unknown documents.

The Acting Speaker (Mr. Guilbault): Order. There are two points to be considered. First, the Hon. Member is asking for a

document to be tabled. We can deal with that; it is very simple and straightforward. Not being a Minister of the Crown, the Member should not normally be allowed to table a document, but he may do so if we have unanimous consent. The tabling of a document comes under a different Standing Order from that of quoting from it. Therefore, is there unanimous consent for the Hon. Member to table his document?

Some Hon. Members: Agreed.

Mr. Laniel: An unknown document, no.

The Acting Speaker (Mr. Guilbault): So we do not have unanimous consent. The second point concerning quoting from a document is also very straightforward. I enjoin the Hon. Member to read Beauchesne's Fifth Edition, Citation 329(4), which says:

When quoting a letter in the House, a Member must be willing either to give the name of the author or to take full responsibility for the contents himself.

That means that if the Hon. Member is not willing to give the name of the author of the document, he has to say what is in the document as if he said it himself. He cannot refer to it as a document which originates from a nebulous committee. This being agreed, I ask the Hon. Member to resume his speech and abide by the rules.

Mr. Hawkes: Mr. Speaker, I guess the way out of the dilemma is perhaps to put my imagination to work. If I had been at the meeting of the people responsible for these programs, if I had been charged with the task of taking minutes at that meeting, I think the following kinds of things would be what I might have written in those minutes which have reflected—

The Acting Speaker (Mr. Guilbault): Order. The Hon. Member cannot take lightly the ruling that I just made. He has to quote the document or refrain from referring to it as originating from a meeting or being the minutes of a group. He can say straight to the House what he has to say, but if he wants to quote the document he will have to identify it. Let us not try and circumvent the Standing Order; the Hon. Member does not quote the document or, if he does, he quotes the source.

Mr. Hawkes: Mr. Speaker, I hope this point of order does not eat into my time.

Some Hon. Members: Yes!

Mr. Hawkes: Mr. Speaker, let me go back to where I started. There is a sense of confidentiality about these programs which is clear to everyone in the nation. For two years now we have not been able to find out from the Canada Manpower Centre how these funds are allocated. We have not been able to find out through committee hearings or through questions on the Order Paper. Therefore, there is absolutely no question that this is a secret fund of money which comes out of the budget and is allocated in some mysterious way.

I suggest the specific mechanism involved in the allocation of these funds, Mr. Speaker, puts the Prime Minister's Office, the backroom manipulators of the Liberal Party of Canada, at the very centre of the allocation process. I suggest to Members of this House that I personally have certain knowledge that in the original allocation of this money preceding the June, 1982 Budget, in planning for the spending of this money, the Prime Minister's Office, the backroom manipulators in the Prime Minister's office, were directly involved in screening projects into two streams. The projects were coming directly to the Prime Minister's Office and they were divided into two streams, and we ended up with two major programs. We had fast tracking for smaller local programs and the larger one for special capital construction. That decision was made by the backroom manipulators in the Prime Minister's Office on the basis of projects which came forward to them.

Point number two: Where did the projects come from? Did they come from Canadians generally? No, Mr. Speaker, they came from Ministers. Is that appropriate? In a general sense yes, it is. But these particular projects came forward to the backroom people in the Prime Minister's Office, primarily from the political Minister, the designated Ministers responsible for patronage in each of the ten provinces of Canada. That is where the essence of these projects came from.

The knowledge available to me tells me that when it came to a dilemma or a disagreement between a line Minister responsible for a budget, for example, the Minister of Transport (Mr. Axworthy), the Minister of Communications (Mr. Fox), or the Minister of Employment and Immigration (Mr. Roberts), when it came to a difference of opinion between the political Minister in a province and the line Minister responsible for the budgetary funds voted to that line Minister by Parliament, it was the opinion of the political Minister which would prevail in the expenditure of these funds. Does that or does that not constitute a serious violation of some of the basic principles which enable a democracy to work?

Information available to me, Mr. Speaker, talks about hard and soft projects. That information indicates that the civil servants gathered details on projects for funding once they are considered to be hard. What was a hard project? That was a project agreed to by the political Minister. At that point the civil servants were to gather information to enable them to defend that funding or spending decision after the decision was made. On soft projects, those which had not been approved by a political Minister, only headquarters was to gather information on those projects. All members of the committee, the normal civil service network, was not free to gather information on those projects until they had moved from the soft category to the hard category.

That whole system, Mr. Speaker, makes puppets out of line Ministers. We in this House of Commons go through the process of approving the Main Estimates. We put a line Minister up in front of the committee and examine his budgetary expenditure plan. We, as Members of Parliament accountable to the taxpayers of this country, do not see the political Ministers. We do not have a chance to ask them questions

about their expenditure plans for public funds. We do not see the backroom manipulators in the Prime Minister's Office before standing committees. We do not have a chance to ask them about their expenditure plans. There are line Ministers who come before the committee. We vote funds that are to be spent by those line Ministers for the purpose of their budgets. It is quite disappointing and shocking to discover that the expenditure of line departmental budgets is being determined by political Ministers.

• (1310)

I remind Members that in Canada today three of those political Ministers come from the Senate rather than the House of Commons. They do not have the authority that is vested in people who go through an electoral process. Is it right that people with that kind of mandate should be telling line Ministers how to spend a portion of their budget? It is similar to their being puppets. It is like turning line Ministers in the Government into eunuchs or puppets that do what they are told by political Ministers from the Senate in terms of their budgets which they were given through the democratic process in the House of Commons. It is a violation of basic principles and a plot worthy of the backroom manipulators in the Prime Minister's Office.

When dealing with communication about these projects, the first principle is to maintain secrecy until all decisions are made. At that time the signs are displayed and announcements from political Ministers about the funding are made. This is so they can take the credit. That is part of the communication plan. While it is kept secret from Members of Parliament and other Canadians, perhaps it can be shared with the presidents of riding associations of particular political persuasions. However, do not share it with all Members of Parliament. Who devised that plan? It came from a representative of the Prime Minister's Office meeting with the Minister of Finance (Mr. Lalonde).

Do Members in this Chamber feel that the Minister of Finance is the key player in the development of a communications strategy for the expenditure of $150 million that involves 15 Departments and is the administrative responsibility of the Minister of Manpower and Immigration? What on earth is the Minister of Finance doing developing a communication plan with a representative of the Prime Minister's Office? What facts are there to show Canadians and Members of Parliament that the process is one in which the Minister of Finance is in charge of asserting a communications strategy for the expenditure of $150 million of public funds? It is very unusual. I suggest that this allocation of $150 million a year is very peculiar. It is a secret slush fund. The employment it creates is a by-product of its basic purpose, which is the use of taxpayers' money for the political manipulation of the Canadian population.

This has always been the danger in the Government's approach to employment creation funds. If the Government is in the direct job-creation business, it should have advisory committees comprised of local people who decide who will and who will not get a job. Any other system would simply put temptation into the hands of political Ministers. This secret $300 million slush fund is the clearest demonstration in my parliamentary career of the lack of wisdom in the present allocation process.

In 1981 I wrote to the Auditor General of Canada to suggest that a special audit on the methods of job fund allocation be undertaken at that time. That need is even more evident today. The Auditor General, as the servant of the House, is the only appropriate and unbiased source who has the legal and statutory authority to look into the question of whether funds voted by the House have been legally and properly spent with due regard to economy and efficiency. I hope that representatives of the Auditor General's office are listening to the debate today or perhaps reading the newspaper as this issue unfolds. I suggest that it is time for at least that inquiry.

If the Government believes that this is not a secret slush fund, that it is not susceptible to backroom manipulation from the Prime Minister's Office and if the Government believes it is appropriate for political Ministers to tell line Ministers how to spend their budgets, then why does the Government House Leader not stand this afternoon and make a recommendation for a public inquiry into the methods of deciding the expenditure of funds in the Special Employment Incentives Program and its immediate predecessor? If there is nothing to hide, then one would think that the Government would be anxious to clear its reputation by establishing such an all-parliamentary group and giving it the power to conduct a full and impartial inquiry.

It is time that we as Members of Parliament took our responsibilities seriously. It is time for the Government to permit us to fulfil those responsibilities. It is time for a public inquiry into the methods employed by the Liberal Party in the allocation of these particular employment creation funds.

The Acting Speaker (Mr. Guilbault): Questions, comments and answers? Debate.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like to take up the challenge issued by the previous speaker and be very specific about job-creation programs. I will identify and quote from specific material and I think the House will realize that there is something quite wrong with the allocation of these grants.

I conducted my own inquiry into the methods of allocation with respect to one particular grant. It pertains to this debate because our finance critic, the Hon. Member for Kamloops-Shuswap (Mr. Riis), has included in his motion a condemnation of the Government for "allocating job-creation funds in a partisan fashion not based upon local employment levels".

I want to refer to a grant of $583,000 that was given to a group in Toronto allegedly to conduct social services. However, as I go through this material it will become evident what it is really for. The group is called the Canadian Alliance for Italian Integration and Culture. They call themselves the

Alliance Community Services. I believe they are located at a storefront office at 3271 Dufferin Street in Toronto, Ontario.

First, I want to refer to a document from the Ministry of Consumer and Commercial Relations of the Province of Ontario. These are letters patent for the incorporation of the Canadian Alliance for Italian Integration and Culture. The number of the letter of incorporation is 540,758. It appears that this organization was incorporated on February 18, 1983. The group is a charitable organization with an address at 295 College Street, Suite 300, in Toronto. The group is to do charitable work, and so on, for ethnic communities with particular reference to the Italian community. The document is available and I will seek leave later to table it.

● (1320)

The document makes reference to the board of directors. I want Hon. Members to notice specifically three names; Giacomo Capitanio; Giuseppe Volpe or Joe Volpe, an educator, and Albina Maria Guarnieri, who is listed as a director of communications. They are all from Toronto. There are another six people listed. I want the House to be particularly interested in the three names I have mentioned. I will come back to them and they will appear again in my documents. That society is set up to undertake work on behalf of the Italian Canadian Community in February.

My second paper, which I made reference to in the House yesterday, is a discussion paper on integration and the Italian community's relations with the Liberal Party. I will not read the whole document but I will make reference to one of the main parts. I quote:

Reach out into the community through an office established in an area where Italians are most numerous so as to identify needs and to minister to them.

In other words, a community office to minister to those needs. On page 4 of this document we find that "it is necessary to fund loyal and valid agencies within our community in order to satisfy the needs of", and it goes on to talk about the needs of seniors, women, youth, small business and so on. It is very important to see that one of the recommendations of a group of Italian Canadians in the Liberal Party was to set up a storefront office to minister to the needs of the community. There is nothing the matter with that. The Italian Liberals are quite entitled, as are Italians of Conservative persuasion or Italians of New Democratic Party persuasion, to form their own group. But look who is on the list. Mr. Giacomo Capitanio. Here he is listed as the vice-president of the York West Federal Liberal Association. Miss Albina Guarnieri is listed as a director of CAFIIC. I assume, though I am not completely sure that that is her directorship in the Canadian Alliance for Integration and Culture. Also listed is Mr. Joe Volpe. Mr. Volpe is listed as a candidate in the Downsview provincial riding. Other people are listed who are aldermen candidates, former legislative assistants, and one MPP, Mr. Michael Spencieri. These people are entitled to make recommendations to the Liberal Party.

My third document is a proposal for a job-creation program in the social services field to meet the needs of the community in northwest Toronto. Who is this submitted by? It is submitted by the Canadian Alliance for Integration and Culture. They seem to have dropped the word Italian, but they do cite the non-profit registration number as No. 540,758, which is the same number in the incorporation document for the Canadian Alliance for Italian Integration and Culture. Indeed, basically they are the same people. The chairman, who is submitting this, is Mr. Joe Volpe, again a director of the original Alliance who appears on the Liberal Party documents and who wants a storefront office. What does this group want? They want funding for a storefront office to help the Italian community. Their first objective is:

1. To open a store-front "office meeting place," conveniently located in "Eglinton-Lawrence" and open to all who require assistance in accessing services.

But convenient to whom, Mr. Speaker? Convenient to the Liberal Party in Metropolitan Toronto. Convenient to a group in the Italian community. Convenient to a group controlled by certain people in the Italian community which I said in the House the other day is a threat to some of the Members of Parliament here. In fact, what is being set up is a group who will work ultimately to get control and knock off Liberal Members in Etobicoke-Lakeshore, in York West and perhaps in other ridings, including the Minister sitting over there and his colleague from Trinity.

I will come back to that in a moment. This is a job-creation proposal submitted. Let me come to the normal procedure of the job-creation program. This is what the last Member was talking about. Members of Parliament know about this.

What is the normal procedure for a job-creation program? Let me tell you, Mr. Speaker. The normal procedure, which I have confirmed this morning by checking with the department in metropolitan Toronto, is first that a project officer gets regulations from the Government and advertises what the regulations are. The project officer goes out into the community and solicits applications. The applications then come in. They are looked at by the office. Consultants look at them. A minimum, I am told, of three consultants sometimes are 10, see if the application is serious and if the project is valuable for the community. The next stage is that the project officer makes a recommendation to the regional office. Then it goes to the Minister for approval.

For some programs—the Canada Works program and the Summer Canada program, Members of Parliament get involved. I have been involved. I have got grants for my riding. I have been to see the process and I have taken part in the process in Vancouver. The Member of Parliament comes in to approve the grants on the level just before the recommendation goes to the regional office.

What happens then with this new program, the program that the Hon. Member from Calgary, who last spoke, referred to? He talked about the Special Employments Initiatives Program in which $300 million was available. He called it a slush fund for Liberal members. He pointed out that confidentiality is required. It is more than that. I will tell you how the grant works, Mr. Speaker. I have checked this out with civil

servants who work in the area. In this program an application comes in. I asked civil servants from where the application comes. They tell me they do not know. No one goes out to the community. I asked how they get the application. I was told that it just comes in to the office. They do an assessment and go through the recommendation phase. They do not do an assessment the way the other programs are assessed. There is one person for these programs for one-half of the constituencies of Metropolitan Toronto. They have 11 people to assess the other programs. The assessment is perfunctory. In fact, it is just sent on to the Minister. From where does the application really come? We know that it comes from the Member of Parliament. In the riding of Eglinton-Lawrence, the present Member sitting in the House makes a recommendation. How convenient.

You see the picture, Mr. Speaker. You have a group of Italian Canadian Liberals forming a society who meet and say they need a storefront office. They put it down on paper. The same group asks for a grant. Then we have the local MP giving them a grant of $583,000. To do what? There is the nub of the situation.

I have here a letter from the United Way addressed to the Hon. John Roberts. It is dated January 17, 1984 and says that there was no consultation with the community about this "large expenditure of federal dollars". There was little or no consultation with any of the Departments involved.

● (1330)

There is a group called COSTI-IIAS Immigrant Services which has been working 30 years in the Italian community. I believe—I may be wrong—that the present Minister of the Environment (Mr. Caccia) who is sitting in the House at one point in his career was a director of this group. It has a professional board of directors from all across the community. It has a good reputation. It is providing the same social services as that Liberal group is providing. It issued a press release in which it said that this was a duplication of social services. In other words, $583,000 has been spent to duplicate social services. The Social Planning Council of Metropolitan Toronto on January 17 wrote to the President of the Treasury Board (Mr. Gray): "Re: Alliance for Italian Integration and Culture". It expressed its objection to the lack of consultation and wrote:

> It is a slap in the face to the social planning organization as well as many other direct service agencies to have this action occur at such a fragile moment in the life of the non-government sector.

I asked the Minister a question about this in the House yesterday. He is quoted in *The Toronto Star* of February 14, in a column by Joe O'Donnell, as saying:

> In approving a project or signing it, it was certainly not done on the basis of any connections that the sponsors might or might not have had with any political party.

My question to you, Mr. Speaker, to the people of Canada and to the Liberal Party is: Why was the grant approved? It flies in the face of existing agencies. It is against the present plan for social planning in Toronto. It politicizes the agency. Why was it approved? Here is a concrete example. Who found out about this? Opposition MPs did not know about these grants. Even the Public Service did not know; it just mysteriously got the applications when they came in. This goes beyond politics. This is corruption; this is a direct example of corruption. The people of Canada should know that this is how their money is being spent.

As the United Way pointed out, it has $248,000 for new programs in Metropolitan Toronto each year and it gets 71 applications from organizations. Here, out of the blue, is $583,000 being given to an organization which has no professional expertise in it. I say to the Minister of the Environment, shame! How can you be part of the Metropolitan Toronto caucus? I ask the other Minister across the way, the Minister of State for Finance (Mr. MacLaren), how he can be a part of this. These are two honourable Ministers. How can they take part in this? I do not believe that these two hon. gentlemen are that corrupt.

I have written a letter today to the Minister of Employment and Immigration and I want to read it. It reads:

> Dear Mr. Roberts,
>
> I am writing to you concerning the $583,000 grant to the Alliance Community Services in the constituency of Eglinton-Lawrence in Toronto.

May I just pause to give the unemployment rate in Eglinton-Lawrence. I think it is about 4.4 per cent. In any event, the letter continues:

> I am enclosing documentation including:
>
> 1. my question to you yesterday in the House of Commons;
> 2. the Letter Patent of the Canadian Alliance for Italian Integration and Culture;
> 3. a "Discussion Paper on Integration and the Italian Community's Relations with the Liberal Party";
> 4. proposal for a job creation program in the social services field etc., submitted by the Canadian Alliance;
> 5. the Alliance's pamphlet from their storefront office;
> 6. letters from the United Way of Greater Toronto and from the Social Planning Council of Metropolitan Toronto objecting to the grant; and
> 7. a statement by COSTI-IIAS Immigrant Services (an organization doing this work professionally for 30 years) objecting to the duplication of services.
>
> I think you will see the clear Liberal connection with this project. As the so-called 'political Minister for Toronto' you would be incompetent if you did not know about this.
>
> As the Minister of Employment for Canada you have approved a grant that—in fact of opposition from the existing organization in Metro's Italian Community—paves the way for former and potential Liberal candidates to organize door-to-door using public money to boot.
>
> Civil service assessment of these grants is perfunctory at best. Existing services are duplicated. Compared to COSTI, the Alliance has an inexperienced Board of Directors.
>
> You have politicized social work in Toronto, which will have long term ramifications.
>
> In short, this grant smells.
>
> I suggest you show some leadership here, reassess the situation and terminate the grant.

In conclusion, I would like to add a couple of further matters so that Canadians will understand why am I objecting to former present and future Liberal candidates going door to door in an organization which is paid for by public funds. The reason is the nature of modern politics. This organization has

the ability to identify all potential voters in that community and to sign them up for the Liberal Party, for elections or for takeover bids. Say they wanted to knock off the Hon. Member for York West (Mr. Fleming) at a nomination meeting. This is the way it goes. They could put it into their new personal computers and keep lists of people's names and so on. There is nothing the matter with that; we do that in all Parties now. But what is the matter with this and why this is corrupt is that it is paid for by the Government of Canada under job creation.

I have just returned from Edmonton. There is 14 per cent unemployment there. I talked with some young people who are unemployed. They are disillusioned and distressed about what is happening. If I had told them about this grant, can we imagine what they would feel about the rottenness of this kind of approach to government and to job creation?

Not only does the present Minister of Employment and Immigration have no chance of running for the leadership of the Liberal Party, as I have heard talked about, but he should consider resigning from the House of Commons because this is an example of corruption.

I close by seeking the unanimous consent of the House—and I do not expect to obtain it because I think the Liberal Party will try to bury this stinking fish—to file for all Hon. Members to see or to table in the House the letters patent of the Canadian Alliance for Italian Integration and Culture; a discussion paper on the integration and the Italian community's relations with the Liberal Party; a proposal for a job-creation program in the social services field to meet the needs of the community in northwest Toronto; and finally the pamphlet—they are now set up—from the Alliance Community Services, sponsored by CAFIIC, Mr. J. Volpe, chairman, and funded by Employment and Immigration Canada, Employment Development Branch. I seek unanimous consent to table these four documents.

Mr. Deputy Speaker: Order, please. The Chair should inform Hon. Members at this time that only Ministers are allowed under our procedure to table documents.

Mr. McGrath: It could be done by unanimous consent.

Mr. Deputy Speaker: As the Hon. Member for St. John's East (Mr. McGrath) says, that could be done by unanimous consent. Is there unanimous consent to allow the Hon. Member to table certain documents?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent. On debate, the Hon. Member for Saskatoon West (Mr. Hnatyshyn).

Mr. Fisher: Mr. Speaker, I rise on a point of order. Do we not have a question period following these discussions, these scurrilous presentations?

Mr. Deputy Speaker: The Chair apologizes. It should have allowed for the question and comment period. I thank the Hon. Parliamentary Secretary for reminding the Chair of its duties. We will now proceed with it.

Mr. Fisher: Mr. Speaker, I am the chairman of an informal group known as the Toronto area Liberal parliamentary caucus, so I took some interest in the instructions the Hon. Member for Vancouver-Kingsway (Mr. Waddell) gave us about the way in which we should conduct our affairs. I wonder whether he could give some evidence that the people involved in this agency have been improperly using Government funding? By that I mean, conducting political activities when they are being paid by the Government during the Government's time, using the storefront for political activities, using the list for political activities, or using any of the equipment and facilities in this agency for political activities.

• (1340)

The Hon. Member has raised a serious charge. He has named names. He has left those people with no defence because he has raised the charge in the House of Commons. I ask him to go beyond the guilt by association that he is using and to provide some evidence that these people are acting improperly and being financed by Government money.

Mr. Laniel: That is an NDP tactic.

Mr. Waddell: Mr. Speaker, the Hon. Member says that my presentation was scurrilous.

Mr. Fisher: It was.

Mr. Waddell: I take offence at that. I tried to lay it out by documents which I proposed to table in the House, but the Liberal Party would not allow me to because they would not give unanimous consent. I set it out in detail. With reference to conducting political activity, the Hon. Member knows that that is a thing that is almost impossible to prove; you have to shape up a picture and the picture tells the story.

The evidence here, it seems to me, leads to only one possible conclusion and one possible opportunity. The point that I was making was that it was an opportunity to use this organization for the very purposes that were set out by the Liberal Party document, saying that they wanted a storefront office to get into the community for Party purposes.

Basically the same people then go to the Government and get a grant that has a strange way of being approved, different from all the other grants we have ever seen in job creation, and suddenly they are set up in their storefront office. I say that leads to the overwhelming conclusion that indeed they got their office for precisely the purposes that they set out in their job-creation program.

I tried to check this more specifically. The Hon. Member says I put some of these people in jeopardy. I tried to phone some of those people. I had difficulty getting them. I phoned Albina Maria Guarnieri. I phoned Lowther Consultants in Toronto; the number was out of service. They put me on to the

other number. It was Jim Coutts' office. I phoned Jim Coutts' office and asked for Mrs. Guarnieri. When I asked to talk to her, I was told she was in a meeting. I phoned a couple of times but she was always in meetings. Therefore, I made some attempts to talk to these people.

I talked also to civil servants. I asked a question of the Minister yesterday on this matter. It seems to me that I have taken all reasonable steps to show a case. When you put all the evidence together in the face of community support, in face of the connections and in the face of what they were trying to do, it shows that they are now set up to do precisely what they wanted to do as set out in their paper.

I have to tell the Hon. Member that you have to look at the way modern politics operate. When you have all that information, you can use it, and that is precisely what the Liberal Party wants to do. The Hon. Member can disagree with that. I say to the Hon. Member, show me the civil servant's recommendation in detail. Show me the monitoring report. Show me the cost of approving this service. There are two criticisms of the grant. One, it is overlapping, duplicitous and does not make any sense. The second implication beyond all reasonable doubt, it seems to me, is that the evidence leads to it being a political set-up.

Mr. Fisher: Mr. Speaker, the Hon. Member digs himself further in all the time. He says that he tried to talk to people but he admits he has not. He says he does not have any direct contact with any of the principals. He admits that he does not have any concrete evidence, yet he is willing to stand in the House and say two or three things. He is going to give people's names, he is going to say they are engaged in corrupt activity and he is going to say that it is a massive conspiracy, not only on the part of these people but on the part of Members over here.

Let us see if the Member wants to step outside the House and accuse the individuals whose names he has mentioned. Does he have the courage to go outside where he does not have the protection of our rules and blame these people so they can answer him where this belongs, in a court of law? He knows full well that he does not have enough evidence for that. He has a lot of cockamanie theory. Yes, indeed, there is some controversy. COSTI-IIAS raised these concerns. Let us answer that on that level. To go one step further and to take people who are involved in legitimate social work and legitimate political activity and to say that that is wrong or corrupt is great—that's a really good theory! That is what Joseph McCarthy did in the 1950s. If the Hon. Member does not want his name associated with McCarthyism, then step outside and accuse people so that they can answer.

Mr. Deputy Speaker: Order. I seek the co-operation of Hon. Members to make questions and comments as brief as possible.

Mr. Waddell: I will reply briefly. I ask Hon. Members to look at the letters patent and try and find if there is one social worker on it. These are rank amateurs. I said it was the Government that was corrupt, not these people.

Mr. Fisher: Are you willing to go outside?

Mr. Waddell: It was the Minister who did this. It was the Minister who was incompetent through his political job in Toronto and it was the Government that was corrupt in the way that it was giving out these grants.

Mr. Fisher: No, sir, you made specific charges. Go outside.

Mr. Waddell: I said it was the Government that was corrupt.

Mr. Deputy Speaker: Order.

[*Translation*]

Mr. Laniel: Mr. Speaker, in his comments, the Hon. Member for Vancouver-Kingsway (Mr. Waddell) mentioned that he found nothing to criticize in the way the former Local Initiatives Program, now called Canada Works, was implemented because the system made it possible for him, as an Opposition Member, to have the same say as a Government Member in the final choice of projects.

Personally, I do not have a specific axe to grind, but does the Hon. Member mean he would have no objection to the program if he had been able to do his job in his own riding and make recommendations for suitable projects there?

He is accusing the Government or Government Members of exercising patronage or encouraging more or less worthwhile organizations. I may remind the Hon. Member that a few years ago when we set up the Local Initiatives Program, I know of one instance in Vancouver, maybe in his own riding, where a project had been approved at the recommendation of a Member of Parliament, probably from his own party, for setting up a small farm, where subsequently marijuana was grown. So all Members are not necessarily to blame for choices that turn out to have unfortunate consequences. I think the Hon. Member will have to admit that according to his reasoning, if he had been able to make his own recommendations in his own riding, exercising his own NDP patronage, he would have had no objection to the Program.

[*English*]

Mr. Waddell: Mr. Speaker, the whole point is that these other programs are fine. I am a supporter of the other programs. I went to the office of the Canada Works woman who was going out and finding the projects in my riding. That was fine; no one objects to that. The problem with this program, I tell the Hon. Member, is that it was a selective program. Only Liberal members were informed of this program. They were told to go out and get the grants and submit them correctly. It has the wrong kind of process. It ends up with grants like this, which are opposed by the existing community, some of the older services which have been in service for 30 years, the present existing services. It leads to charges of political interference. Indeed, in this particular program I submit there was a political thing happening. It opens up the Government. With

a grant like that in the British system, I have no doubt but that the Minister would have to resign; but not in our system.

• (1350)

To sum up, Mr. Speaker, I have no objection to the grants or to the legitimate process using civil servants and having the MPs' input where it should be. However, this was a special program and we were not informed about it properly. It was secret and it was the Liberal MPs who benefited. I think it is going to rebound on them. It is going to hurt the programs and the Government.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I have approximately ten minutes before two o'clock to introduce this topic. I would like to conclude after Question Period.

At the outset I would like to say that I enter this debate more in sorrow than in any sense of anger. There is an underlying current of anger that does exist across the country. Since this issue has arisen of job creation and the political manipulation in which the Government has been involved, particularly the Prime Minister (Mr. Trudeau) and Members of the Cabinet, I have had the opportunity of travelling back to my constituency and across a good part of the country. Having been involved in a small way with respect to raising some of these issues on the floor of the House of Commons, I can tell Hon. Members that I have been absolutely astounded at the sense of indignation that has been expressed to me as a Member of Parliament in coffee shops, airports, airplanes and in my riding with respect to the callous, cynical and manipulative tactics that are being adopted by the Government with respect to so-called fast-track capital projects and job-creation projects. To put it in the most complimentary way that I can, they have been put together in a slap-dash, haphazard and political way.

The New Democratic Party has been preoccupied for some months now with an attack on our Party in particular. It has spent its energy and time in an attack on my Leader and the policies of my Party.

An Hon. Member: What policies?

Mr. Hnatyshyn: I must compliment the members of the New Democratic Party today. I am prepared to compliment them once in a while when there is a germ of perception. Finally, after many months, they have tried to train their guns on the Liberal Government of the country. I compliment them for bringing forward this resolution. Although we have some difficulty with it, we will in fact support the proposition being put forth because there are elements in here which are compelling. Unfortunately, rather than being able to spend our time debating in the best way possible in order to create jobs, there has been an element in terms of the Government's activity on job creation that has given a nasty turn to this debate. That is with respect to the manipulation, patronage and porkbarrel slush fund that is being operated to the detriment of peole who want to work but are unable to obtain employment.

I understand that the New Democratic Party has a philosophical problem with respect to the patronage issue. They are very much in favour of government intervention. As the Member for Vancouver-Kingsway (Mr. Waddell) has said, they would do exactly the same as the Government. They would hand out dollars where they, in their own wisdom, think these dollars would do the most good. They do not specify whether it is the most good politically or with respect to employment. One of the difficulties in terms of the policies of the Liberal and New Democratic Parties is that the funds are not allocated on an equitable and fair basis and directed toward the people they are intended to help, the unemployed of our country. My colleague from St. John's East (Mr. McGrath) brought forward policies and positions that we as a Progressive Conservative Government would take with respect to directing the assistance to areas where there is more possibility for job creation, such as the small business sector. Canadians understand that.

I would like to address myself to the element of the motion with which I am particularly concerned and with which literally thousands of Canadians have expressed concern. That is with respect to the last part of the New Democratic Party's motion that the allocation of job-creation funds has been done in a partisan fashion and not based upon local employment levels.

One of the things I have noticed with respect to this debate is a very simple fact of life. The Liberal Government is so terribly sensitive about allowing any of its back-benchers to get up to address this issue so that we can question them that it has prohibited members of its Party from standing in their place and participating in this debate. The Government has had one Minister involved in the course of this two-hour debate. Not one back-bencher has the courage of his convictions to stand up and participate in this debate and be subject to criticism and questioning on the part of the Opposition. That is an indication of precisely what is wrong with our job-creation programs and our Government today.

In the partisan and political forum of the House of Commons I am not going to rely on quoting my colleagues with respect to what has happened in the Liberal Party. I am going to go directly to the fount. I am going to refer to the executive of the Liberal Party of Canada. It had a commission established under the president, Iona Campagnolo. The commission's mandate was to examine some of the problems the Liberal Party has been experiencing in the country and its lack of support across the country. That commission was established under Gordon Gibson, a British Columbia Liberal. It was established as a result of resolutions passed at the 1982 Liberal convention.

I do not know if the name Alfred Apps strikes a responsive chord. Alfred Apps is the president of the Young Liberal Association. He is the man who brought forward a resolution at the national Liberal convention which, in effect, slammed the Liberal Party. This resolution was given overwhelming support by the rank and file of the Liberal Party. The resolution condemned powerful backroom, non-accountable, non-

legitimate, non-elected members of the Liberal Party for manipulative electoral sham and for the polls, propaganda and patronage orchestrated by a small elite. According to journalist Terrance Wills of the *Gazette*, this attack was aimed at the Prime Minister (Mr. Trudeau), Senator Keith Davey, his guru of strategy, Jim Coutts, the Prime Minister's principal secretary and others with informal roles in advising the Government, which totally bypassed the democratically accountable executive of the Party.

This commission came down with some very interesting conclusions and suggestions. Among other things it said:

> Some believe the price the party has paid for being so long in power has been the loss of its idealism.

It also said:

> Answers have not yet been found to our serious weakness in western Canada.

I am going to deal with that. The commission went on to say:

> The national party is out of touch with Parliamentary caucus. Given the quality of advice from the national party, an MP has to be a saint, or an aspiring leadership candidate to pay much attention to the national party.

These are not the words of political opponents of the Liberal Government of the country. These are the words of a commission established by the president of the Liberal Party. These are words of resolutions passed overwhelmingly by the rank and file of the Liberal Party. People across this country, including Liberals, have had it up to their teeth with the attitude with respect to job creation and the operation of the public affairs of our country. This attitude has reduced the significance of Parliament and the parliamentary caucus to a group of mere yesmen, and centered all the activity in the Prime Minister's Office on the non-elected, non-accountable officials whom I have mentioned. I suggest, Mr. Speaker, that is precisely what is at the bottom of the problem at a time when we face unprecedented unemployment of 11.2 per cent in our country.

• (1400)

Mr. Speaker: It being two o'clock p.m. the House will now proceed to statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

AUTOMOBILE EMISSION STANDARDS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, Mr. Michael Perley of the Canadian Coalition on Acid Rain has mentioned in discussions that Michael Walsh, who was with the Environmental Protection Agency in the United States under the Carter administration, was instrumental in having stricter automobile emission legislation put through.

Though there have been announcements in this respect, I wonder whether the Minister of the Environment or the Minister of Transport are planning an announcement that there will be no change in the automobile emission standards in Canada until the 1990 models come out.

Considering that the cars assembled here in Canada are shipped to the U.S. with emission reduction gear, why is the Government reluctant to do the same here, and why not the 1986 model year? I wonder whether the Ministers responsible have had any consultations with the automobile manufacturers on the basis that leaded gasoline will be reduced and that this will suffice.

* * *

[*Translation*]

OLYMPIC GAMES

A GOLD MEDAL FOR CANADA

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, as you probably know, this morning Gaétan Boucher won a gold medal for Canada for speed skating, his second medal in two days.

Mr. Speaker, I am aware that Standing Order 21 does not provide for extending congratulations, and it is not my intention to go against the Standing Order.

Nevertheless, I would like to point out that the gold and silver medals were won despite the fact that Canada offers this sport only marginal support. In fact, the Canadian speed skating team has to go abroad to train on artificial ice, since there are no facilities in Canada.

Mr. Speaker, I would also like to bring the following to the attention of Canadians and this House. As you know, the next Olympic Games will be held in Calgary, here in Canada, and western Canada will therefore have the facilities required to train speed skaters on an artificial rink. I think it is high time eastern Canada was provided with a speed skating rink, considering the fact that Canada's speed skating team at the Olympic Games in Sarajevo consists of seven skaters, all from the Province of Quebec.

Finally, Mr. Speaker, I would like to say that Gaétan Boucher and all the athletes representing us at the Games in Sarajevo are an inspiration for young Canadians who also hope one day to make their country proud of their achievements.

* * *

[*English*]

VIA RAIL

PASSENGER SERVICE DELAYS

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, since I had so little time in committee last week, and since the

situation is so serious, I intend, over the next few days or weeks, to set out by way of statements under this Standing Order some of my concerns over the operation of VIA Rail.

Despite advertisements to the contrary, there is no longer any fun in travelling by train in Canada. Of some 36 trains I checked on Boxing Day, not one was on time. Granted, 10 of them averaged only 30 minutes late, but the balance of them ranged from one and a half hours late to four and a half hours late, and one did not leave at all. It was replaced by buses.

Four trains were fully loaded long before they reached their destinations, and the treatment accorded passengers was less than satisfactory. Hundreds were turned away.

Another holiday period, January 2 this year, was almost as bad. Although one train was actually on time, the balance ranged as late as three hours.

I realize this was a holiday period, but in the past there was always an effort to serve. That effort no longer exists. VIA Rail and its management are not serving Canadians as they should.

* * *

[*Translation*]

BILINGUALISM

RECOGNITION OF FRENCH IN MANITOBA

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, yesterday I read in Friday's *Quorum* an article that appeared in *The Gazette* on February 10, 1984. The title was in English, and I quote:

[*English*]

Two MPs start legal fund to fight French rights Bill.

[*Translation*]

Mr. Speaker, I am going to quote from the Canadian Press text I have here in French, which reads as follows:

A Progressive Conservative Member for Manitoba declared Thursday that the Manitoba Bill on French rights which received the support of federal Progressive Conservatives was a socialist attempt to irreversibly destroy the provincial fabric of peace and harmony.

The Member in question was, of course, the Member for Winnipeg-Assiniboine (Mr. McKenzie).

Mr. Speaker, I wish to protest against the attitude taken by two Progressive Conservative Members after the House adopted a resolution on this matter. The other Member mentioned in the article in *The Gazette* is the Member for Simcoe-South (Mr. Stewart) who is here in the House this afternoon, and speaking of French rights, I remember that during the debate on the Constitution, the Member for Simcoe-South said that the only official language we should have in this country was English. When I see these two Members completely ignoring Canadian realities and the status of Francophones in this country, I find this so shameful, Mr. Speaker, that I cannot do otherwise but rise and ask the Leader of the Progressive Conservative Party to expel these two Members, and so when the Leader of the Progressive Conservative Party tells us that his Party has paid its debt to Francophones in Manitoba since the Riel affair, I find this situation absolutely shameful, Mr. Speaker, and I find it outrageous that the Leader of the Progressive Conservative Party says in Quebec that he wants to defend the rights of Francophones, when two of his own Party Members are not even capable of following his lead on French rights in Manitoba and this is going to lead to a blood feud between Manitobans, especially against Francophones.

Mr. Speaker, I think that is shameful, and I would ask the Leader of the Progressive Conservative Party to take disciplinary measures against those two Members.

* * *

[*English*]

NUCLEAR ARMAMENTS

TESTING OF CRUISE MISSILES PRIOR TO SUPREME COURT DECISION

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I am appalled at the contempt the Government has shown for Parliament and for the courts in its haste to begin Cruise missile testing in Canada.

The Supreme Court of Canada today is hearing the challenge to the Cruise missile testing decision under Section 7 of the Charter of Rights and Freedoms. But even before the Court had an opportunity to hear the case, the Minister of National Defence told the press that the Cruise missile tests would begin in the next few weeks even if the Supreme Court had not finished dealing with the legal challenge.

That is not the first time the Government has shown its arrogance and contempt on this issue. In December, 1981, the Cabinet agreed in principle to allow Cruise missiles to be tested here. But even after these plans became public knowledge, the Government refused to launch a debate on the issue. On a number of occasions it refused the requests from Members of this House for a free vote. Then, Mr. Speaker, even though the Government had not exempted the Cruise testing from a legal challenge under the Charter of Rights, when the legal challenge was launched the Government tried to have it thrown out of court by arguing that the courts had no right to deal with Cabinet decisions on matters of defence and national security.

All we can say, Mr. Speaker, is that the Members opposite should hang their heads in shame for the contempt the Government has shown for Parliament and the courts in this matter.

S.O. 21

[*Translation*]

BILINGUALISM

ATTITUDE OF LEADER OF THE OPPOSITION

Mr. Gaston Gourde (Lévis): Thank you, Mr. Speaker. This morning, the newspaper *La Presse* showed quite clearly, I believe, that the Leader of the Opposition was over-optimistic in supporting the French fact in Manitoba. Last fall, he declared he had paid off the Progressive Conservative century-old debt to bilingualism. He has done nothing at all except confuse the issue even more, in an incredible situation where we have a spineless Leader and Members who thumb their noses at his gesture, stating that his token support for bilingualism is a pious wish and nothing more.

But where is the Leader of the Opposition who stated in an article in the newspaper *Le Droit* on June 13 of last year that he was the one who would determine the Party's main policy and that he would not tolerate any dissent? The House will recall that Robert Stanfield, a former leader of the Progressive Conservative Party, refused to ratify the nomination of Leonard Jones, ex-mayor of Moncton, as a candidate in the general election because of the position he took against bilingualism.

Where is the Leader of the Opposition when the Members for Winnipeg-Assiniboine (Mr. McKenzie) and Simcoe-South (Mr. Stewart) contradict his views on bilingualism? Could he today at least try to follow Mr. Stanfield's example and immediately order these two dissidents to leave the Party or to resign their seat, on such a fundamental issue? Francophones throughout Canada are waiting for the Progressive Conservative Leader to take action.

* * *

[*English*]

THE PAPACY

IMPENDING PAPAL VISIT TO CANADIAN MARTYRS SHRINE AT MIDLAND, ONT.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, Simcoe North and the Midland-Penetanguishene area in particular are extremely pleased and honoured that His Holiness Pope John Paul II will be visiting the Martyrs Shrine and Sainte-Marie among the Hurons during his visit to Canada. Six of North America's eight martyred saints were missionaries at Sainte-Marie. The Martyrs Shrine is of significant religious and historical importance because it is dedicated to those first canonized saints.

Under the capable direction of Father James Farrell a large, dedicated group of local volunteers is working very hard to ensure that the Pope's visit to the area is a success. They are faced with the difficult task of preparing for the attendance in the area of hundreds of thousands of people who want to see the Pope. It is therefore obvious, Mr. Speaker, that the Pope's visit to the Midland-Penetanguishene area carries its own significance and importance separate from his visit to Toronto.

Today I was quite distressed to note that some of the national media are treating the Pope's visit to Midland as merely a small part of his Toronto visit. On behalf of the residents of Simcoe North, and especially the thousands of people who will work many hours to make the Midland trip a success, I encourage the media to treat this visit as an entity separate from the Toronto visit.

* * *

• (1410)

FOREIGN INVESTMENT REVIEW AGENCY

CALL FOR ABOLITION OR CHANGE IN FUNCTION

Mr. Bill Yurko (Edmonton East): Mr. Speaker, it was a privilege for me recently to attend the Davos, Switzerland, Conference on World Economic Recovery and Security. Many issues were discussed. It became obvious that all nations were seeking international capital investment, both the equity and debt type, and were removing deterrents to such investments.

In Canada FIRA was, and is, a deterrent to foreign capital investment. Although it has been significantly restructured, it still remains as a massive psychological deterrent to foreign capital investment in Canada. The Agency should have its name changed, and it should be directing all of its efforts to encouraging foreign investment in selected key sectors of the Canadian economy. It should be made an asset rather than a liability to economic recovery in Canada. It was established in 1973, and has accomplished its task reducing foreign control of the private sector from 33 per cent to 26 per cent in 10 years. Today it is approving 95 per cent of the applications before it, and rejecting only 5 per cent, but psychologically it is still a major deterrent and nuisance. Let us get rid of it, or change its function and its name. Canada needs foreign investment—

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

* * *

[*Translation*]

OLYMPIC GAMES

TRIBUTE TO CANADIAN ATHLETE, GAÉTAN BOUCHER

Mr. Raymond Dupont (Chambly): Mr. Speaker, I would like to make a statement under the provisions of Standing Order 21 and call the attention of the Members of this House to an important event which has just occurred at the Olympic Games in Sarajevo.

Mr. Gaétan Boucher, who represents Canada in the sport speedskating competitions, has won a first gold medal in the 1,000 metre race. He also won a bronze medal a few days ago in the 500-metre event.

This honour which is reflected on all of us is very typical of Gaétan Boucher, who is the first Canadian to win a gold medal

in this form of sport. Needless to say, as Canadians we are all very proud of Gaétan Boucher's performance especially the people of Saint-Hubert where he resides. Quite recently, just a few months ago, the Gaétan Boucher Arena was built in Saint-Hubert to underline the sportsmanship of this athlete and the great things he is doing for amateur sports.

I wish to say, Mr. Speaker, that I am personally very happy about this young athlete's achievement and I would like to take this opportunity to congratulate him.

* * *

[*English*]

TOURISM

EFFECT OF TAXATION

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, on February 3 a Canadian, now residing in Florida, had his letter to *The Toronto Star* published. It, in great detail, described one of the key reasons the tourism industry in Canada continues to struggle. Due to government taxation, a gallon of gasoline sells for $2.30 in Windsor, Ontario, and just across the border it sells for $1.40 Canadian. This is a 65 per cent difference. Motel accommodation in Canada is almost double the cost just across the border. Alcoholic beverages in the United States are allowed to be sold competitively and are not taxed at an 80 per cent level, as they are here. Anyone who has ever been across the border also knows that restaurant meals and groceries sell for about half of what they do in Canada.

It is of vital importance that the Government realize that advertising campaigns and promotions, and even a bonus on the U.S. dollar, cannot undo the damage done by the Government's taxation policies. They are driving away both U.S. and Canadian tourists and ruining the tourism industry in Canada.

* * *

VIA RAIL

CALL FOR REOPENING OF EDMONTON-VANCOUVER SERVICE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, recently the Minister of Transport (Mr. Axworthy) recognized that an important link in the Via Rail network across Canada was that between Winnipeg and Edmonton, and announced the reopening of that particular portion. What is yet to be reopened, of course, is the link between Edmonton, Jasper, the North Thompson Valley, and the City of Vancouver, linking together one of the most important scenic potentials in western Canada. Unquestionably, Mr. Speaker, this has great tourist potential. It provides the ability to travel through one of the most spectacular parts of the world when it comes to natural beauty and pristine natural environments.

Considering Expo 86 is in the offing, and that 12 to 18 months of pre-planning are required in order to organize overseas tour packages, on behalf of the New Democratic Party I would urge the Minister of Transport to reopen the part of the Via western network linking the City of Edmonton with the City of Vancouver in order to allow the proper development, not only of the tourist potential of the western cordillera, but also to provide much needed services for the North Thompson Valley by the Via Rail system.

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—REQUEST FOR LIST OF APPROVED PROJECTS

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the fast tracking Minister of Employment and Immigration who, I suspect, was suffering from a little jet lag yesterday, which is the only way to explain some of the incredible statements he made in this House. Given the fact that on January 21, 1983, in reply to a question by my colleague, the Hon. Member for Rosedale, the then Minister of Economic Development indicated that 400 projects had been approved under the Special Employment Initiatives Program, and given the fact that in November of last year, in the Standing Committee on Labour, Manpower and Immigration, we were told that 844 programs had been approved under this Special Employment Initiatives Program for a cost of $138 million, can the Minister tell the House why he is not able to make that list available to the House? Could it be that it has been laundered in the back rooms of the Prime Minister's Office?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the answer to the second part of the Hon. Member's question is no. The answer to the first part of his question is that the request was put to us in terms of a list on a constituency by constituency basis. That was not the basis on which projects were approved and it, therefore, takes a considerable amount of time to compile. As I told the Hon. Members in the House yesterday, I will endeavour to have that list before the House as quickly as possible—I expect by next Monday, perhaps a little earlier, if I am able.

Mr. McGrath: Mr. Speaker, would the Minister make available to the House the unexpurgated list which was referred to last November? We will figure out the constituencies.

REGIONAL MINISTERIAL INPUT

Hon. James A. McGrath (St. John's East): I would like to ask the Minister, Mr. Speaker, why is it that this program only has input from regional Ministers, whereas the other four streams have input not only from Ministers and Members of Parliament, but from the public? Can the Minister tell us what

the difference is between the Special Employment Initiatives Program, which is supposed to be fast tracking, which has no public input, which has only input from regional Ministers, and the other four streams of his employment initiatives?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, there are several questions posed. The answer to the first one is that the list will not be an expurgated list. The list will not only be the one he asked for but one which is brought up as close to date as possible.

The answer to the second part of the Hon. Member's question is that the projects are suggested not only by regional Ministers, but are suggested by Departments, by Members of Parliament, by municipalities, and by a variety of agencies. No one is precluded from making suggestions as to projects which should be funded.

LISTING OF PROJECTS

Hon. James A. McGrath (St. John's East): Mr. Speaker, it is important that the Minister come clean with this House because his credibility is at stake. The whole concept of accountability is at stake here. We are talking about $300 million of public money which this Government has not accounted for to this House. I ask the Minister, whose credibility is on the line—he has already told us that $288 million of this $300 million has been spent—he has told us that there have been 844 projects approved—why is it that he will not release to this House, and to the public of Canada, the projects which have been approved. What is he trying to hide?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I am not trying to hide anything. As I indicated to the House yesterday, I am going to provide the list of projects—

An Hon. Member: When?

Mr. Roberts: If the Hon. Member who asks when had been in the House yesterday he would have remembered that I said I would try to provide it by Monday next, and perhaps even earlier than that, if I am able to do so. I remind the hon. gentleman who has posed the question that it is not only my credibility at stake. He reminds me a little of Queen Marie of Austria of whom it was said, "She cried and cried, and took and took." On one hand, the Hon. Member is now decrying this program to me in the House. On the other hand, he sent me a letter yesterday asking me to fund projects in his riding under that program.

GRANT TO COVENANT HOUSE, IN TORONTO

Hon. David Crombie (Rosedale): Mr. Speaker, my question is also for the Minister of Employment and Immigration. As the Minister may know, on December 8, 1983, the Liberal Member for York South-Weston announced in a press release that there was a grant of $230,000 to go to Covenant House in downtown Toronto, in the riding of Rosedale. Apparently she had, on behalf of the Minister, negotiated that grant during the months of October and November. At the same time I was negotiating with the Minister's own officials for 32 projects in my riding. I can assure the Minister that during all of that time neither I nor his officials—I checked this morning—knew of the fund the Minister is now talking about.

• (1420)

In short, behind my back, while I was negotiating for 32 projects in my own riding, the Liberal Member for York South-Weston, on behalf of the Minister, was able to negotiate a $230,000 grant. Does the Minister think that is an honest, fair process? Is that what he thinks this democracy is about?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the answer to the first part of the question is no. I had not remembered that announcement. I think that I probably would be glad it was made. Is the Hon. Member suggesting he would prefer not to have that project take place in his constituency? If the Hon. Member is suggesting that because he has projects which he wishes to pursue, and which he is properly discussing with civil servants, then every other Member of Parliament is precluded from talking about projects which will take place in Toronto, then I think he is demanding for himself a role of veto inappropriate to his position as a Member of Parliament.

ROLE OF OFFICIALS

Hon. David Crombie (Rosedale): Mr. Speaker, if the Minister wants to call his own officials in Toronto, as I did this morning, he will find out it was not only me and other Members of this House but his own officials in Toronto, all three of them, who deal with all job creation projects, were unaware of the fund the Minister and his Liberal friends in caucus were able to get. In short, what the Minister has done is totally circumvent any public accountability or process. There were 32 projects which were very important in my riding, and the same applies to other ridings. You do not have to know—you should not have to know—a Minister of the Crown in order to get a job grant.

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member who posed the question is, I believe, a very serious and responsible Member of Parliament; therefore I take his allegation seriously. I would say that I would be very surprised if I found on verification the facts which he has given to the House are not that entirely accurate, but I will pay him the respect of trying to ensure whether his version is indeed entirely accurate.

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM—AMOUNT OF EXPENDITURES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to shift attention to the Special Recovery Capital

Projects. In his Budget last year the Minister of Finance indicated that the recovery program was going to be led by these projects. Yesterday he indicated the Government's priority was to fast track these projects to make sure they provide maximum benefits to Canadians. Can the Minister explain to the House, given the intent to fast track these projects, why a confidential report from his Department indicates that, of the $625 million set aside for those projects, only $396 million has been spent to date? Why has it taken so long to get these projects under way when so many Canadians are hard pressed?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the projects have in fact gone forward at an accelerated pace. Some 232 projects with a total cost of $1.96 billion, some 81 per cent of the total $2.4 billion program, will have been started by February 28 of this year. There have, of course, been variations from region to region and from project to project, but I would be glad to provide the Hon. Member opposite with full information about the current status of the projects.

USE OF UNEXPENDED FUNDS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, considering that only $396 million of the $625 million allocated for the fast tracking of Special Recovery Capital Projects has been spent, a little over half, would the Minister of Employment confirm to this House that this money not spent will not appear in tomorrow's Budget as new additional job creation funds?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member addresses his question to me, but the Special Recovery Capital Projects are under the direction of my colleague, the Minister of State for Economic Development. In so far as his reference to what may or may not be in the Budget tomorrow is concerned, he will simply have to wait and see what takes place tomorrow.

NUMBER OF JOBS CREATED

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to ask the same Minister a very serious question. We are seeing a lot of money moving, so called, into the constituencies of Canada, it seems a great deal more into Liberal constituencies, but a lot of constituents are asking how much are we getting for this investment. How much are we getting for the $500,000 going into that Toronto riding? Has the Minister put into place something to ensure that the moneys spent on job creation are accountable? In other words, has there been some indication of the number of jobs created as a result of these investments?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman is making an assumption, and I would like to try to clarify the first part of his question. The only programs based on a constituency allocation are one component of the Canada Works Program and also a component of the Summer Canada Program. As I think we have tried to make clear repeatedly, the special employment funds on which Members have been commenting in the last few days are not allocated on a constituency by constituency basis.

Mr. Nielsen: Grit by Grit.

Mr. Roberts: As to the evaluation of the programs, it is true that in a general way we do try to analyse what the job impacts are. That can be more or less easy or harder to do depending upon the spin-off effects and the nature of the projects.

BUDGET EXPENDITURE TARGET

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the same Minister, and has to do with the Special Recovery Capital Projects Program announced by the Minister of Finance in last year's Budget. In that budget statement the Minister said "earth will be moved, steel will be rigged, and concrete will be poured". It is reported today that the 121 projects were divided into 283 subprojects and work had begun on only 13 by September. Only $388 million is going to be spent this year out of $725 million allocated.

In view of these facts would the Minister tell the House how anyone can be expected to believe anything in a Budget any longer when the last Budget said $725 million would be spent and only $388 million is spent? It is not steel that is going to be rigged, it is the truth that is going to be rigged. Will the Minister explain how he rigged the truth, and what will be the truth tomorrow? Can we believe a word in that Budget tomorrow about employment related projects?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the answer to the last question is yes, the Member can believe what is in tomorrow's Budget. The answer to the first question I gave earlier. I cited the 232 projects with a total cost of approximately $1.96 billion which will have been started by February 28. The projects are under way, the concrete is being poured, the steel is being erected, and the capital projects are going forward in the way foreseen in the April Budget.

PREPARATION OF ESTIMATES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my supplementary will not be to the Minister in charge of rigging; I will send it to the Minister of State for Finance. The official in charge of communications for this project, Robert Irvine, is quoted today as saying that federal spending projections were very rough at budget time last year. He goes on to say that $100 million was added to this fund as a result of the leaking of the Minister of Finance last year when he brought down the Budget. He says the Government has not yet figured how to spend that money.

Will the Minister tell this House how we can believe one word in the Budget tomorrow? How can we believe the Government when it says it is going to spend more on employment projects? How can we not believe the money that was not spent this year is being recycled? Can the Minister tell the House how he and his Government have any credibility left at all? Their reputation for honesty and competence is completely gone.

• (1430)

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the information is readily available to the Member opposite if he would take the trouble to inform himself. There is a document issued by the Special Recovery Capital Projects Board. It is a periodic status report up-date. The last one was issued on February 2. The Member opposite will find all the information that he requires in that document.

If that is not sufficient, the Special Recovery Capital Projects master list which is up-dated every so often, the last one being issued in November, sets forth in great detail the current status and the spending on each of the accelerated projects.

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—PRODUCTION OF PROJECTS LIST

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I want to pursue the cover-up that the Minister of Employment and Immigration has been having with regard to the Special Employment Initiatives Program. I want to ask him why it was—

Mr. Dingwall: Sit down.

Miss MacDonald: There are Liberal Members who are shouting "sit down".

Mr. Dingwall: You do not make sense.

Miss MacDonald: The reason is that they do not want to hear what it is that is coming out of their program.

On November 24 last, in committee, the Minister's officials said that they were able to provide the list of projects by province and give it to members of the committee. It was confirmed by the chairman of the committee that that information would be available. Why were the officials able to provide that list the day after, and the Minister has muzzled them for three months since that time? Why has he held up that information?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it really does seem bizarre for the Hon. Member to be accusing me of a cover-up. Last week in the House, as I have seen from reading *Hansard*, and if I remember correctly, she and her colleague, the Hon. Member for Rosedale, were asking for me to table the list and give them this information. That is exactly what I have agreed to do. I do not know how I can be accused of covering up when I have decided to do exactly what it is that they have asked me to do in the House.

The information for which she has asked will be provided to her in as updated fashion as possible, and as clearly as possible. I gave my commitment to the House, which I take very seriously, that I will do that by early next week.

Miss MacDonald: The procrastination of the Government in everything that it undertakes is evident in the way it has refused to produce this list. It has taken three months to do, or even to face up to something that could have been done in three days.

NOTIFICATION OF PROGRAM CRITERIA

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have one further question for the Minister concerning this program. On November 29 the Minister said to Members of the House in committee:

> There is really only one thing I can say to you: When you receive the criteria, if you believe there are some useful projects in your area which would meet the criteria, you send me the suggestions and I will consider them.

"When we receive the criteria". Why did he hold the criteria up for three months?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I explained to Members in the House yesterday, and I say it with some regret since I wish the criteria had been provided more quickly to Hon. Members, that when I asked for the criteria to be prepared I did not feel that it was put forward in a fashion which would make it easy for Members opposite to understand what the criteria were. I emphasized in the committee that the criteria were supple, flexible, and wide-ranging. All of that was presented in the committee.

The revised exposition of the criteria was available for me when we returned from our Christmas break, and fairly soon after that it was presented to Members of the House. I regret the delay, and if one wants to accuse me of being fallible from that point of view, I accept that criticism. It was not with any intention of depriving Members of the Opposition, and certainly not muzzling my civil servants.

Indeed, since we have received some suggestions and proposals from Members opposite, I think there is some evidence that they do not feel they were deprived of an ability to make suggestions for projects to be funded under the scheme because they did not have as precise details as they would have wished.

* * *

NATIONAL REVENUE

REQUEST FOR INQUIRY INTO VANCOUVER OFFICE PRACTICES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of National Revenue. Last week I revealed that in the Vancouver Regional Office of

Taxation Canada quotas have been in existence for some time, and senior staff in the Regional Office of Taxation in Vancouver literally attempted to cover up the evidence of such quotas by using typewriter white-out fluid on all internal memoranda which referred to these quotas.

In view of the fact that the Regional Director of Taxation has obviously misled the public in the Vancouver area with respect to the existence of quotas, and the circumstances of this cover-up, by using white-out typewriter fluid, will the Minister explain to the House the sequence of events in this incredible situation? Would he order an independent inquiry into the circumstances which led to this? In view of the actions of the Regional Director in misleading the public, will he suspend the Regional Director pending the outcome of that internal inquiry?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): First of all, Mr. Speaker, I must say that I was astonished at the comments the Hon. Member made to the press after that incident. I thought he was quite concerned and I maintain that he is probably one of the most concerned Members when it comes to individual rights. Yet I was surprised to hear him accuse, judge and condemn—as he has just done—the Director of the Vancouver Regional Office who, I believe, has offered an explanation concerning that situation.

I should like to remind the Hon. Member that the matter of quotas has been explained in the House on several occasions, particularly as it relates to auditing within the Department. I did indicate that instructions had been given to our auditors not to apply such quotas and that the policy had been implemented in regional offices. As to other forms of performance or production objectives for other staff in district offices, I said as well that those performance objectives had to be followed and indeed were being followed, while taking into consideration the nature of various duties and well-known management practices.

[*English*]

JOB DESCRIPTION REFERENCE TO WORK QUOTAS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, once again the Minister denies the existence of quotas and refers to performance objectives. How can the Minister explain the content of a confidential international memorandum which was in fact issued by his own Department's senior staff and is in effect right across Canada? It is a job description for a collections unit head, and states that one of the functions is to "establish work quotas for each function". How can the Minister continue to deny the existence of quotas when his own Department issues a job description which states that one of the functions of unit heads is to make sure that these very quotas are in fact met?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would rather not get into an argument with the Hon. Member, but I wish he would keep in mind that it is not the policy of the Department to expect its senior auditors to fill quotas. The Hon. Member is referring to a document dealing with something which has nothing to do with auditing. I am talking about auditing which, by its very nature, leaves no room for such quotas, and the production or performance objectives must be set on the basis of other factors. As to the other sectors, the practices concerning the setting of performance objectives are so designed as to comply with the very nature of the operations carried out by the various sections.

* * *

[*English*]

EMPLOYMENT

EXPENDITURE OF JOB-CREATION FUNDS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It relates to this corrupt perversion by the Government and the Cabinet of moneys that should be used for job creation in our country. I want to say to the Minister that it is a matter of morality in Government, and is being perceived as such by the people of Canada. Do not take my word for it; look at the resolution passed by the Liberal Party in full conference, which talked about the manipulative tactics of a small elite of the Liberal Cabinet in Government.

• (1440)

How can the Minister justify this slap-dash, haphazard kind of expenditure of an enormous amount of money with respect to these projects, when in fact a very substantial part of Canada has been ignored concerning the expenditure of moneys under the various programs? How can the Minister justify that in a free and democratic society?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I would say to the hon. gentleman, first and most sincerely, that no one on this side of the House has to take lessons in morality from that Hon. Member.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Roberts: The second thing I would say to the Hon. Member is that if he were in the House and were listening, he would understand the explanation for the structure which we have established, which is to cut through red tape in bureaucracy and to try to create jobs as quickly as possible through this supplementary program. That is its purpose, and I believe that has been effective.

Oral Questions

UNSPENT BALANCE OF FUNDS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, to get some idea of the enormity of the amount of money these fellows are giving away to their friends, I want to point out that the $300 million is equal to the Career Access Program to be used for employment opportunities for the young people of our country.

What money is the Minister now going to direct that has not now been spent? What amount does he now have that is available for the rest of the country and the rest of the Members of Parliament? Can the Minister be specific as to how much remains? What crumbs are there left for the rest of the people of Canada after he has dealt with his Liberal friends?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the funds that have been expended under this program have gone to a whole variety of groups, including municipalities, environmental organizations, church groups, and ethnic communities. I do not consider it an insult to have these people characterized as friends.

Mr. Nielsen: Grits.

Mr. Roberts: If the hon. gentleman is inferring that somehow these are political affiliates in some partisan sense, then he is insulting a whole variety of important and credible communities all across this country. He will regret those words.

The second part of the question, if he has asked how much more funding is available—

Mr. Epp: Are you suggesting an election?

An Hon. Member: The Opposition does not want an answer.

Mr. Roberts: The answer to the second part of the Hon. Member's question about how much funding is still available under this program is that there is somewhere roughly around $90 million, I believe, that has yet to be allocated.

COVENANT HOUSE—NEGOTIATION OF GRANT

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my supplementary question is to the person who negotiated on behalf of the Government the grant to Covenant House. I would therefore like to ask the Member for York South-Weston who authorized that Member to negotiate on behalf of the Government?

Mr. Speaker: With all due respect to the Right Hon. Member, a question can be directed to a Minister, a Parliamentary Secretary, or a chairman of a committee. Individual Members cannot answer. I regret to tell the Right Hon. Member that.

Mr. Clark (Yellowhead): Mr. Speaker, we, therefore, have a situation where an individual Liberal Member of Parliament can go out and negotiate on behalf of the Government but cannot be held accountable in this House of Commons to answer as to the program.

Some Hon. Members: Hear, hear!

Mr. McGrath: They destroy the system, and they applaud it. They are sick.

AUTHORIZATION FOR NEGOTIATION OF PROJECT

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, let me ask the Minister of Employment and Immigration my question. Who authorized the Hon. Member for York South-Weston—who gave her authority to negotiate a project in a constituency other than her own? Was it the Minister himself? Was it Senator Keith Davey? Was it an integral part of the Liberals' campaign for re-election? Do you need to know the Minister's private telephone number? Do you need to carry a card in the Liberal Party of Canada if you are going to be eligible for grants that are expenditures of public money designed to help all of the people of this country?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it is really good to see the former Leader of the Opposition in such fine fettle and to see him so applauded by his backbenchers.

Some Hon. Members: Hear, hear!

Mr. Roberts: Many of them must wish he were back in his old place.

The question of the Right Hon. Member is really claptrap. To suggest that no Member of Parliament should discuss with any group what possibilities there are of receiving funding under an existing government program is extraordinary.

Mr. McGrath: In somebody else's riding?

Mr. Roberts: Of course Members of Parliament on this side and Members of Parliament on that side discuss, time in and time out, time immemorial, various possibilities that groups might have of taking advantage, quite properly, of government programs. The right hon. gentleman is concerned about not having sufficient access. I will send him my telephone number. I will be happy to talk to him anytime he wants.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Mr. Speaker, what is at issue here is accountability, which is the core of this parliamentary system.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I have already had the Member for Niagara Falls, my twin, out in my constituency trying to

find clients for a program which the Member of Parliament for Yellowhead was not told about.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Let me come back—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Right Hon. Member for Yellowhead has the floor.

AUTHORIZATION OF ACTION

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my question is for the Minister of Employment and Immigration. It is the question I asked him before. Who authorized the Member for York South-Weston to negotiate on behalf of the Government of Canada the distribution of funds designed to bring credit to the Liberal Party in a constituency that was not her own? It is a simple question. Did the Minister authorize it? Did Senator Davey authorize it? Did Jim Coutts, who has had $1 million spent in his riding without, I would judge, agreement or consultation with the Member for Spadina—

Mr. Andre: It is the porkbarrel. It gets so greasy it is slimey.

Mr. Clark (Yellowhead): Who authorized the Member to negotiate that spending?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, just because the right hon. gentleman is having difficulty bringing forward clients to take advantage of government programs is no reason to preclude any other Member of Parliament, including the Member for Niagara Falls, from trying to fill in that vacuum. The short answer to the right hon. gentleman is, as he should know—

Miss MacDonald: Why are so many turned down?

Mr. Roberts: —that any Member of Parliament, indeed any citizen, can discuss with a variety of groups, any range of groups, how they might take advantage of government programs.

The negotiation, if you like, the signature of the contracts with the various groups that are concerned—a negotiation in that sense—is in the hands of my officials. There is no restraint on any Member of Parliament in talking about the possible advantages of programs and how they might be used. I invite members of the Opposition to do the same. It would be interesting to get some valuable projects suggested from them as to what we should do.

Mr. Crombie: Thirty-two projects, John.

Oral Questions

HAZARDOUS PRODUCTS

BABY BOTTLE NIPPLES

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I refer to an article in the December 26 edition of *The Toronto Star* concerning a United States report of carcinogenous substances in baby bottle nipples.

Some Hon. Members: Oh, oh!

Mrs. Appolloni: It is not funny, Mr. Speaker.

In view of recent United States regulations on nitrosamine levels in baby bottle nipples and pacifiers, does the Minister intend to take action in Canada with respect to these products?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, yes, as a precautionary measure I will be introducing regulations as soon as possible to spell out the maximum levels of nitrosamine levels in baby bottle nipples and pacifiers. It is a matter of some urgency. I would ask Members of this House to take this matter rather seriously. There is proof that it is a carcinogenic material as a result of tests with animals. The measures I am introducing include two levels of reductions. We will, for the period remaining of this year ask that these products contain 30 parts per billion of nitrosamines which will be reduced to 10 parts per billion by January 1, 1985.

• (1450)

I would hasten to reassure all parents in Canada that the products tested by my Department at this stage show that 75 per cent of them have levels of no detection or of lower than the 30 parts per billion. I want to reassure the parents of the country that most of the products they are using are indeed safe. We are releasing a list of the products which have been tested, and the levels indicated. In parting I would like to add—

Some Hon. Members: Order.

Mrs. Erola: —that this is obviously a case once again of the fact that there is really no substitute for the real thing.

* * *

NATIONAL REVENUE

REQUEST FOR MORATORIUM ON PROSECUTIONS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, my question is directed to the Minister of National Revenue. He will be aware of the Paul Graham case wherein Mr. Graham won his case under Section 31, in the Federal Court last fall, only to have the Minister then proceed to the Supreme Court of Canada with an appeal.

It has come to my attention recently that a judge in the tax court in Saskatchewan has thrown out a case in which Mr.

Neil Nikolaisen was appealing a reassessment under Section 31, and used the Graham case as a precedent. Because the whole matter concerning Section 31 is in such a mess as far as the courts are concerned, why will the Minister not call a moratorium on all Section 31 cases until the matter is at least cleared up in the courts?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I was not aware of the second court judgment mentioned by the Hon. Member. However, I wish to emphasize that I am concerned about the application of Section 31 with respect to those cases which it does not cover, because, as the Hon. Member knows, generally speaking, Section 31 covers only two categories and the problem lies with the third category, for which there are no specific instructions. I shall examine this second case he has brought to my attention.

On the other hand, I wish to remind him that we have decided actually to appeal the ruling in the Graham case because of the implication it could have in interpreting the Income Tax Act. However, I should underline to the Hon. Member and all the Members of this House that I am concerned about the interpretation of this Section and the audit practices, especially when losses are disallowed where a farming operation does not meet the test of a possible or probable profit.

[*English*]

Mr. Greenaway: I hope this issue will be addressed in the Budget, because it will not go away. We on this side of the House will continue to raise it until some relief is brought to many farmers across the country who are suffering under the heavy and hard hand of the Minister's Department.

SEIZURE OF TAX APPELLANTS' BANK ACCOUNTS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, my supplementary question is directed to the same Minister. Is it legal under the laws of Canda to garnishee bank accounts and to use third party demands to collect funds from taxpayers who are appealing their reassessments?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have already answered the Hon. Member many times. I do not recall which Section of the Income Tax Act deals with this matter, but it is clearly stated therein that, even if there is an appeal or an objection to an assessment notice, the Minister must collect the amounts which have been assessed.

[*English*]

EMPLOYMENT

GRANT TO ALLIANCE COMMUNITY SERVICES, TORONTO

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I have before me the letters patent of last February of the Canadian Alliance for Italian Integration and Culture, the discussion paper of the Liberal Party of last summer asking for a storefront operation for the Liberal party, the application of this society for a storefront office, and finally the grant of $583,000 to this group of prominent Liberals.

As the Minister of his Department, as the political Minister for Metropolitan Toronto, and as one who hopes perhaps to serve in a leadership capacity some day, when did he first find out about the Liberal connection with this particular grant and the opposition from the social services community in Metropolitan Toronto?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I want to thank the hon. gentleman for having sent me some of this information before Question Period. Unfortunately the background documents which were to have been attached to his letter were not there.

Mr. Crosbie: They have been shredded.

Mr. Roberts: I have asked my office to get them from his office, so I have not had a chance to look at all the material which he sent to me.

In relation to the two specific questions which I think he asked, the first being when was I aware of the representations made by the social service agencies, I became aware of those representations when they were made to me, which was after the contract for the grant had been signed. As to the question about the political connections, or the document outlining the political manifesto, or whatever it was, the answer is that I think I received it yesterday after the Hon. Member raised it in the House. It was a document which had been sent to me last week when I was not in the country. I believe my staff requested it when there were some newspaper references to it. But that was the first time I was aware of that document and therefore the alleged political affiliation of all these people in terms of the document which he has mentioned.

Mr. Waddell: The Minister might be interested in knowing that I checked with the Public Service in Toronto and was informed that this grant had the most perfunctory recommendation and that it had opposition to it; there are clearly Liberal connections behind the grant.

REASONS FOR AWARDING GRANT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Minister gave an interview yesterday after my question, to the *Toronto Star*. He was quoted as saying "that in approving a project and signing it, it was certainly not done on the basis of

any connections that the sponsors might or might not have had with any political party".

In view of the opposition by United Way, the opposition of the Social Planning Council of Metropolitan Toronto, and the fact that an organization called COSTI-IIAS has been in the business successfully for 30 years, why did the Minister approve such a duplicitous approach, which is a sell-out of the legitimate unemployed in Canada who have real needs?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, again there are several questions. I thought I made it clear in my first answer that the approval of the project took place before the representations from the various social agencies were received, as he just touched upon in his second question.

There are two other points I would like to make clear. First, groups or people are not precluded from applying for government programs because they have had in the past, or have in the present, some political affiliation. I am sure there are many people of New Democratic persuasion who apply for grants or for contributions. I can assure him that there is not a political determination in the decision making process when I approve or reject a proposal or project, because I do not inquire as to what is the political affiliation of the individuals applying for grants. I think it would be very wrong for me to do so.

I think it would be very wrong for me, for instance, to ask whether a group making a proposal from Toronto is or is not a group of NDP supporters, or whether that group is or is not a group of Conservative supporters. I do not think that is the appropriate question for me to ask in coming to a decision as to whether or not a project should be approved.

Mr. Waddell: What is the appropriate question?

* * *

FORESTRY

STATE OF INDUSTRY—GOVERNMENT POLICY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister of the Environment, with spare-time responsibilities for forestry. Last week the Government published a report once again reaffirming our worst fears, namely, that 15 years of deliberate policy of neglect have produced a situation where the forest industry is now in a state where we see major shutdowns, the lay-off of 60,000 direct employees in that industry, and shutdowns of large centres, regions, and communities, for which there is no other economic base.

What can the Minister tell us today in terms of any contemplation of new policies which would correct this situation, new policies which would put the spending of the Government under his control so that it is channeled into clear national objectives in terms of restoring our depleted forest base and renewing and protecting our forests from future ravages?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, without wanting to discourage the Hon. Member about my commitments to forestry matters, which are as intense as his, I draw his attention to the fact that the study, as I understand it, is based upon an assumption, namely, that there would be job losses if the renewal of forests does not take place in his province. Therefore the question is: will this take place?

• (1500)

I would like to bring to the attention of the Hon. Member that in the past three years in the Province of British Columbia, and I am quoting now from memory, there has been an investment on the part of the federal Government of $12 million, $42 million and $35 million respectively. We are committed to this renewal policy, but I must remind the Hon. Member that his province as well has to play a major role because it owns most of the lands.

NEGOTIATION OF AGREEMENT WITH PROVINCE OF BRITISH COLUMBIA

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, in September, 1982, the Government announced an expenditure of $130 million. It is realized that the federal Government must assert its responsibility through a federal-provincial agreement. Last week it became apparent that there would not be a renewal of the agreement with British Columbia this year, meaning that there would not be any spending in British Columbia this year of any federal dollars in the area of forest renewal and forest protection. Incidentally, how many other provinces will be deprived of this federal-provincial arrangement? The federal Minister has had a full year to renegotiate this agreement. Why is it he cannot come to terms with his responsibility and assert himself in the manner which is clearly his mandate?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I encourage the Hon. Member to check with his friends in Victoria, and not to arrive at hasty conclusions before the negotiations have been concluded.

* * *

PETITION

MR. BLAIKIE—DEATHS OF MILITIA MEMBERS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) on Monday, February 13, 1984, meets the requirements of the Standing Orders as to form.

Order Paper Questions

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

TABLING OF FIRST REPORT OF STANDING COMMITTEE

First report of Standing Committee on Agriculture—Mrs. Côté.

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 259, 353 and 365.

[*Text*]

NORTHERN TRANSPORTATION COMPANY LIMITED

Question No. 259—**Mr. Schellenberger:**

1. Does the Northern Transportation Company Limited designate barges for fuel service only and, if so (a) how many are in service (b) what types of fuel do they carry?

2. Do the barges carry deck cargo when not carrying fuel and, if so, are (a) they stripped of their fuel retains (b) the tanks purged prior to use of the deck area for vehicular traffic and storage of deck cargo?

Hon. Lloyd Axworthy (Minister of Transport): The Northern Transportation Company Limited advises as follows:

1. The barges in Northern Transportation's operating fleet are all dual purpose, capable of use for dry cargo and petroleum products. They are used for either or both types of cargo depending on the mix of goods to be transported.

The petroleum products carried include various grades of oil including bunker, diesel, leaded motor alkalite, aviation and motor gasoline, leaded and unleaded, and jet fuels.

2. It is current policy and practice that barges which have been in fuel service for highly volatile products and which are subsequently designated for dry cargo, are stripped and gas-freed prior to cargo operations.

DESIGN CANADA

Question No. 353—**Mr. St. Germain:**

1. For the fiscal year 1982-83 what was the total budget for Design Canada and what was its mandate?

2. In the same year, how many persons were directly employed by the Agency?

Hon. Ed Lumley (Minister or Regional Industrial Expansion): 1. For the fiscal year 1982-83, the total budget for Design Canada was $1,099,221, including salaries. Its mandate was to promote and expedite improvement of design in products of the Canadian industry.

2. In the same year, 20 persons were directly employed by the Agency.

"BUILDING FOR THE FUTURE: TOWARDS A DISTINCTIVE CBC"

Question No. 365—**Mr. St. Germain:**

1. With reference to the Department of Communications document entitled "Building for the Future: Towards a Distinctive CBC", what was the total cost of (a) concept and design (b) production and printing (c) distribution?

2. Was a private firm involved in any aspect of the preparation of this document and, if so, what (a) was the name of the firm (b) work was done and at what total cost?

Hon. Francis Fox (Minister of Communications): In so far as the Department of Communications is concerned, the answer to the above question is as follows:

			Cost	Supplier
1.	(a)	Concept, design and finished art ready for printer*	$ 5,924.90*	Wendesigns Ltd.*
	(b)	Typesetting production	$ 4,271.56	Canadian Government Printing Bureau—Jackson Plant
		Printing	$ 45,508.37	Canadian Government Printing Bureau
		French adaption and revision*	$ 4,200.65*	Alphascript Ltd.*
	(c)	Distribution	$ 2,517.19	Canadian Government Publishing Centre
Total			$ 62,422.67	

2. Asterisks above denote two private firms, their involvement and their costs.

[*English*]

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

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

[*Translation*]

Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

PRIVILEGE

MR. COOPER—ALLEGED INTIMIDATION BY CANADA POST OFFICIAL

Mr. Albert Cooper (Peace River): Mr. Speaker, I rise to make my final remarks regarding the question of privilege I raised in this House on February 6, 1984. I first want to say that I am, of course, not at all surprised that the Minister

disputed my facts. However, as the Minister well knows, that has absolutely no bearing on my question of privilege and is absolutely irrelevant to the case. The Minister's opinion is very important and it will be vital during the committee's consideration of this matter, but not until then. The fact is that a phone call was made—and I think we have agreement on that much—a telephone call in which my office was threatened that it should behave or act in a certain way or it would be treated in a certain fashion.

Second, the Minister would say that because I did not take the call to my office personally, what I say is just hearsay. If that is the case, the same must, of course, apply to the Minister's argument that I have no question of privilege. Clearly only a committee, after hearing all of the evidence, can decide what is fact and what is hearsay.

Beauchesne's Fifth Edition, page 114, Citation 322, reads:

It has been formally ruled by Speakers that a statement by a Member respecting himself and particularly within his own knowledge must be accepted—

Therefore, the question of privilege remains valid. Erskine May, Twentieth Edition, page 158, makes the indirect attempt to influence a Member as much a breach of privilege as the direct attempt when it says under the headline "Acts tending indirectly to obstruct Members in the discharge of their duty," and I quote:

Conduct not amounting to a direct attempt to influence a Member in the discharge of his duties, but having a tendency to impair his independence in the future performance of his duty, will also be treated as a breach of privilege.

The definition of "prima facie" as stated in Black's Law Dictionary, Revised Fourth Edition, page 1,353 is as follows:

Prima Facie. Latin. At first sight; on the first appearance; on the face of it; so far as can be judged from the first disclosure;

It is that element of possibility that I believe adds up to a prima facie case of privilege. For clarity, I refer to Erskine May, Nineteenth Edition, page 347:

It has often been laid down that the Speaker's function in ruling on a claim of breach of privilege is limited to deciding the formal question whether the case conforms with conditions which alone entitle it to take precedence of the notices of motions and orders of the day standing on the order paper of public business; and does not extend to deciding the question of substance, whether a breach of privilege has in fact been committed—a question which can only be decided by the House itself.

Clearly it is only the House that can ultimately decide on privilege. *Jerome Decisions*, page 30, rules when there is a doubt, in other words a possibility, the question should be put to the House. In *Hansard* for March 27, 1969, page 7182, the Speaker's decision noted:

At first blush I would incline to the view that it is the Hon. Member's rights as a former civil servant which are at issue. He has, perhaps, a grievance against the government in that capacity rather than in his capacity as a Member of Parliament. On the other hand, Hon. Members know that the House has always exercised a great care in attempting to protect the rights and privileges of all its members. Since there is some doubt about the interpretation of the precedents in this situation, I would be inclined to resolve that doubt in favour of the Hon. Member.

When the project officer to the President of Canada Post called my office, clearly she intended to influence my actions, violating Beauchesne's Fifth Edition, Page 22, Citation 67:

It is generally accepted that any threat to a Member, attempting to influence his vote or his actions as a Member, is a breach of privilege.

When she expressed her anger at my office for not clearing my question, she was attempting to hamper my freedom of speech; Beauchesne's Fifth Edition, page 20, Citation 55:

The privilege of freedom of speech is both the least questioned and the most fundamental right of the Member of Parliament on the floor of the House and in committee.

Finally, Beauchesne's Fifth Edition, page 23, Citation 72, reads:

Since 1867, the House has had a rule specifically forbidding the offer of money, or any other advantage to a Member.

I was offered an advantage to behave in a certain fashion or threatened with a disadvantage if I did not react in a certain way, a way that may well affect my ability to represent constituents. I cite Erskine May, Twentieth Edition, page 143:

It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence.

I believe this action from the office of the President of Canada Post was indeed an attempt to insult, threaten and influence my actions in this House.

The question here is not one of personalities but one of principles. It must, of course, be clearly understood by all Canadians that the independence of Parliament is paramount; freedom of speech in this House by a Member cannot be curtailed. I am prepared, if you find, Mr. Speaker, that there is in my case a breach of privilege, to move the appropriate motion to have this matter referred to the Standing Committee on Privileges and Elections.

• (1510)

Hon. Erik Nielsen (Yukon): Mr. Speaker, I wish very briefly to add one additional dimension to the principle of when or when not to find a prima facie case, which is all the Chair is required to decide at this point.

Given the circumstances and the confliction between the statement made by the Hon. Member for Peace River (Mr. Cooper), who raised the question of privilege, and that of the Minister who responded, I suggested that this is the position the Chair is in. In order for the Chair to come to the decision that there is no question of privilege, the Chair must make a judgment upon the acceptability of one or other of the positions taken. In my respectful submission, that is not the business of the Chair. If the Chair decides that there is a question of privilege to be dealt with, the Chair is not making that value judgment but is coming to the conclusion that the conflict between the two statements that have been made is a matter that must be put to the House. Quite frankly, I believe that is the position which the Chair is in and which the Chair should take.

The question that the Hon. Member for Peace River raises is the closest to the privilege bone that we have come, certainly in your tenure in the Chair, Mr. Speaker. Indeed, when

comparing it with a good many previous questions of privilege raised in this Parliament, it is one of the most substantial and serious that has been raised thus far. No other Members have participated in the conflict that exists between the Minister and the Member, both of whom are entitled to be believed on the basis of their status as Members of the House of Commons. Clearly the conflict should not be resolved by the Chair. That is what urges me to submit to you that this is a very proper question to be put to the House, and it should be.

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I heard only the concluding remarks of the House Leader of the Opposition. One thing strikes me in his remarks, he seems to be talking about a conflict between the Hon. Member and the Minister. There is no conflict between the Member and myself. The Hon. Member alleged in the House that his privileges had been breached as a result of a telephone conversation with an employee of the Canada Post Corporation. I enquired and it would seem that he did not speak directly to that Canada Post employee. Consequently, his whole question of privilege is based on the remarks of a third party which were conveyed to him. In other words, his so-called question of privilege is based on hearsay and that is why I do not see it as a matter of privilege. It is more a question of disagreement between parties, as happens regularly in the House when Members on either side do not see eye to eye. I would submit, Mr. Speaker, that is a matter of disagreement rather than a question of privilege.

[*English*]

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I want to intervene only very briefly in this matter. Because this matter arose and it did appear to be the closest I have seen to real privilege, I did some reading.

You cannot, of course, be asked to make a decision of fact in this matter. We have been hearing hearsay. If you think there is a prima facie case, that is the very reason it should be sent to the committee for it to decide. It strikes me it is very much like a preliminary hearing. It is not for the judge at a preliminary hearing to decide the facts. From the evidence which he hears he has to decide whether there is sufficient concern to send the matter on for a proper trial. This is the same as the historical reasoning for having grand juries. Only one side ever presented its facts in front of a grand jury. A grand jury never tried the facts.

It seems to me that you have been given some information which is hearsay. You cannot decide on the basis of hearsay. I do not believe you can decide that there is a dispute between the Members because there is not really a dispute between the Members. The matter arises before that. I believe the allegation in existence is one which would derogate from the privilege of a Member of Parliament. I do not feel it can be decided in this Chamber.

If there is a sufficient basis, from all the reading I have done I think the proper way to handle it is to get it out of the Chamber and into a committee where a decision can be made based on the facts by calling the various people themselves. The committee will have evidence from the people who are directly involved rather than hearsay. I hope you will find so.

Mr. Speaker: It is the intention of the Chair to review the record carefully and reserve decision for the moment.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—
JOB-CREATION POLICY

The House resumed consideration of the motion of Mr. Riis:

That this House condemns the government for:

1. employing corporate tax handouts to produce business profits without any guarantees that such tax benefits would result in new investment or job creation;

2. increasing the tax burden on Canadians at the very time when more stimulus is needed in the economy; and

3. allocating job-creation funds in a partisan fashion not based upon local employment levels.

And the amendment of Mr. McGrath:

That the motion be amended by deleting the period after the words "levels" and adding the following thereafter:

"instead of focusing on job-creation programs open to all eligible Canadians, such as career access and refundable employment tax credits".

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, as I was saying before two o'clock, we are debating a New Democratic Party motion today on our so-called allotted Opposition Day on which it is the function of the Opposition Parties to raise grievances with respect to Government policies. The New Democratic Party has finally decided to train its weapons on the Government for a change.

We are supportive of this resolution with respect to the confidence of the Government for a number of reasons. If there were any doubt with respect to the cynicism with which the Government benchers have dealt on this particular issue, there can be no doubt now. Government Members are equally as guilty as the Liberal Cabinet. During the course of Question Period every Liberal back-bencher was smirking, hooting and hollering approval of the cynical misuse of public funds. The people of Canada will not forgive this approbation they have given to the activities of a dying Government in its dying days.

It is not often that I join with the New Democratic Party, Mr. Speaker. I try to help them when they are right. There are three things which are certain in life. One is death, the second is taxes, and the third is that the NPD will be 15 per cent in the Gallup poll. These are the three certainties of life. Notwithstanding, I am going to stand by my colleagues to the left, carry on and try to support this particular motion, which is a serious one.

It occurred to me in Question Period today that the responses of the Minister of Employment and Immigration (Mr. Roberts) were absolutely untenable—

Mr. McGrath: Unbelievable.

Mr. Hnatyshyn: —unbelievable—

Mr. McGrath: Incredible.

Mr. Hnatyshyn: —incredible. My colleague from St. John's East (Mr. McGrath) has every adjective which would be appropriate to list. If he would provide me with a list at the end of my speech I will table it with the unanimous consent of the House.

It reminded me very much of the Christmas ditty. Here is the Liberal version of how moneys are going to be expended for job creation. I am not going to sing it, but as I recite it you will understand what I am saying.

• (1520)

In Question Period today the Minister of Employment and Immigration (Mr. Roberts) said he was making a list, checking it twice, and was going to find out who was naughty or nice. Santa Claus is coming to town!

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: That is exactly what is happening with this group. The Minister was asked a direct question today with respect to the misuse of public funds which is occurring. I tried to bring out the magnitude of the amount of the slush fund. Do people realize how much money is dedicated for political patronage purposes in the country? It is $300 million, with no criteria applied with respect to employment levels in any part of the country but, rather, whether some Liberal somewhere says that there might be political advantage with respect to the expenditure of the moneys in one part of the country or the other.

This is an unacceptable fast track and it is the difficulty with the "grants by government" approach to job creation. The imperfections are clear. The program is subject to abuse, subject to the kind of political influence which bears no relationship to the efficient and proper expenditure of money.

I am glad that the New Democratic Party has raised this issue on the floor of the House of Commons. The Minister of Employment and Immigration refused to bring forward the criteria although a request was made some months ago. The real problem with the Minister is that he was afraid that if he let the criteria out, it would be understood by all Canadians. He was worried that all the money had not been given away at that time. That is a simple fact. By the Minister's own admission there is $19 million left which is available for Members of Parliament on an equal basis. The criteria were only released by a memo of the Minister of Finance (Mr. Lalonde) on February 1. That is not an irrelevant amount of money but it is crumbs in comparison with the $300 million or $150 million per year.

As the Hon. Member for Restigouche (Mr. Harquail) points out, and I could not agree more, the money is needed. I know the Hon. Member for Restigouche and the Hon. Minister of Public Works, (Mr. LeBlanc), both from the Maritimes and for whom I have great respect, are not the type of people I would associate with seedy, corrupt and unpalatable patronage practices. They take their responsibility seriously so I know they will understand that many people in the country are suffering as a result of unemployment. We can argue back and forth about whether Government policies or lack of policies have much influence on the rate of unemployment. I am simply saying that the facts are that the official rate of unemployment is 11.2 per cent while it is 24 per cent for youth unemployment. Then there are the hidden unemployed who are not even trying to get jobs, which would raise the total unemployment figure even higher.

Why are we raising this issue with respect to the exercise of patronage by the Government, Mr. Speaker? We are doing it because on this side of the House we believe that the moneys available should be spent in a fair, equitable and effective way on behalf of the people of Canada who are unemployed. If it is necessary in order to get appropriate spending for Saskatchewan, I will be glad to work with the Cabinet Minister from Saskatchewan in the other place, Senator Argue. He was our version of Santa Claus. When he came into Cabinet he had a beard. He shaved it off so he is no longer Santa Claus, but simply a Liberal Minister going out, without consultation, and spending money in Saskatchewan. As the Hon. Member for Yorkton-Melville (Mr. Nystrom) has pointed out on a number of occasions in the House, he is spending it without any reference to employment levels or unemployment levels in the province.

In 1983-84, $30 million was spent on the job corps and in 1984-85 it will be $40 million. How does that compare with $300 million that the Liberal Cabinet has in its slush fund? A group of unelected, unaccountable advisers to the Prime Minister (Mr. Trudeau) is manipulating, to use the words of the grass roots of the Liberal Party who in open convention by resolution condemned the Government and leadership of the Party. They accused the Government of patronage and manipulation. They accused it of disregarding the parliamentary wing. They said that the parliamentary supporters were nobodies. They are somebodies now for they each have $500,000. That is a very cynical way in which to garner support for the leadership of the Party.

When we see that kind of public expenditure, Mr. Speaker, I can only quote Oliver Cromwell in 1653 in the Rump Parliament when he said:

> You have sat too long here for any good you have been doing. Depart, I say, and let us have done with you. In the name of God, go!

Mr. Deputy Speaker: Questions, comments? Debate.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I appreciate the opportunity to participate in this debate. I will deal particularly with the first part of the motion which condemns the Government for employing corporate tax hand-outs to

produce business profits without any guarantees that such tax benefits would result in new investment or job creation. For some time I have been concerned with the manner in which the Government is handing out moneys under both Summer Canada and the 1983-84 Canada Works program. I have made these views known to the Minister and I feel it is worth bringing them to the attention of the House.

The first part of my remarks will refer directly to the number of occasions when I, as a Member of Parliament, have intervened on behalf of individuals who have been trying to get either a loan from the Federal Business Development Bank or a mortgage from the Farm Credit Corporation. When we intervene on behalf of individuals in our ridings and deal with institutions such as the Federal Business Development Bank, we are told that the loan which a constituent wants does not fall under the terms of its mandate. When we go to the Farm Credit Corporation on behalf of farmers who, under the Liberals' high interest rate policy, have suffered severely, we find that it is out of funds.

Under the circumstances I find that I cannot agree with a program designed to give money on a donation-grant basis to profit-making enterprises on the basis that the events described in a Canada Works program application will produce jobs. That is my first objection to the method by which the Government hands out money under these programs.

My second objection is to the method by which the Government makes these programs available to the people in the riding. As far as I am concerned the advertising and information programs which tell a business firm in Simcoe North that it can or should apply under either the Canada Works or the Summer Canada Program is woefully inadequate. In my opinion, only the most extensive advertising campaign and effort to contact businesses in the riding would result in every business in my riding being in a position to apply for the programs. I am just not convinced that has been done. I have not seen enough in the way of advertisements. I do not believe there have been enough mailings to ensure that every business in my riding is on an equal footing. Therefore, I have two problems so far. First, I cannot get the loans under given programs, under a given institutional setup and, second, under the Canada Works and Summer Canada Programs, the advertising and information process is woefully inadequate.

• (1530)

My third point is that the employees of Canada Manpower are the civil servants who determine which applications should be accepted and sent forward to the Minister for approval. I have interviewed the people in Canada Manpower in my riding of Simcoe North who make these decisions and I believe that in my particular case, although they mean well, Mr. Speaker, meaning well and being able to do well are two different things. In my opinion, the employees of Canada Manpower do not have the training and are not in a position to make value business judgments which I, after 25 years as both a chartered accountant and a lawyer, would hesitate to make. I do not doubt their sincerity, but I doubt their qualifications to make those value judgments. I suggest to you, Mr. Speaker, that the Government is at odds with itself. In the former Department of Industry, Trade and Commerce the Government had qualified and trained civil servants in the field who were in a position to make these decisions. In my opinion, Mr. Speaker, as a result of the programs the Government has available to it, it has the qualified people from the former Department of Industry, Trade and Commerce to make these decisions. Unfortunately, those are not the employees or civil servants who are making the decisions. Instead, we have the Canada Manpower people who are not trained or qualified to make decisions whether any application will in fact produce jobs.

I would like to focus on that particular point for a moment. Will those applications under the Canada Works Program or under the Summer Canada Program in fact produce the number of jobs they say they will? I refer to an article published in *The Globe and Mail* between Christmas and New Year's wherein a report produced for the Ontario Development Corporation indicated that until 1979 the number of jobs created by loans was 39 per cent fewer than the number of jobs which the applications said would be created. In other words, Mr. Speaker, there is a very definite gap between the number of jobs which applications say will be produced and the number of jobs actually produced, according to the Ontario Development Corporation. They key difference between those Ontario Development Corporation applications and the applications we are dealing with here is that the Ontario Development Corporation lent money, whereas in fact under the Summer Canada and Canada Works Programs we are granting money. We are giving it away. I suggest to you, Mr. Speaker, and to Hon. Members of the House, that we are making a mistake when we simply grant money holus-bolus and depend upon that alone to create jobs. Those jobs will more likely be created, I suggest, if the moneys are given by way of a loan.

Something else which bothers me about the programs we have, Mr. Speaker, is that they do not appear to carry with them sufficient penalties to police a program effectively and return the money to the Government if the applicant fails to live up to the qualifications of the program. In fact, there are no penalties in the programs other than simply discontinuing the grant. Therefore, we have a situation where the Government is giving away money by way of grants with no penalties available to it under the process if in fact those jobs are not being created.

Let me deal for a moment with my position as a Member of Parliament. I suggest to you, Mr. Speaker, because of what I have said, that we—and I include all Hon. Members of the House of Commons—are placed in a difficult position, no matter what our political background. If a Member of Parliament approves one application over that of an applicant's competitor, we are placed in an untenable position. If an applicant in a certain field of business hears about a program and makes an application, and another applicant, or other applicants, do not hear about it, how can they be considered to be on an equal footing with the successful applicant? What is

our position when we as Members of Parliament, dealing with, as I suggest, relatively untrained civil servants, put the final seal of approval on those applications? I suggest to you that where we have applicants competing in the same field of endeavour, such as the tourist business or the manufacturing of certain types of sports and athletic equipment—and in a riding such as mine one can determine who they are—we as Members of Parliament, are placed in an untenable position. If we endorse the application of an applicant, and that application is successful, and we find out that that particular applicant and his employees support our Party politically, are we then subject to the charge that we have engaged in pork barrel politics? Since we are now putting a personal stamp of approval on these applications, if we turn an application down, are we to be subjected to doubts about our judgment because of the very close contact which the Government wants Members of Parliament to have with the applications?

Beyond that, Mr. Speaker, I want to address the question of helping businesses with a proven track record with these grants. I would not have as much difficulty with this question if we were lending them money. But we are granting them money, we are taking the taxpayers' money and giving it away under the Summer Canada Program and the Canada Works Program. I believe we would be doing a better job with the taxpayers' money if we were lending it. I would even be happy if we had a system of forgiveable loans, whereby if a company said it was going to create 50 jobs and it received $100,000, and at the end of the year 50 jobs were created and in place, the $10,000 could be forgiven. At the end of the second year, another $10,000 could be forgiven if the jobs were still in place. But I have very serious doubts that we do justice to the taxpayers when we give their money away.

To go one step further, what about the applicants who receive funding under these grants, who put this funding into fixed assets and then sell out? They build their buildings, which were going to house the employees for these new jobs, and once they have them built, they sell the buildings and they are on their way. There are no penalties, Mr. Speaker. These people have made a windfall profit on the backs of the Canadian taxpayers. There is no provision in these grants for second mortgages going back to the Government, nothing to hinder this from happening, and that is what I object to. Even if we are going to grant money—and I suggested earlier we should lend it—surely to goodness we should put a hold on the fixed and movable assets. In Ontario we would do it by a mortgage and personal property security lien. Surely we owe it to the Canadian taxpayers to protect them from people getting money under these grants, building the fixed asset, selling out, and then, first thing you know, moving to Florida. We have not done that, and that is what I object to.

• (1540)

I zeroed in on my particular area in my comments, Mr. Speaker, but I believe they apply to ridings all across the country. I want to say specifically that I am in no way reflecting on the civil servants I have dealt with in the Barrie office of Canada Manpower. I have had nothing but excellent relationships with them when we came to discuss funding for non-profit organizations. My concerns are strictly with the entry of the Government holus-bolus into the granting process to profit-making organizations.

Beyond that, Mr. Speaker, I want to touch upon what I think this method of funding has done to the volunteer sector of our society. I think it is important to get this on the record. The policy of the Government has been to fund volunteer organizations for one or perhaps two years but no further. It does not want to get into long-term funding of volunteer organizations. However, over the past four or five years what has happened is that volunteer organizations have looked at the source of funding and said, "We have a program which will fit in; we want that funding and we are going to use it". They get the funding, use it for one or two years and then find that it disappears under the criteria. I suggest that this has worn out the welcome of a lot of these programs with the volunteer sector of our society. They have found they cannot continue without the funding. It takes a year or two to get the kinks out of a program and get it rolling, then the funding goes and they cannot continue. I suggest that if we are not at the point, we are very close to the point where the volunteer sector is going to be suspicious of these programs. I raise that flag of warning that we are doing a disservice to the voluntary sector.

I want to close, Mr. Speaker, by saying that I support wholeheartedly and have addressed my remarks to the first part of the NDP motion. I feel very strongly about the dangers we are facing with this type of program. I am on record with the Minister as saying I will not touch, look at, sign or have anything to do with grants to the corporate sector of my riding because of the danger I have outlined here. I continue to be very interested in making funding available to the volunteer sector, especially in my riding. I worked very hard to get funding for the Huronia Tourist Association, which has a program to house people connected with the Papal visit. I have done that, and I am fully in support of whatever we can do on a one-shot basis for these types of programs. However, I raised this question with the Auditor General. I suggested to him, in my capacity as Member of Parliament and in my capacity as Chairman of the Standing Committee on Public Accounts, and I suggest to you, that one or two years down the road the Auditor General will look at how many jobs were actually created compared with the number which the application said would be created by way of a grant or hand-out. I suggest to you, Mr. Speaker, the jobs are just not there for the reasons I have outlined.

[*Translation*]

Mr. Deputy Speaker: Questions, comments, debate. The Parliamentary Secretary to the Minister of Employment and Immigration.

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, concerning the motion before the House today, we on the Government side should not be surprised at the fact that all kinds of

allegations are being made regarding the Government's job creation programs. They are so popular it is almost inevitable. The Member for Kamloops-Shuswap (Mr. Riis), who moved today's motion, knows how strongly Canadians support the Government's efforts to sustain our economic recovery. The Hon. Member is also aware that one of the most reliable ways of sustaining economic recovery is direct job creation.

Mr. Speaker, this country's greatest resource is its people. We must remember this when, owing to circumstances, the State has to play a greater role in supporting the economy. The federal Government has a responsibility to keep the impact of economic upheaval on the Canadian people to a minimum, and we have seen that such economic disturbances are often worldwide, as in the last recession.

We firmly believe that it is up to the private sector to provide jobs that will enhance the lives of Canadians. However, the Government has a duty to take measures to create an economic environment that will promote job creation. Sometimes, Mr. Speaker, the Government must play a life-saving role as we have seen in recent years when certain large corporations had to be helped. We spared no efforts at a time when, as I just pointed out, the world economic situation was going through a deep recession which had a very severe impact on the labour market. At that time we promoted the concept of work sharing, to keep the number of Canadians being laid off to a minimum.

During that same period, recognizing the fact that short-term solutions were not enough, the Government established a new National Training Program to help workers adjust to changing labour market conditions. Looking back, we have to admit that this country was able to pull through in better shape than other countries thanks to a more enlightened use of economic "cushions" such as our job creation programs and Section 38 of the Unemployment Insurance Act, which was used in a novel way to create thousands of jobs in the mining, forestry and fishing industries. Mr. Speaker, the Government has a duty to help the neediest groups of our society, and that is why a number of job creation programs focus especially on those groups that are most severely affected by unemployment. Similarly, we must ensure that regions particularly affected by factory or business shutdowns leading to massive layoffs are clearly identified, before proceeding with a fair distribution of grants. This is one of the reasons why, for instance, a number of ridings will receive more than the basic grant provided under the Canada Works Program.

Mr. Speaker, job creation is a subject that will continue to be discussed in the House, because thanks to additional funding announced in the Speech from the Throne, the Canadian Government's Job Creation Program for 1984-1985, including Canada Works, will have a budget of over $1.1 million, not counting expenditures for the present fiscal year, during which 260,000 people will have benefited, through these programs, from a total investment of $805,700,000. There is hardly a Member in this House, Mr. Speaker, who has not seen some very successful undertakings among his constituents, thanks to these job creation programs. As a result, many organizations, have been able to help Canadians earn a minimum wage while helping the community. Mr. Speaker, what about the active role played by the private sector which, among other things, sponsored over 22 per cent of Quebec projects under the NEED Program? What about the sustained efforts on the part of municipalities which are anxious to promote employment development? We have to admit that, both in job creation and vocational training, the Canadian Government has made a tremendous effort to support the private sector so as to ensure a sound economic recovery.

• (1550)

I would suggest that more often than not people have a tendency to discredit programs which foreign countries try to emulate or fit into their policies and which make it possible for workers to regain the satisfaction of having a job while doing something useful for the community, not to mention the fact that a good many of those jobs turn out to be permanent. For any youth who lands his first job ever, it is like money in the bank when he eventually seeks permanent employment, because he can indeed say that he has experience which he would not have gained otherwise.

Since I have this opportunity, Mr. Speaker, I would like to review the four new job creation progams sponsored by the Canadian Government which resulted from streamlining twelve employment programs. I would be remiss if I failed to point out that those new programs were structured in close co-operation with private industry, other Government levels, labour leaders and spokesmen for the education sector.

Two programs—Career-Access and Job Corps—are designed to get the best out of our human resources. In other words, they are designed to help people get ready to occupy a full-time job and to join the labour force. Another progam, Canada Works, is aimed at the employment problems caused by the economic recession or by any other unforeseen disturbance on the labour market, for instance, the closing of a plant or a business, massive lay-offs, and so on. The fourth program, known as LEAD, or Local Employment Assistance and Development Program, is aimed at the community. Its purpose is to stimulate and support the development and growth of employment locally.

Let us look first at the Career Access Program. If we exclude operational expenditures, some $294 million were allocated to this program for the year 1984-85 to create opportunities for those who find it very hard to get permanent jobs. Its main thrust is to tackle one problem which has become more serious these last few years, namely making the transition from classroom to workplace. Through the Career Access Program, we can bring practical solutions to two problems which have concerned many people for too long,

namely, how to obtain a job without the skills and the experience required, and also, how to acquire the experience and the skills required if you cannot get a job. The Career Access Program offers a wage subsidy to employers who hire young people and give them on-the-job training. The subsidy, applicable for up to six months, can reach 50 per cent of the gross wages paid to the participants. The jobs created under this program consist essentially in training workshops designed to help participants acquire the skills they need to become eligible to full-time employment. The Career-Access Program provides also for the payment of financial assistance to handicapped and otherwise disadvantaged people, as well as to those who are returning to the market place after being away for a long time. The initial grant which is paid to these people may amount to 85 per cent of their gross salary. This grant may be paid for up to 12 months on a decreasing basis. In some cases, a contribution of up to $10,000 may be paid toward the cost of providing facilities and equipment for the handicapped. Some 92,000 new participants are expected to avail themselves of the benefits of Career-Access Program during the fiscal year 1984-85.

The Job Corps Program, which has a similar objective, has been designed especially for those who are disadvantaged in some way or another in the area of employment. They may be physically or mentally handicapped or they may suffer from a severe social problem, such as former alcoholics or drug-addicts or offenders who need help to become productive members of society again, as well as other disadvantaged people. The Job Corps Program, which provides also for salary subsidy payments to businesses, organizations, community groups and individuals, offers disadvantaged people the opportunity of acquiring the skills, motivation, work habits and experience they need to become full share members of the work force. The program provides also for counselling services and training. For the fiscal year 1984-85, the Job Corps Program has available some $37 million, exclusive of operational costs, but including $19 million earmarked for the creation of jobs for young unemployed people. Some 4,700 new participants are expected to avail themselves of this program within the next two years.

Mr. Speaker, let us now have a look at the LEAD Program which, as I have indicated, is aimed at providing funds to encourage local development and create jobs in regions which are constantly suffering from acute unemployment. To achieve this, the program uses certain processes, including some which are somewhat complex; but no matter how complex they are, their common objective is to increase the number of jobs within the community by favouring the setting up of new businesses and the expansion of old ones. The LEAD projects must reflect the community's priorities and be consistent with a local development strategy. These projects will benefit not only to the unemployed who will find jobs, but also to the local businesses and organizations, as well as to the community as a whole. The program provides also financial assistance to help communities identify their needs and plan their own expansion strategies.

For the fiscal year 1984-85, the monies allocated to the LEAD program amount to some $100 million, which should allow for the creation of some 17,700 jobs on a national scale. As is the case with other programs, the salary paid to the various participants under the LEAD Program should not exceed the salary paid for a similar job in the same area. Moreover, the approved projects should not be a source of unfair competition for already established businesses or organizations.

And now we come to the Canada Works Program which has a total budget of $488.4 million for the fiscal year 1984-85. Its purpose is to compensate for the loss of jobs in a recession period and to alleviate the impact of any unexpected turmoil on the labour market, as I have already said.

The Canada Works Program offers financial assistance through contributions to a wide variety of projects which nevertheless must meet certain criteria. As a rule, these projects must create at least three full-time jobs and last between six and 52 weeks, except in the case of summer jobs for students which have an 18-week maximum duration.

The proposed projects must match the skills of the participants with the job requirements. At the time of review their impact on the local economic development and their advantages for the community are assessed. The participants selected from among those unemployed for at least 8 weeks, are introduced to prospective employers whose projects have been accepted through the nearest Canada Employment Center. Priority is given to job seekers who are no longer eligible for unemployment insurance benefits, to welfare recipients or to the laid-off workers receiving unemployment insurance benefits. Under the Canada Works Program, a contribution of up to $325 per work-week may be paid as well as up to $125 for non-salary costs. The Federal government has therefore allocated over a billion dollar to these four job-creation programs in 1984-85. You will surely agree that this is an extremely cost-efficient investment, Mr. Speaker.

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. Earlier in this debate today I was chastised by the Speaker for reading from a document which I was unwilling to identify for what I believe were good and sufficient reasons. It is obvious that the Parliamentary Secretary is reading from a document. I wonder if the same standard would not apply and if the Parliamentary Secretary could identify for us whether it is simply a departmental brochure, or exactly what document it is that he is reading?

Mr. Deputy Speaker: In a sense, I suppose the point is well taken. The present occupant of the chair feels that while no one should literally be chastised for reading from documents, there are ample precedents. Beauchesne deals with the matter.

Members may find inspiration in notes to quite some degree. My interpretation of the practice is that one should not, for example, read a speech that has already been given in the House. That is one obvious purpose of avoiding the reading of texts. Beauchesne also says that Hon. Members may, in questions of a technical nature, for reasons of precision to ensure that the House has the best information possible, quote extensively from notes. However, the Chair feels it is up to each Member to determine, in his own best judgment, to what extent he has to quote or inspire himself extensively from notes. The Chair is not in a position to judge effectively from this distance to what degree an Hon. Member is in fact reading his speech. It is a matter of judgment which the Chair prefers to leave to Hon. Members to decide for themselves. There are instances where a Member may literally pick up a text, it could be a magazine, it could be *Hansard*, and proceed to read from it. That is not a speech in the true sense of the word. However, I have made my comments. I will listen to the Hon. Member again if he wishes to comment further.

• (1600)

Mr. Hawkes: Mr. Speaker, I appreciate your comments. This morning I had a document authored by someone. I was not prepared to put the author's name on record because there could be difficulties for the civil servant who gave me the document. In this case, if the Hon. Member were simply to indicate he is the author of the document, that would end the matter. If it is someone else's document, or another person's document from which he is reading, perhaps he could follow the procedure and let us know who the author of the document is as he continues to read it.

Mr. Deputy Speaker: Order, please. As the Hon. Member appreciates, I was not here this morning. I cannot and I would not want to pass judgment on the words uttered by the occupant of the chair at that time. I am led to understand the Hon. Member was quoting from a document this morning. Beauchesne addresses himself to that matter. It is incumbent upon Members who quote from documents to indicate the author or the source of the quotation. I understand that is standard practice. That could well be the point to which the occupant of the chair wanted the Hon. Member to address himself. There is strictly no prohibition from quoting from documents. Beauchesne requires the source or the author of the document to be identified. I think that was the conundrum of the House this morning. Otherwise I see nothing wrong with the Hon. Member continuing with his speech at this stage. I understand he is not quoting but making a speech.

[*Translation*]

Mr. Deputy Speaker: I would inform the Hon. Parliamentary Secretary that he has one minute left to conclude.

Mr. Dubois: Mr. Speaker, I have the feeling that the Hon. Member's comments have been included in my time, because I started my speech at 3:45 p.m. Do I understand that the inappropriate comments of the Hon. Member for Calgary West (Mr. Hawkes) were made on my time? I must say this is my own speech, and if it is too specific for the Hon. Member, I am sorry. If he learns about government programs the same way he listens to speeches, I am not surprised he finds it difficult to understand them.

Therefore, Mr. Speaker, when I referred to the various job creation programs, I wanted to answer specifically the motion now before us, pointing out our effort in the area of job creation.

To conclude, all the concerted efforts made across Canada and involving as they do all regions, needless to say, are aimed at ensuring that all Canadians have an opportunity to contribute to the economic recovery that is now well under way and to fully benefit from it. It is my hope that this goal will be furthered by tomorrow's Budget.

[*English*]

Mr. Hawkes: I ask the Parliamentary Secretary, who is a representative of the Government, whether his Minister approves each and every project funded under the Special Employment Initiatives projects.

[*Translation*]

Mr. Dubois: Concerning the special initiative projects, a number of questions have been raised in this House. The Minister answered them yesterday and again today. According to yesterday's *Hansard*, and his answers will also be recorded in tomorrow's *Hansard*, the Minister stated that as soon as possible he will make the projects known, perhaps Monday or possibly earlier.

[*English*]

Mr. Hawkes: Mr. Speaker, could the Parliamentary Secretary tell the House how many people are employed in the Department of Employment and Immigration for the express purpose of dealing with project allocation under these funds?

[*Translation*]

Mr. Dubois: Mr. Speaker, I take note of the question. Many officials in the Department of Employment and Immigration are involved in all job creation projects. I did not make an exhaustive survey of the entire staff of the Department of Employment and Immigration. At the same time, this can easily be checked with the estimates that have been tabled and also the supplementary estimates. To my knowledge, all the information he is requesting is there. Moreover, the estimates for the next fiscal year will have to be tabled. All the information he wants will be available. I must say that in my concern to represent my constituents and help create jobs, I have no sudden impulse to start counting heads to know whether there are one, 200 or 300 officials in the Department. What I can say is that there are enough to create jobs in Canada.

[*English*]

Mr. Hawkes: Mr. Speaker, could the Parliamentary Secretary explain to us the difference between some of the other programs he mentions, such as NEED and Canada Works? It

is possible to go to a Canada Manpower centre, get an application form and apply for employment creation money under the programs he mentions. It does not seem possible to do that same thing under the Special Employment Initiatives Program. Can the Parliamentary Secretary tell the House why the difference? Can he tell us how one applies for the Special Employment Initiatives Program?

[*Translation*]

Mr. Dubois: Mr. Speaker, when the criteria for this program were discussed in this House and before the Standing Committee on Labour, Manpower and Immigration, it was said that this was a job creation program designed to have much faster results, to have flexible criteria and not to entail any bureaucratic problems.

Since November, the Minister of Employment and Immigration, when he appeared before the Standing Committee on Labour, Manpower and Immigration, has invited all the Members of this House to send him their projects and said that he could meet their needs adequately. I am therefore very surprised at this question about applications under this program. I know that one of the colleagues of the Hon. Member for Calgary—I forget whether it is Calgary West or Calgary East—who has been sitting in this House since 1968 has submitted some projects. I mean the Hon. Member for Joliette (Mr. La Salle). How very strange! Of course, he did his job. If certain other Members had also looked at the budgets of June 1982 and April 1983, they would have learned how to submit an application. However, instead of discussing program criteria and levels, they may have been more interested in squabbling over leadership issues and looking for 14-and 15-year old delegates and people in bars.

Mr. Laniel: I have a question for the Parliamentary Secretary which also concerns the Hon. Member for Joliette (Mr. La Salle), who was Minister of Supply and Patronage, I believe, in the Clark Cabinet. Since the Hon. Member for Joliette has admitted in this House that projects in the amount of $400,000 had been approved for his constituency and has even stated publicly that he did his job, as the Hon. Member has just pointed out, I would like to ask the Parliamentary Secretary whether the Hon. Member for Joliette is still doing his job. Has he submitted other projects to the Minister for approval?

Mr. Dubois: Mr. Speaker, I could not say exactly what projects the Hon. Member has submitted directly to the Minister for job creation assistance under the Canada Works and NEED programs. The Hon. Member for Joliette has submitted his applications and has received the grants as provided for in the announcement made by the Minister of Employment and Immigration last September and also in the Speech from the Throne. As for as the programs to promote immediate job creation are concerned, I am only referring to the comments made by the Hon. Member for Joliette which I have seen in the newspapers saying that he wanted still more money for his constituency, that he had been granted $400,000 and that he was working to get still more.

In one simple word, in view of what the Hon. Member for Joliette himself has said, the answer would be yes, Mr. Speaker.

• (1610)

[*English*]

Mr. Hawkes: Mr. Speaker, the Parliamentary Secretary may recall that the Hon. Member for Ottawa Centre (Mr. Evans) gave some interviews last week in which he indicated that one criterion for Special Employment Initiatives projects was that they had to be the kind of project which made the Government look good. How important was that particular criterion?

[*Translation*]

Mr. Dubois: Mr. Speaker, how can we be doing this simply to make the Hon. Member for Ottawa Centre (Mr. Evans) look good? Am I to understand that we are not such generous people even though, in the case of Quebec and constituencies elsewhere, but mainly in Quebec, to use the same terms as the Hon. Member, we are also being fair to the Hon. Member for Joliette, who has benefited from these projects? I do not see how this can be said to affect Government Members. As far as I know, the Hon. Member for Joliette is not a member of the Government party, but of the Progressive Conservative Party, the very same party as the Member who is asking me these questions. Members of his party should perhaps stop their internal bickering and begin discussing the budgets of June and April 1983, even if they date back several months. If they do so, they would notice the existence of all these job creation programs.

[*English*]

Mr. Hawkes: Mr. Speaker, I wonder whether we could call upon the Hon. Member, on his word as a Member of the House, to tell us with absolute clarity that the criteria used to allocate these funds were in fact identical to the criteria we received on February 2. I wonder whether we could call upon him to indicate that there were not special criteria, as the Hon. Member for Ottawa Centre indicated, but that the real criteria used to allocate that $288 million to $300 million were in fact the written criteria which every Member of the House received on February 2. Could we have the Hon. Member's word that the written criteria were the real criteria?

[*Translation*]

Mr. Dubois: As far as the document of February 2, 1984, which was sent to all the Members of this House, is concerned, I can certainly assure the Hon. Member that the criteria for this program are exactly as stated in the February 2 document published by the Department of Employment and Immigration. This document was sent by someone who acts as assistant in that Department.

I have no hesitation in admitting this because this is a public document. All 282 Members of Parliament received it, or rather, as there are two vacant seats, all 280 Members of Parliament have indeed received these criteria and all the Members, whether they are from Alberta, Prince Edward Island, Saskatchewan, Quebec or Ontario, are in possession of the same document dated February 2, 1984.

[*English*]

Mr. Hawkes: Do I understand correctly that there were no additional criteria, that the ones written down were the only criteria used in the allocation?

Mr. Dubois: Mr. Speaker, I am very positive concerning that. The answer is yes. Maybe it would be better if I spoke in English. The answer to this question and to the previous one is yes.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, it is always a pleasure to participate in a debate on a motion of the New Democratic Party—these great social planners, these great central planners, these great planners of an industrial strategy designed to guarantee and deliver social justice, equity, fairness and equality to everyone! It is almost as if the NDP has not yet discovered that for the last 15 years we have suffered misery from the results and consequences of that kind of planning. The motion is designed to point out certain inequities which may exist in the treatment of earned income of large corporations and in terms of the concessions and loopholes that might exist which permit large corporations to be in a privileged tax position.

That is all very interesting, but while it may be true that we have an over-concentrated large corporate sector, it is nothing else, in my opinion at least, than a result of and a reaction to central planning and concentration of power in a central place by Government. Companies have been made instruments of national policy. In order to carry out the social role assigned to large corporate entities, they have to grow in size.

Of course it is true that our large corporate sector derived its strength and size from the fact that we are an exporting nation, that we are rich in resources and that our prime resource industries require large corporate entities to harvest and produce the products resource industries are capable of producing and to ship them world-wide in an effective way. It is our history and our nature to have large corporations. However, in recent years, as a result of the central planning of the present Government, there has been the emergence of certain corporate entities which no longer bear any resemblance to free enterprise. That is not by their choice, it is by the choice of this Government which has made them instruments of social policy.

Let me explain what I mean when I say that we have assigned to our corporations and our businesses an inordinate amount of social responsibility. I see the Hon. Member for Skeena (Mr. Fulton) in the House. He will remember the story about a mine in his riding which took 15 years to plan and when it was finished the capital involved in bringing the mine into production was massive; 35 per cent of it had absolutely nothing to do with the mine itself but concerned the building of a town, a swimming pool, a school and all social amenities which go along with a town. The Government assigned that responsibility to the company. At the same time it made it very difficult for that particular company—or any other company, resource venture or business—to raise the necessary capital to bring the venture onstream. Through FIRA and policies of economic nationalism, which are supported by the NDP, it was and is exceedingly difficult for companies to raise the necessary capital to bring such ventures onstream, particularly since it takes 15 years, 20 years or even longer from the inception of the scheme until it comes to fruition. Again that is because of the over-extended regulatory process and the unco-ordinated regulatory process, not only in terms of the different Departments of the federal Government but in terms of the other legitimate players in the scheme—the provincial governments, municipal governments and so on.

Canada is no longer a very hospitable or good place in which to plan or to invest. This is why our mining industry, for instance, operates at 50 per cent capacity and our forest industry—the goose which lays the golden egg—operates at something like 60 per cent capacity. That is why, in an attempt to compete with new players in international marketplaces, we have seen over the last 50 years a total change in the nature of our market economy. It is no longer a free market economy. Companies which are not already nationalized or taken over by government are nothing but instruments of social policy. For instance, when a mine shuts down in the Yukon and people are laid off, it might be given a $30 million grant to keep operating. We are totally unconcerned or ignorant of the fact that that might create distortions in the marketplace. Here is one company that now has $30 million to produce its product, $30 million on which it does not have to pay interest or even repay. Naturally that creates certain distortions in terms of the balance sheets. It creates problems in terms of the investment decisions that other companies or investors may make.

• (1620)

How did this come about? What is it that got us into this serious situation, and it is serious? I commend the New Democratic Party for bringing to the attention of the House the fact that we have massive unemployment and the fact that businesses and corporations have not had the means to respond to the challenge by expanding their productive capacity. We are no longer competitive. Our companies are now suffering from having become partners in a centrally planned economy, permitting government to insert itself and stand between them and the pressures of the market, taking risk out of enterprise. We are now suffering the consequences.

Some of that has to do with the fact that our Prime Minister (Mr. Trudeau) has had an obssession to proceed in this fashion. We have pretended to be partners, major players in the industrial scheme of the western world, the OECD countries. We are totally ignorant of the fact that we are not like other industrial countries in the western world. We are not like

Japan, Germany, France or Britain. Our industrial strength rests on the pillars of our major primary resource industries such as agriculture, fishing, forestry and mining. These are resources of which our industrial partners in the western world are deprived. They have to buy them from us. We compete with them on an equal basis. I want to touch on this for a moment.

On the question of foreign aid and closing the gap between the developed and underdeveloped world, there is an obvious need to create an economy in the Third World rather than just give foreign aid. The NDP members understand that. They at least pretend to have compassion for people in the Third World, although when they suggest we build barriers around our countries, increase tariffs and deprive poorer countries from trading with us, that is not the way to go. What we have done, in competition and in collusion with our industrial partners, is to say that rather than giving the Third World outright cash grants to buy food or whatever, we should permit them to develop their own industrial base. If I were a Japanese planner, I would ask, what could be better than to develop a copper mine in Chile? That would increase the supply of copper, create keener price competition and be good for Japanese industry.

Is it good for industry in Canada? I say not. We give a loan or a grant of $200 million to start a copper mine in Mexico or Chile, and we have been active in both countries in this area, we are not just giving away $200 million. Nobody decries that. We are giving away $2 billion of the copper production in our country. We are also giving away 200,000 jobs. That is what we are doing.

We recently built a pulp mill in Malaysia. They will have absolutely no problem selling their product in a newly emerging, very powerful trading bloc in the Pacific Rim. The Minister says that if we had not built that pulp-mill, somebody else would have. That is true. However, it also means that if we do not tie a noose around our neck, somebody will tie it around our neck for us. It is absolutely ridiculous for us to compete with other industrial nations for enterprises designed to develop the economy in the Third World.

Mr. Blais: You don't believe that.

Mr. Oberle: I do. The ignorance shows through. What should we be doing in the Third World? Maybe we should tell our industrial partners that we should develop manufacturing plants in Chile and Mexico instead of copper mines. If they want to develop copper mines in Chile or Mexico, let us develop something else. Let us spend our $200 million differently from our industrial partners. That is an example of how our industries have become instruments of public, domestic and international policy. It is clear that we have no industrial plan. We are competing with players in the international scheme whose economies are structured entirely differently from our own. I have given the reasons for that.

The NDP Members would have us believe that when you build a pulp mill in Malaysia, they will require our motors, machines and engineers during construction and the jobs will accrue to the golden triangle. They believe that $200 million, or a good part of it, will be spent in Canada. That is all that will be spent in Canada. As I demonstrated, it will cost us $2 billion in the long run because we will be exporting our jobs and giving away our industrial strength.

We have rotted the pillars of our industrial strength. We cannot now turn around and decry the trend that has developed in the post-war period, particularly in the last eight or ten years. Our mining industry is operating today at 50 per cent capacity. Fifteen years ago we satisfied 95 per cent of the world demand for nickel. Today it is approximately 35 per cent. We now decry the fact that we have this competition in the Third World.

At the Macdonald Commission hearings, a former deputy minister of finance questioned the Canadian mining association. He asked whether they would agree that mining in Canada should be looked at as a sunset industry. The mining industry supports 150 small and not so small towns throughout northern Canada, directly employs 300,000 Canadians and indirectly another 400,000. Imagine that industry in the next five years being looked at as a sunset industry! I say it should not.

What is left for us? The NDP members say we simply have to compete with these emerging Third World producers on their terms. Their terms are not profit. They have different criteria. My friend from Skeena should speak to his constituents, those who create jobs in his riding, not those who run to the Minister and ask for another $30,000 grant to build a ski trail from Smithers to wherever, and they will tell him the same thing. We cannot compete with these new players on their terms. Their motivation is not profit. These are Government owned enterprises and the criteria are jobs and foreign exchange earnings. The copper mine in Chile will operate long after all the copper mines in Canada are shut down. It does not matter how much it loses. As long as there are jobs and a cash flow from foreign exchange, that copper mine will operate. It is operating because we have paid for it and are going to continue to pay for it at the expense of our own workers.

● (1630)

My friend from Skeena can no longer use the excuse that socialists normally use, that if you have not been a socialist by the time you are 25 you have not got a heart, and if you are a socialist after you are 30, you have not got a head. My friend from Skeena does not fit in this grey area any longer. He either has not got a heart or not got a head.

The fact is that our industrial strength lies in the great entrepreneurial spirit which has rendered Canada an industrial giant in the world. Canadians have had that great spirit and ingenuity to build a better mouse trap, to get out there and deliver a product in a shorter time and in the proper mix required by our customers throughout the world. To rekindle that spirit is our only salvation. We must get out and deliver the proper blend of copper, mineral or forest products to the people in the world who need these products at the right time and in the right mix. We are capable of doing that, but only if

we permit some leeway, give some inducements and give some incentives to our great industrial giants. We must step back and permit the market to work.

Government must get out of the marketplace. You cannot just interfere a little bit. Whenever you step in and bail out one company, you are creating distortions in the marketplace, and all the other companies find that to be unfair competition. You then have to bail out all the industries. We are going down a very slippery slope from which there is no longer any return, at least as long as the Government is in power supported by this little red rump over here. Obviously, they think all you have to do is to concentrate all the power in a central place, whether government, regulatory or corporate power of these great corporate entities, which buy, sell, switch and flip and have managed to insulate themselves totally from any of the market forces.

Whenever they get in trouble, and particularly if the banks tell them they are in trouble, they come running to government. They tell the government it has to bail them out. When they say that, they mean bail out the banks. They do not really mean bail out the workers or the company. Maislin trucking was an example of that. The bailout was not that of the workers or small contractors who were working for Maislin trucking. The bank was bailed out and then it pulled the plug and let everybody go down the chute. Nobody had any compassion for the small businessman or the worker. The compassion was for the bank. The bank had told Maislin to go to the Government and tell it to bail it out because if it did not, it would be an incredible political liability because all those people would be unemployed. The same is true for Dome Petroleum and all these other great bailouts we have been involved in.

The fact is that you cannot bail out a little bit, just as you cannot be pregnant a little bit. Once it starts, it keeps growing. It is like a cancer and it desroys our system. It is time to stop this cancerous growth. It is time that we started rebuilding the foundation of our system, get government out of the marketplace, and assign a lesser social burden.

I touched on taxes a little when I spoke about the mine in the riding of my friend from Skeena. Thirty-five per cent of the capital requirements to get that mine onstream had to do with the social structure. When you talk about taxes, think about the non-profit taxes that companies have to pay; fuel, municipal, regional and provincial taxes. All of these have escalated out of all proportion. The operating costs of many resource centres throughout Canada are now in the range of 25 to 30 per cent a year in terms of non-profit taxes. That is incredible. We have to turn that around. Instead of imposing more taxes on our corporations we must lessen the load, relieve them of this incredible social burden, and relieve them of the Government and that little red rump over there.

Mr. Fulton: Mr. Speaker, I have a very short question for the Member for Prince George-Peace River, (Mr. Oberle). I will not reflect too long on the twisted distortions of fact the Hon. Member presented. I suppose some people in his constituency believe it. From time to time I pass his speeches around in my constituency because everybody gets a good laugh. The Hon. Member obviously does not know what he is talking about, although sometimes outside of the House one would think he does.

While the Hon. Member was in Government his Government decided to cut off all job creation funds. That is one of the things we are talking about today. Would he comment on how effective that is as a policy in terms of the kind of projects we are talking about today? He talks about the Government across the way giving money to Malaysia to set up a pulp mill and gives money to Chile to set up a copper mine. I have taken the time to write to External Affairs. I have all the figures. I know the figures were higher in 1979 under the Government of which that Member was a part than they have been from 1980 to 1984 with the Government sitting across the floor. The Tory Government put more money than the Liberals into opening mines in other areas of the world, in direct competition with Canadian Mines. In terms of forestry projects it gave money to South American dictatorships and to Indonesian dictatorships for forestry projects that do not occur in Canada. The Member claims to know a great deal about forestry; nevertheless that is what occurred.

Is the Minister telling the Canadian public that the Scheffville experience is really the way things should be handled? Is he saying that when mines close there is no responsibility of government and no responsibility of the companies? Is Scheffville really the motto of the Tory Party?

Mr. Oberle: Mr. Speaker, talk about humour. You cannot call this Member a bare faced liar because he wears a beard. He is certainly a stranger to the truth when he talks about the policies of the Clark Government in 1979. I talked about the fact that we really have given up our options. There are no options left. The industries have no money to expand. We have destroyed their markets. We have two million people unemployed, half of them under the age of 24. What else can you do but rely on short-term job creation programs such as the Government has done for the last five or six years?

In a few months the Hon. Member may be able to call me Mr. Minister. When he does, I will probably tell him that for some time to come, to bridge this gap and to restore the entrepreneurial spirit and the foundation on which our industry and economy rest, we will probably have to continue to have some job-creation programs and some innovative programs that small business, the real job creators, could respond to. They will not create a two-month job that can be counted on to end up with 400,000 jobs four times a year in one year, all of them recycled four times. The Government has created more jobs in the last five years than we have population. It recycles these jobs three or four times a year.

The New Democratic Party supported the Members over there in February of 1980 in defeating the Progressive Conservative Budget. That Budget had very real incentives to save the farmers and fishermen in the Hon. Member's constituency. Members opposite have decided to live with the evil over there by defeating the Progressive Conservative Party. We will probably have to continue some of these programs. However, it

will not be for very long, only as long as it takes to rebuild the Canadian economy and restore a free enterprise system in this country in which the small businessman is a player and has the necessary inducements and incentives to create new permanent jobs. All these policies have been tried for the last 15 years. When I travel to the Hon. Member's constituency I find that people are starved to talk to somebody who does not distort the truth as he sometimes does. We have to restore a free enterprise economy because we will not be able to compete in the world by nationalizing all our prime industries, using the criteria that government-owned enterprises use as instruments of social policy.

● (1640)

An Hon. Member: You are going to wreck Canada.

Mr. Oberle: You see what we will do. The quickest way for you fellows to find out what the Progressive Conservative industrial policy will be is to entice those fellows over there to call an election. You will then find out very quickly.

The Acting Speaker (Mr. Herbert): Order, please. During the question and answer period may I request, first of all, that Hon. Members stand to make interjections and also that Members address their remarks to the Chair.

Mr. Fulton: Mr. Speaker, I have a brief supplementary question. I am sure that Hon. Members noticed that the Hon. Member for Prince George-Peace River (Mr. Oberle) did not answer the question about Schefferville or questions about international forestry or international mining funding by the Conservative Party. He did not touch on the fact that the Tories cut almost all job creation projects in Canada while they were in government.

When the Hon. Member was in my constituency not too long ago, he raised one particular matter and I received a flood of letters from public servants about it. He said that at least 60,000 public servants should be fired immediately after the next election. Mathematics demonstrate that that would mean that about 9,000 or 10,000 people in British Columbia would be fired. Some of the RCMP and most of the military in British Columbia would be fired.

I wonder if the Member would tell us whether he intends to get rid of all the federal public servants related to federal health and welfare in British Columbia. Knowing that he has already promised to fire 9,000 people in British Columbia, would the Hon. Member tell us if he knows how many federal public servants there are in the province before he gets the hatchet out?

Mr. Oberle: Mr. Speaker, I thought I told the Hon. Member in my first answer that he was not correct when he said that we phased out all job-creation programs in 1979. That is not what happened. With regard to firing 60,000 civil servants, the Hon. Member's memory is very good. That happened in 1979, but in that short period we discovered that, without any fuss or bother, through attrition and the reorganization of some departments, we were half way there without a single person being fired.

I can tell the Hon. Member that I am not very much enamoured with Mr. Bennett's program in British Columbia. He did not discover the recession until the day after the election. We have known about it for some time. He could have done what the Progressive Conservative Government in Ontario has done over a period of years. Through attrition, intelligent planning, retraining and adult education programs, it has rearranged the structure to permit the Government to reduce its bloated Public Service. That can be done intelligently without creating the kind of pain and misery that the Hon. Member wishes to attribute to me. It was done back in 1979.

The Hon. Member referred to Schefferville. The reason the plant had to be shut down—and unfortunately if we keep these fellows in power very much longer there may be some other Schefferville—was that we are just no longer competitive. Five years ago Brazil was number five in the world in iron ore production, but today it produces more than Canada and the United States together.

The Acting Speaker (Mr. Herbert): Order, please. I regret to interrupt the Hon. Member but the time for questions has expired. The Hon. Member for Burin-St. George's (Mr. Simmons).

Hon. Roger Simmons (Burin-St. George's): Mr. Speaker, my good friend from Skeena (Mr. Fulton) should not be too hard on the gentleman from Prince George-Peace River (Mr. Oberle). He should keep in mind that he is one of the moderates in that Party; one of our friends, philosophically. He is really a soul-mate. Besides, he has already indicated to the House that he has been promised a position in Cabinet—like about 85 others over there.

Miss MacDonald: You had better not speak from experience.

Mr. Simmons: The Hon. Member for Kingston and the Islands (Miss MacDonald) talks about experience. I admit that she and I have something in common; we both went through Cabinet on a conveyor belt.

Miss MacDonald: I did something.

Mr. Simmons: We know you did. We know that the lady from Kingston and the Islands did something. We have spent the last four years trying to undo it. One need only talk to the Minister of Justice (Mr. MacGuigan), formerly the Secretary of State for External Affairs, to find out what kind of things the lady did.

I want to talk about what I thought was the outstanding performance of the Hon. Member for Prince George-Peace River, Mr. Speaker. Today he confirmed what my good friend, the Hon. Member for St. John's West (Mr. Crosbie), has been telling the country for a number of months, and that is, that if you want to know what the Tories stand for, you have to elect them. You have to buy a pig in a poke. That is what members

of that Party are saying to the people of Canada. If you want to know what our policies are, he says, you have to elect us first. I say to him—dream on.

I ask the hon. gentleman from Skeena not to be too hard on the gentleman from Prince George-Peace River because if we keep him on his feet long enough he will tell us other secrets about where the Tories do not stand on various issues.

The Tories are pretty steamed up these days about the Government's job-creation programs. I wonder why that is? They say that they did not have any input in some of the projects. What is wrong with that? Why should they have any say in the implementation of those projects? The people of Canada, four years ago in their wisdom, elected a Liberal Government. When will the Tories get it through their heads that they are not the Government? Of course, as Members of Parliament they can and must have their say in the House about public expenditures and programs, but they have absolutely no right to have any say in the implementation of those programs.

If the Tories want to have a say, they can do one of two things: they can get themselves elected as a government, or they can cross the floor and support the Government. Those are the only two ways they are going to have any say in the implementation of government programs. That is the way the democratic system works.

Mr. Dick: It is the way the porkbarrel system works.

Mr. Simmons: Do I have more to say in job creation programs than Tory MPs, Mr. Speaker? You bet your life I do; you had better believe it. I would be out of my skull to support a government that would not allow me to have any more say than if I were in the Opposition. Of course I have a say. Anyone who would suggest otherwise is misled, naive or both. Why, then, is there all this fuss about the Government's job creation program and the initiative we have been taking to create jobs across the country? Why all this contrived concern, this organized anger, this fake frothing of the mouth by the Tories? To find the answer to that question, Mr. Speaker, we must go back to 1979, to the days of the mercifully short-lived Tory Government. That Government wiped out job-creation programs which had been begun by the former Liberal Government. That is where that Party stands on job creation. It wiped out every fisheries project in Atlantic Canada with the Hon. Member for St. John's East (Mr. McGrath) as the Minister of Fisheries. I hear the Tories saying that is not true. They want to rewrite history on this one, like the gentleman from Prince George-Peace River has been taught to rewrite history on Schefferville. However, no one who lived in Schefferville will believe it. No one who lives in Labrador West believes his line. No one who lives in Newfoundland believes his line.

• (1650)

As I travel around Newfoundland, the political question I am asked most often by the average person who does not follow politics too closely is: The fellow who is the Leader of the Opposition (Mr. Mulroney), is he the same fellow who was the President of the Iron Ore Company of Canada? They ask me if that is the fellow who was involved in Schefferville. So I say to the gentleman from Prince George-Peace River that he would be politically smart to stay a thousand miles from that subject because there is no defence at all for what was done there, and the only excuse is that the Hon. Member for Central Nova (Mr. Mulroney), as he now is, was then taking his instructions from Cleveland.

Mr. Ellis: What kind of bafflegab is that?

Mr. Simmons: The Hon. Member for Prince Edward-Hastings (Mr. Ellis) may not understand. That is understandable. If the Hon. Member for Central Nova had at heart the interests of the people of Schefferville that day, he would not have been so quick to kowtow to the multinational interests in Cleveland. That is what it means.

Mr. Ellis: Nonsense.

Mr. Simmons: There they go again, Mr. Speaker. That Party wants to rewrite some more history. These job-creation programs are meeting very real economic and social needs in this country.

Mr. Oberle: Dig a hole and fill it back in.

Mr. Simmons: These job-creation programs are providing jobs. They are improving facilities in communities across this country. The Hon. Member for Prince George-Peace River talks about digging holes and filling them back in. That shows just how much he knows about what these programs are doing across the country. Is a meat cutting facility in Robinson's, Newfoundland, digging a hole and filling it in again? No, it is a way of helping some farmers get their produce to market. Is the Hon. Member against that? What about a retaining wall at Crabbe's River in Newfoundland to assist some fishermen? How about a flood control structure in Rushoon, Newfoundland, to protect the property of the local residents? How about a fire hall at Morrisville, an improved water system at Red Harbour, a community centre at St. Theresa's, improvements to a hockey arena at Port aux Basques?

Mr. Oberle: Now we are getting to lists.

Mr. Simmons: That is hardly digging holes and filling them in again. That is addressing some very real concerns in communities across this country. Is it sinister, Mr. Speaker, is it sleazy, to help people across this land to protect their homes from flooding, to help farmers prepare their produce for market, to give fishermen's boats some protection against the sea? That is what the job-creation money, in which I have had a say, is going to do. The Tories call that sleazy, sinister, porkbarrelling. I say, Mr. Speaker, it is a very sensible use of public money. In the process we provide some job opportunities to people who have had a very rough year or so, especially in Newfoundland. The deep sea fishery has all but collapsed. The inshore fishery has had a most disastrous year.

Mr. Oberle: Whose fault is that?

Mr. Simmons: Seasonal construction activity is at an all-time low.

Mr. Oberle: Whose fault is that?

Mr. Simmons: The hon. gentleman asks whose fault that is. I can tell the Hon. Member. The unemployment rate in Newfoundland right now is 20 per cent, twice the national average, because we have in power in Newfoundland a Tory Government which would rather rail and rant, go to the super bowl games, and blame the federal Government, than to get on with the job it was elected to do, that is, to govern. Newfoundland has not had a day, an hour, or five minutes of provincial Government in the last four years or five years. It has had lots of speechifying, lots of oratory and lots of pointing the finger elsewhere. While it fiddles, Rome burns. While it engages in a continuing distraction, people are unemployed. That is whose fault it is, if the Hon. Member wants to know. We could not stand by and just point a finger and blame it all on some other people. We could not stand by and allow people in those communities to just go on welfare, so we provided what the Tories call some "porkbarrelling", what the Tories call "something sinister and sleazy", and what I call a very sensible use of public money, that is, providing slipway and wharf facilities for fishermen, providing improved facilities for farmers, and providing improved infrastructure in terms of water systems and community halls and arenas. That is what we have been doing with the money and what we will continue to do.

I believe it was the Hon. Member for Saskatoon West (Mr. Hnatyshyn) who earlier in the debate talked about this $300 million slush fund, as he called it. What are we doing with this slush fund, Mr. Speaker? I have just told you the kinds of things which are being done in my riding of Burin-St. George's. How about elsewhere across the country? How about in Kingston and the Islands where we have a good project which the hon. lady herself lobbied for and supported? How about Rosedale in Toronto? I am sure that people watching Question Period this afternoon saw the contradiction in the Tory questioning. In one mouthful they were charging that all the money had been spent in Liberal ridings, and in the next mouthful, the Hon. Member for Rosedale (Mr. Crombie) was on his feet complaining that some money was spent in his riding without his knowledge. We cannot take responsibility for the fact that the Tories sometimes do not do their homework. We cannot take the responsibility if they are not in touch with groups in their own ridings. If groups in their ridings have to come to Liberal Members of Parliament to get action, we cannot exactly be blamed for that. Should the Hon. Member for York South-Weston (Mrs. Appolloni) have washed her hands of it and said no to these people? Or should she have done what I believe is her duty to do as an Hon. Member of this House, that is, see to it that people, whether in her riding or elsewhere across this country, have access to information about government programs. Her sin is that she did her job. The sin of the Hon. Member for Rosedale is that instead of doing his homework and keeping in touch with community groups in his riding, he comes into this House and tries to smear someone else for doing what he should have done in the first place.

Where else are we spending this money? I know that some of the ridings in Quebec are Liberal. I am told that is the case. However, I hear talk of one riding called Joliette and I am told that Joliette, at the moment at least, does not have a Liberal Member of Parliament. Yet, I hear, Mr. Speaker, that one project in that riding of Joliette, represented by a good Tory in this House, received $400,000 out of this so-called slush fund. I must admit that in the case of Joliette we do have a motive. We do have a hidden agenda, a broadly based political motive, in seeing to it that some money flows into that riding. We want to see the Hon. Member for Joliette (Mr. LaSalle) back here. We cannot bear the thought of having a House with no Tories from Quebec. Since their leadership convention, eight full months, the Tories have been trying to find a riding in Quebec safe enough for the temporary Hon. Member for Central Nova. That has been their preoccupation for eight months. They do a poll, they do not like it, so they do a poll on the poll. One of these days, Mr. Speaker, they will find one they think is safe enough.

• (1700)

Mr. Oberle: Have you tried one in B.C. lately, or Alberta?

Mr. Simmons: Mr. Speaker, there is no slush fund. There is no slush fund!

Some Hon. Members: Oh, oh!

Mr. Oberle: Louder.

Mr. Simmons: There is no slush fund. By George, I think they have got it. There is no slush fund. This is just one of our latest efforts to help some people who are unemployed. Some of the people we are helping moved from Schefferville. They are down in my riding now and they have jobs, thanks to those programs. That is what we are doing with this so-called slush fund. What, then, Mr. Speaker, are the criteria for this fund? One—

Mr. Oberle: You have to be Liberal.

Mr. Simmons: One, the need for some jobs. Two, the availability of projects. These are two criteria. He says there is a third one: you have to be a Liberal. It so happens there are a lot of Liberals out there and a lot of them are administering those projects. There are a lot of Tories administering some of those projects as well as some NDP, and working on them too. The criteria are a need for jobs and the availability of some sensible projects.

The gentleman from Prince George-Peace River calls for rekindling the entrepreneurial spirit. I have news for him: we got there before him. We are rekindling that spirit. There is growth in the economy. You can ignore all the economic indicators you want to, but that will not make them go away. They clearly show that we have bottomed out. Despite all the gloom and doom from the Tories who wish everything would go wrong, such is not the case. We are providing these job

creation programs in the short term as a bridge to the point where we have other jobs flowing from a revitalized private sector, thanks to the policies of this particular Government. That is why I am delighted to be able to vote against this motion.

Miss MacDonald: Mr. Speaker, I have a comment. It is not often that I would say I feel slandered in the House, but I want it to appear on the record that I do not consider my time as a Cabinet Minister to be comparable or compared in any way with the period of time of the Hon. Member who has just spoken when he was a member of Cabinet. I make a very real distinction between the two and I want the record to show that.

Mr. Simmons: Mr. Speaker, I am glad the lady from Kingston and the Islands made that point. The only point I was making in reference to my brief period in Cabinet, which discussion she initiated, not I, was that when I was there I did no damage at all.

Some Hon. Members: Oh, oh!

Mr. Oberle: That will make the quote of the week.

Mr. Nystrom: He did not have any time; he was only there for two weeks.

My question deals with the so-called slush fund, Mr. Speaker. In Saskatchewan we do not have any Liberal ridings to spend it on, so the money is spent differently. The program I want to ask about is the Immediate Employment Stimulation Program looked after by Senator Hazen Argue. It involves $4 million, and the only access to it is through Senator Hazen Argue. I approached officials in the Department of Employment and Immigration for capital funds and they told me that there is no such funding available. They say that under Canada Works and so on we can fund the labour component of some project but we have no money for capital expenses. We get quite a few projects like that, Mr. Speaker, and we keep on being told there is no such program. We find out later on, through contacts which have to remain confidential, that indeed Senator Argue is administering a $4 million fund. They do give out moneys for capital costs. Does the Hon. Member think it is proper that that kind of thing be kept from Members of Parliament and from municipalities?

The other question deals with the fact that public servants are not involved in screening these applications. Project officers are not involved in looking at and analysing the applications. Departmental officials do not make any recommendations. A decision is made in Senator Hazen Argue's office, and that is it. It goes to Ottawa where it is rubber stamped, and after that the Public Service become involved. Is this proper? Do we not have public servants who are supposed to do a job such as they do for Canada Works and all the other programs? Why in this case is a Minister of the Crown making these unilateral decisions rather than going through the Public Service, which is the right, proper and decent way?

Mr. Simmons: Mr. Speaker, first of all, the Senator from Saskatchewan has another responsibility. He is a Member of Government. In that capacity he has some decision-making authority. I do not know beyond that what the system is in Saskatchewan. However, I can tell the Hon. Member that in so far as any job creation projects I have been involved in are concerned, all have been subject to very close scrutiny, screening and examination by Manpower officials. I can only assume that the same process happens elsewhere.

Mr. Hawkes: Mr. Speaker, I would urge the Hon. Member for Rosedale (Mr. Crombie) to look at the "blues", because he may have a question of privilege to raise arising out of comments made by the previous speaker. I would also like to point out that the Schefferville settlement from Iron Ore Company of Canada has been judged by impartial observers as the largest, fairest, most generous settlement in Canadian corporate history.

Mr. Gimaïel: Come on!

Mr. Hawkes: That tells us about the attitude of the Leader of this Party toward working people in this country. If that had been paralleled by Members opposite, we would have expected major government initiatives, but none of us in the House have ever seen that. But we have seen a response from a corporation president who is now our Leader, and it speaks well for the future of working people in this country under what we hope will soon be a new Government.

The question I have for the Member is the following. In the last 19 years his Party has been, with the exception of nine months, the Government of this country. Throughout most of that period, and certainly today, the Province of Newfoundland which he represents has had an extremely high unemployment rate. Can the Member tell us what he thinks is so marvellous about the policies of the Party he supports when, in a period of 19 years, nothing but unemployed people have been created in the Province of Newfoundland? Why have these marvellous policies not solved the unemployment problem in Newfoundland in 19 years?

• (1710)

Mr. Simmons: Mr. Speaker, the hon. gentleman for Calgary West is completely right when he says that the Schefferville settlement was a good one. It was not the settlement that I was criticizing. It is the set of circumstances that triggered the need for a settlement.

The settlement was good because my colleague from Manicouagan (Mr. Maltais) made representations. The then President of Iron Ore was publicly on record at that time as paying tribute to the gentleman who did what we on this side are good at doing, that is, getting after the Government to address some of the real problems in the country.

Yes, the Government addressed the problem but no, the Government did not create the problem. The Hon. Member who is now the temporary Member for Central Nova created the problem passively by taking his cues from Cleveland

instead of from the people he was representing in that particular community.

Let me answer the other part of the question. This Government has created literally thousands of jobs in Newfoundland but government in this country must be a partnership of both levels of government. While we have taken many initiatives to create jobs all over Newfoundland, the provincial Government in Newfoundland itself has done absolutely nothing. If the two Governments had been working together, the Hon. Member is right that the unemployment rate would be much lower. The reason it is twice as high as the national average is that there has been a Government in Newfoundland at St. John's that has absolutely refused to govern. It is too busy making speeches.

Mr. Taylor: Mr. Speaker, I listened with a great deal of interest to the Hon. Member when he was talking about the constituency of Joliette. First he said that the Liberals had poured vast sums of money into Joliette, and then he had the gall to say that it was for the purpose of re-electing the present Tory Member. Everyone knows that this was done without concern for the present Member for Joliette (Mr. LaSalle) but to try to defeat him and buy a Liberal a seat.

Some Hon. Members: Oh, oh!

Mr. Taylor: They start hollering when you tell the truth. Does the Hon. Member think that the Quebec people are that naive?

Mr. Simmons: Mr. Speaker, it is not the people of Quebec who I think are naive. Every last person in Quebec understood the tongue-in-cheek nature of the comment I made about keeping the Member for Joliette here. I only regret that my good friend from Bow River (Mr. Taylor) does not understand tongue-in-cheek because of another problem called foot-in-mouth.

The Acting Speaker (Mr. Herbert): The period for questions and comments has expired.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am pleased to take part in this debate. Before commencing my remarks let me read the motion which is before the House. It is:

> That this House condemns the government for:
>
> 1. employing corporate tax handouts to produce business profits without any guarantees that such tax benefits would result in new investment or job creation;
>
> 2. increasing the tax burden on Canadians at the very time when more stimulus is needed in the economy; and
>
> 3. allocating job-creation funds in a partisan fashion not based upon local employment levels.

We are also debating an amendment moved by the Conservative Opposition that the motion be followed by:

> Instead of focusing on job-creation programs open to all eligible Canadians, such as Career Access and refundable Employment Tax Credits.

In commencing my remarks I would like first to focus on the amendment. In that respect, I want to draw the attention of the House to a message I just received over the phone during the last period of questions and comments. My constituency is now faced with a new problem as a result of the blood brothers and blood sisters of this Conservative outfit to our right in the government of the Province of British Columbia.

In May of 1983 the new Valhalla Alpine Provincial Park was created in my constituency by the provincial Government in response to pressure from a very broad cross section of opinion. The President of the society which launched that successful drive will receive the Governor General's medal for conservation in Canada later this month as a result of his discussions with the Canadian tourist industry.

The industry properly feels that this new park has the possibility of providing our area with some flexibility in our local economy to compensate for some of the losses that we have suffered due to the deterioration of our forest industry, which in turn is a result of mismanagement by both the federal Government and the provincial Government under which we suffer.

The news I received a few moments ago concerns the federal Government's highly touted new employment program Environment 2000. The local Parks Branch personnel in my area who are familiar with our needs and characteristics were supporting an application under Environment 2000 to build some trails and facilities in that park in order to develop it. This, in turn, would provide some alternative employment based on the tourist industry and the service industry in that area. The provincial Ministry of Parks in Victoria has vetoed that proposal.

I will raise the point more than once that it is strange to have a Conservative Opposition in the House which talks about focusing on job creation programs that are open to all eligible Canadians while their blood brothers and blood sisters in that gang that masquerades as a provincial Government in British Columbia kills every opportunity that we have to begin to grow, diversify and create some long-term employment in our area. It is an area that has one of the highest rates of unemployment in British Columbia and is coming close to being one of the highest unemployment areas in Canada.

The figures that I received today from Employment Canada officers in my area show that the Nelson area now has an unemployment rate of some 24.6 per cent. The unemployment rate in the major community of Nelson itself is now hovering close to 27 per cent or 28 per cent. With announced further cutbacks, further lay-offs and more closures of institutions, in my home town in that riding we will be doing very well if we are much under 40 per cent in the next couple of months. We are facing a disaster.

I am sure most politicians who try to work on behalf of their constituents will cut cards with the devil if necessary in order to get results for their people. I am thankful that during the last four years I have been able to play some part in co-operation with many federal officials in achieving more in terms of grants and programs to assist us in rebuilding an agricultural base in some parts of our area and rebuilding some of the cottage industry which used to thrive there. But this attempt to

diversify is of little value when it is in the form of a multitude of mini-programs—welcome and as useful as they are—while at the same time the macroeconomic policy of the Government in Ottawa and the Conservative Government in Victoria is eliminating any chance we have for establishing a healthy economy in the long run.

The forest industry in British Columbia is absolutely vital to the economic welfare of every resident of that province. This includes the people of my constituency. However, because of government mismanagement here and government mismanagement in Victoria, we are left with a residue of over-mature forests and little effective reforestation. We are left with seedlings, because of budget cuts, tht are dying before they get to the planting areas. Due to the under-funding of forestry programs by the federal government and the provincial governments, and the industry has neglected this as well, there has been long-term neglect of reforestation, regeneration policies and silviculture. As a result, we see whole communities that are beginning to wither and die. With all of the incentive programs—and I relate more particularly here to the subject matter before us—even with all the acceleration of tax incentive programs over the years, the industry has not seen fit to retool its basic plant, even though the research is available. The industry has known the plywood industry was dying, that the resource was not there to supply the West Coast and the B.C. interior plywood industry, because the nature of the resource has changed as a result of long-term mismanagement.

• (1720)

The technology is there. It is being used in other parts of Canada and in the United States. They are converting plants from plywood to waferboard, to chipboard, to finger-jointing and to a number of product areas where one can utilize the stock that we have remaining in order to produce a viable and economic product that can be marketed. The markets are there. Operations in place in other areas have shown that is the case. Yet with all the incentives and write-offs available to industry, and increasingly available because of the policies of this Government, the industry still has not got off its rear end. It is amazing to listen to the Conservatives to my right suggesting that the answer is to remove Government. "Let us have faith in the private sector . . . Hallelujah!", they say, "The private sector will do the whole darn thing." But the private sector has not done so. It has failed miserably, even with all the tools the Government has laid open to them. It is not in this case a matter of more research. The private sector has simply failed to do its job.

I listened to the Hon. Member for Prince George-Peace River (Mr. Oberle) a few minutes ago talking about some NDP policy that he must have invented in the far depths of his imagination, that somehow it was our policy to give taxpayers' dollars as grants or incentives to companies to move new mining operations to the South Seas or build huge pulp mills in other parts of the world. I do not know what he has been smoking but I have never heard anyone from this Party suggest that those were appropriate types of policies to be followed. In fact, we have been in the forefront many times of criticizing the Government across the way for exactly such policies. We continue to do so for its continuing grants and incentives that have allowed both corporate mergers and take-overs on a vastly increasing scale and for subsidizing with Canadian dollars our own competition in other parts of the world.

MacMillan Bloedel, for instance, required no special grants in order to use millions and millions of Canadian-earned dollars to build up competition to its Canadian operations in South America. MacMillan Bloedel did this on its own. Why? Because it is not the prime prerogative of any large corporation to have a national loyalty. They are not bad guys for doing that. MacMillan Bloedel behaved in the way we should expect it to behave. One of the purposes surely of any government is to impose a certain value system on industry operating in this country, that one of its duties aside from serving its shareholders is to be certain that a reasonable share—and certainly it would not be going too far astray to suggest that that should be the major share of the money earned here from our resources and our labour—be reinvested here. We have not only failed to do that but the Conservatives want to encourage that failure even more—to just shovel incentives out. Then the Conservatives will demand at some time that we have more tax incentives to allow all kinds of new fancy research to replace those basic industry jobs that, due to the Conservatives policies, its friends' policies and the corporate sector's policies, we have shipped out of this country by the thousands and thousands over past decades. I cannot understand where they are coming from.

We have shared in the criticism and we have initiated some of that criticism. About mid-1982 I recall asking questions in this House specifically about a special employment incentives program to be administered through the Prime Minister's Office and with all the decisions to be made by key Liberal Senators—I named certain ones in Saskatchewan and British Columbia—which would obviously result in a patronage-ridden system to disburse taxpayers' largesse administered by the Government. We do not like that kind of thing. Nor do we like the type of allocations that are made without any appropriate consultation at the local level so that people in all walks of life can have some share in what makes sense in terms of investment, grant programs and developmental procedures.

It is interesting to look at the record of the Conservative Government, that short blip in 1979, when it wiped out local advisory boards. Then the Liberal Government reinstituted them and then it scrapped them again. The PCs will listen to them now. Now Members of Parliament must pay for them out of their own pockets. I do not mind doing that. I would rather pay money out of my own pocket to ensure we have good local input into that kind of decision making than, for the sake of saving a few days' time, relegate all authority to people in the bureaucracy who do not have a clear understanding of what the local needs and priorities are.

What is the Conservative attitude to job creation? We have it as reported in the Montreal *Gazette* for May 18, 1983. That is from their new Leader:

"Oh, there'll be jobs for Liberals and NDPers too," Mulroney said in New Brunswick recently, "but only after I've been prime minister for 15 years and I can't find a single living, breathing Tory to appoint."

There is the Tory job-creation policy. The Tories talk about patronage. But they will say their Leader was only appealing for votes then, and trying to get elected as leader. I suppose that is the explanation for that. Since we have not heard anything more about the Tory job-creation policy, this is all that stands. I would not call the Tories hypocrites. Of course we do not do that here. But there is something wrong when people at one time can stand in this House and complain about patronage while having on the record at the same time that their job-creation programs will only be for Members of their own Party for a 15 years period. Hopefully we will never get the chance to suffer 15 years of Tory rule. If the Tories do in 15 years what their blood brothers and sisters have done in British Columbia for 29 out of the last 32 years, then this country will be even lower than it is today. It will be well below ground.

I want now to give an idea of just how serious the employment picture is. While we appreciate those programs which have allowed for the creation of some jobs in my area, albeit short-term ones, I want to refer to a few figures to show how serious the situation has been in my constituency. In the area of logging, in the period from 1980 to March 1983 we lost 310 jobs; in manufacturing and processing, 1,019 jobs; in mining, 407 jobs; in construction, 320 jobs; and in the retail and service sector, 350 jobs. None of these figures include staff reductions of businesses still in operation. These are just closures in a constituency which has the smallest population of any constituency in the Province of British Columbia and, as I said, with a 27 per cent unemployment rate today.

• (1730)

There have also been cutbacks by the provincial Government in Victoria in forestry, of all areas, which led to a higher percentage of terminations than in any other area in the province. We are a major forestry region, For some reason the Federal Government, in the same way as it hands out tax incentives and allowances without seeking any guarantees or without any supervision, also handed out funds for education and health to the provincial Government and allowed that gang in Victoria to eliminate an entire educational institution, getting rid of another 100 full-time jobs and the income generated by over 500 students. All these things are happening at once.

Is the Government surprised that we do not sound overly grateful because we have been successful in working with its officials to bring in a relatively large number of short-term job-creation projects?

I have not loaded my speech with statistics. There are many people to do that. The statistics are available. The Government has seem them. It saw them in the Carter report and in numerous reports which it commissioned publicly and privately over a number of years. I would like to quote the Chairman of the Bank of Montreal who said:

All industry is awash in tax incentive now. There is so much unused capacity . . . the last thing they are going to want is more capacity.

With a policy like that, surely it is time for members of the Government to realize that by handing out money by the barrel, without insisting upon results and insisting upon receiving value for the money expended, is not accomplishing anything. We must work to ensure that industry builds upon our strengths, not see it wiped out and then spend piddly amounts all over the place, trying to come up with research for new grand visions which we never know will work or not.

The Acting Speaker (Mr. Herbert): Are there any questions or comments? As no one wants to put any questions or make any comments, the Chair recognizes the Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold) on debate.

[*Translation*]

Order, please. The Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold).

Mr. Rémi Bujold (Benaventure-Îles-de-la-Madeleine): Mr. Speaker, I am very pleased to take part in this debate. First, I should like to answer my colleague for Kootenay West (Mr. Kristiansen) who was complaining a moment ago that the Government had abolished advisory committees for the selection of job creation programs. The explanation is very simple, Mr. Speaker: we on this side of the House would sooner allocate those funds to create permanent jobs rather than hire people or give money to some people who in all likelihood would emphasize regional input; our priority was job creation programs.

Mr. Speaker, I would like to deal specifically with the third paragraph of the motion introduced today which has to do with the allocation of job creation funds. We have been accused of partisanship. Well, Mr. Speaker, I want to go back a few years and mention briefly the economic problems experienced by all industrialized nations throughout the world, particularly those we had here in Canada. That is one of the factors which make it interesting to follow the gradual increase in the unemployment rate over the past five years. In 1979-80, for example, the Government of Canada set aside some $330 million for its various job creation programs. We allocated about $300 million in 1980-81 and about $340 million in 1981-82 when the economic situation took a turn for the worse throughout the world, particularly so in Canada. Our response in 1982-83 was to earmark close to $550 million for the many job creation programs all over Canada.

The year 1983-84 was bleaker still with respect to new jobs, lay-offs and severe unemployment throughout the country, so the Canadian Government—the Liberal Government—assumed its responsibilities by appropriating an unprecedented amount of about $1.5 billion to create jobs for Canadians.

For the past fifteen days or so, it has come as quite a surprise to hear our colleagues across the floor complain that the Government has allocated its job creation funds in a partisan fashion. It seems to me that they are afraid or quite simply naive to the point that they do not want to face reality and see for themselves just what has been happening.

A moment ago I referred to the amounts of money spent to create jobs. Well, that money was spent on the basis of unemployment figures. It stands to reason that the bulk of the money went to those regions of Canada where the unemployment rate was highest. As it happened, some of the funds went to many ridings represented by our Liberal colleagues, Mr. Speaker, precisely because those ridings had the highest number of job seekers in the country. I might give my region as an example—eastern Quebec and my riding of Bonaventure-Îles-de-la-Madeleine—where at certain times of the year, we had as much as 60 per cent of the labour force out of work.

No wonder therefore that we should get a lot of money to create jobs. Still, Mr. Speaker, I must point out that the then Minister of Employment and Immigration was very anxious to open up our job creation programs to as many people and organizations as possible, so he managed to streamline the twelve programs we had then into four new ones. We thought at the time that those programs should be made readily available to all and that the various local groups should find it easier to apply for those programs.

It has been realized over the last two weeks or so that most, if not all Canadians understand and endorse the amendments we made to our job creation programs, and especially that many groups could apply, except our friends opposite, our friends from both Opposition parties. To listen to them in this House for the past two weeks, one would think they alone in Canada have not understood the amendments we have made to these programs in order, as I said, to make them more readily available to the people, and easier to understand. No wonder, Mr. Speaker, that the Canadian people know exactly what the Opposition parties are up to, and that is why they were not elected in 1980. For that same reason, the people will not dare elect them at the next election, simply because they find so hard to understand the various job creation programs we are putting forward and want to make available to all.

● (1740)

Once again, Mr. Speaker, to put it briefly, these projects that we have streamlined into four are extremely simple and readily available. And they are extremely easy to administer. Whether it is Career-Access or Job Corps or again the NEED or the LEAP Program, these are all programs which ensure that people in high unemployment areas can apply and benefit from those funds.

Another important point has been raised this week and the week before to the effect that Hon. Members had not been made aware of the various existing programs. I have before me, Mr. Speaker, letters sent to me as an elected representative, as a Member of Parliament, by the Minister of Employment and Immigration. Those letters were sent to all Members of this House. In January 1982, the 282 Members of this House received a letter from the Minister informing them about the Summer Canada Program. That information was made available to all Hon. Members opposite. In February 1983, Mr. Speaker, once more, the then Minister sent a letter to all Members of Parliament giving them all kinds of information on the Summer Canada Program.

In December 1983, once again, a letter was sent to all Members to inform them about the funds allocated to each constituency under the Canada Works projects.

Moreover, Mr. Speaker, on December 30, 1983, the Minister of Employment and Immigration sent everyone of us various information on the Summer Canada Program for the whole country and for each constituency. How can we accept that those Members now complain they have not been informed of the various job creation programs? More questions should be raised, Mr. Speaker, and we should try to find out the true reasons why we are called to task today for having failed to provide the House with adequate information about our job-creation programs. While Members on this side of the House were protecting the interests of their constituents and fighting unemployment throughout the country, those people, especially the members of the Official Opposition, were fighting over their party leadership. That episode lasted for two or three months if not four. Therefore, it is not surprising that they did not have enough time to read letters from the Minister of Employment and Immigration.

Afterwards, they organized a four-month leadership convention. Once again, it is not surprising that those people did not have time to read their mail. They travelled throughout the country, as it was pointed out earlier this year, to try and enroll young people as delegates to their convention. They went on arguing throughout the country to see what candidate they would support. How could they get around to read letters from the Minister of Employment and Immigration?

They would come late or at the last minute to sittings of committees and ask just a few questions to be able to show their constituents that they were dealing with unemployment. But that was not their main concern. They had more vital issues on their mind, that is their convention. After the convention, we thought that they would be at least in a position to look after their constituents and get acquainted with the various job-creation programs available.

I should point out, Mr. Speaker, that the Hon. Member for Joliette (Mr. La Salle) is probably the only Opposition member who has been able to understand and benefit from these projects, probably because he has somewhat withdrawn from this leadership squabble. He stayed on the sidelines and

has had the opportunity to study the proposals that were passed on to him and to benefit from these programs.

Mr. Speaker, I suggest one must face the facts and not try to deceive the Canadian people by implying that the government and the Liberal Party have tried to hide certain things from this House and from the people. Our job creation programs have been based on clear cut figures that cannot be misinterpreted throughout the country since they are published by Statistics Canada. Those figures show that unemployment is particularly high in some areas of this country, which have a greater need for job creation programs. And today, some Hon. Members would have us believe that we deliberately deceived the Canadian people because we have tried to alleviate the plight of people and to create jobs for the unemployed! Canadians will have to pass judgment during this coming year on the behaviour of these Hon. Members. They will be asked to decide who is right in this debate, this government who tries to alleviate the sufferings of some Canadians or Opposition Members who merely try to make political gains by making unfounded accusations.

In conclusion, I believe it is most important for us to realize that this government stands for the interests of the poor in this country. That has always made and will always make the reputation of the Liberal Party, Mr. Speaker. That is why we are the government and that is why we will stay in power in the future.

The Acting Speaker (Mr. Herbert): Order, please. It being 5:45 p.m., it is my duty, pursuant to Standing Order 62(9), to interrupt the proceedings and to put forthwith every question necessary to dispose of supply proceedings.

[*English*]

The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

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

Supply

(Division No. 15)

YEAS

Messrs.

Althouse
Andre
Anguish
Blackburn
Blaikie
Blenkarn
Bradley
Broadbent
Cardiff
Clark (Yellowhead)
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Coates
Cook
Cooper
Cossitt (Mrs.)
Crombie
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton (Qu'Appelle-Moose Mountain)
Hamilton (Swift Current-Maple Creek)
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jewett (Ms.)
Keeper
Kempling
King
Knowles
Kristiansen
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Ms.)
Mitges
Mulroney
Munro (Esquimalt-Saanich)
Neil
Nickerson
Nielsen
Nystrom
Oberle
Ogle
Orlikow
Paproski
Patterson
Riis
Robinson (Burnaby)
Roche
Sargeant
Schellenberger
Scott (Hamilton-Wentworth)
Shields
Siddon
Speyer
Stevens
Stewart
Taylor
Towers
Vankoughnet
Waddell
Wilson
Wise
Wright
Young—105.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Chicoutimi)
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé

Messrs.

Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—135.

Mr. Deputy Speaker: I declare the amendment lost.

The question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yea.

Some Hon. Members: Nay.

Mr. Deputy Speaker: All those in favour please will say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Shall we dispense with the ringing of the bells?

Mr. Deans: Mr. Speaker, I believe if you were to seek consent, the same vote that was taken on the amendment could also be recorded for this vote and be recorded in *Hansard* as a proper standing vote.

Mr. Deputy Speaker: Does the House give its unanimous consent?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Riis) which was negatived on the following division:

(Division No. 16)

YEAS

Messrs.

Althouse
Andre
Anguish
Blackburn
Blaikie
Blenkarn
Bradley
Broadbent
Cardiff
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Cossitt (Mrs.)
Crombie
Crosbie
(St. John's West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Ellis
Elzinga
Epp
Fennell
Fraser
Fretz
Friesen
Fulton
Gass
Gilchrist
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Howie
Huntington
Jewett (Ms.)
Keeper
Kempling
King
Knowles
Kristiansen
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
Malone
Manly
Mayer
Mazankowski
McCain
McCuish
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Ms.)
Mitges
Mulroney
Munro
(Esquimalt-Saanich)
Neil
Nickerson
Nielsen
Nystrom
Oberle
Ogle
Orlikow
Paproski
Patterson
Riis
Robinson
(Burnaby)
Roche
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Shields
Siddon
Speyer
Stevens
Stewart
Taylor
Towers
Vankoughnet
Waddell
Wilson
Wise
Wright
Young—105.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Chicoutimi)
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Smith
Tardif
Tessier
Tousignant
Turner
Veillette
Watson
Weatherhead
Yanakis—135.

Mr. Deputy Speaker: I declare the motion lost.

It being 6.15 p.m. this House stands adjourned until two o'clock tomorrow afternoon pursuant to Standing Order 2(1).

At 6.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, February 15, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PRIME MINISTER'S OFFICE

CONDEMNATION OF OFFICIALS' ACTIONS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, it is a sad day for Canada when taxpayers' funds are used by the Office of the Prime Minister (Mr. Trudeau) for a personal witch hunt.

The Liberal Party and its hired hacks have shown the country that there is no limit to the private correspondence they are prepared to reveal, no limit to the dirty tricks they are prepared to use, no limit to the cover-up, no limit to their personal attacks, no limit to their slush-fund approach to politics, no limit to the conspiracy, and no limit to the depths to which they are prepared to sink.

Desperate men and women adopt desperate tactics. The corruption in the Liberal Party reached the point where even its own party members rebelled at the last convention, and that was before the infamous "sidepocket" affair. The Prime Minister's Office makes the Watergate group look like angels, with its sleazy tricks. What is more, every Liberal MP stands condemned because they condone these tactics and are powerless to do anything about them. They will leave a sad legacy. They are a blot on democracy.

* * *

EMPLOYMENT

GRANT TO COVENANT HOUSE, TORONTO—CONFESSION OF ASSISTANCE

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, according to yesterday's *Hansard*, the Hon. Member for Saskatoon West (Mr. Hnatyshyn) spoke of matters of morality. We on this side of the House believe that the grossest immorality occurs if Members, once alerted to serious problems, do nothing to find solutions.

I was alerted to the serious problem of street kids in an article entitled "Social Time Bomb Ticks on Yonge Street Strip" in the Sunday *Star*, dated October 16, 1983, and I sought a solution. But for that I now stand accused by Tory Members.

Therefore, for having helped, either directly or indirectly, to provide accommodation and sustenance for derelict young people from all across Canada—*mea culpa*; for having thereby dared to tread on the slumbering fiefdom of Rosedale—*mea culpa*; for having, either directly or indirectly, created jobs sponsored by the entire Roman Catholic Archdiocese of Toronto—*mea maxima culpa*.

* * *

PRIME MINISTER'S OFFICE

ACTIONS OF OFFICIALS—CALL FOR GENERAL ELECTION

Mr. Jim Hawkes (Calgary West): Mr. Speaker, it is now clear that the backroom manipulators in the Office of the Prime Minister (Mr. Trudeau) reach into our pockets, take our wallets, and use their slush funds to create secret service jobs in the Prime Minister's Office. That is not democracy. That is not representative government. That is not the Canada I know and love.

The backroom spenders in the Prime Minister's Office have been inventing ways to attack Members of Parliament. Last week the Prime Minister himself tried to slur me in the eyes of my family, friends and voters, by suggesting that I was a second-class Member of Parliament and that I made up quotations. If I am on the Prime Minister's hit list, then let those backroom spenders and secret service agents in the Prime Minister's Office try. It is our duty in this Chamber to defend democracy. Let the people judge. Canada's people need an election. They need it now. The four years are up.

* * *

EXTERNAL AFFAIRS

MALAWI—APPEAL FOR COMMUTATION OF DEATH SENTENCES IMPOSED ON FORMER JUSTICE MINISTER AND WIFE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I rise to ask Hon. Members of the House to join me in requesting the Life-President of Malawi to commute the death sentences imposed on Orton Chirwa, former Minister of Justice and Attorney General of Malawi, and his wife, Vera.

The Chirwas were convicted in July, 1982, of treason by the Regional Traditional Court. They insisted that they were innocent. They appealed to the National Traditional Court, which upheld the sentence of the lower court. Amnesty International has stated that procedures of these courts did not

S.O. 21

conform to internationally-recognized legal norms. The matter is being raised at the current session of the United Nations Human Rights Commission. However, the only remaining means of appeal in Malawi at the present time is to its Life-President, Dr. Banda. Therefore I urge Members to request that Dr. Banda exercise his presidential powers of clemency to spare the lives of Mr. and Mrs. Chirwa on humanitarian and compassionate grounds.

* * *

[*Translation*]

PRIME MINISTER'S OFFICE

ALLEGED GATHERING OF BUSINESS INFORMATION RELATING TO LEADER OF THE OPPOSITION

Hon. Roch La Salle (Joliette): Mr. Speaker, I must say that I also heard the news this morning that the Prime Minister's Office allegedly turned its employees into secret agents to try and justify the slurs on the reputation of a man who has made it clear that he intends to direct all his energies towards pursuing the interests of his country. In the circumstances, I appeal to the sense of honour of all the Members of this House, to severely censure these absolutely odious attempts, stemming from attitudes that are entirely unacceptable to this Parliament, to examine someone's past for the purpose of preventing him from serving his country properly. In the circumstances, Mr. Speaker, I severely censure and I demand and urge the Prime Minister, as soon as he is back, to explain the reasons for an investigation into matters that are totally irrelevant as far as we are concerned.

* * *

• (1410)

ENVIRONMENTAL AFFAIRS

NEW ERA IN PREDICTING WEATHER

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, now that one of North America's most advanced computers has been put into service at the Canadian Meteorological Centre in Dorval, Canada is entering a new era of more reliable long-term weather forecasting. This computer will also play a major role in agriculture and the environment. It will produce seasonal forecasts and better assessments of climatic changes. It will facilitate national and international research on transboundary air pollution. The computer will also make it possible to develop better strategies against acid rain and for intervening faster and more effectively in the case of environmental emergencies.

Mr. Speaker, the Liberal Government does not hesitate to intervene in these high technology sectors, since providing meteorological information puts more than $1 billion each year into the economy.

[*English*]

EMPLOYMENT

GRANT TO ALLIANCE COMMUNITY SERVICES, TORONTO—RECONSIDERATION REQUESTED

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I was in Edmonton last weekend. I talked to a lot of unemployed people, especially young people. These people need hope. They need job-creation programs. They are very important programs. That is why I raised in the House this week the grant of $583,000 to the Community Alliance Group in Toronto.

Considering that there are existing agencies there already doing the job, considering that there is opposition from the Italian community, considering that even the Member of Parliament for York West (Mr. Fleming) is quoted in today's Toronto *Star* as saying there were outsiders involved in this grant and the social agency is raiding his own riding, and considering that it is becoming increasingly obvious that this grant was a result of political influence, I ask the Minister of Manpower and Immigration (Mr. Roberts), as a political Minister and as a Minister of the Government, to rise above this and to reconsider the grant, to do what he said he would do when he met with the groups, that he would reallocate moneys, because to do otherwise is very unfair to the Italian community in Toronto, and very unfair to the unemployed in Canada.

* * *

[*Translation*]

OFFICIAL LANGUAGES ACT

POSITION OF LEADER OF THE OPPOSITION AND OF PARTY MEMBERS

Mr. Pierre Gimaïel (Lac-Saint-Jean): Thank you, Mr. Speaker.

Politics certainly make strange bedfellows, Mr. Speaker. I heard the Member for Joliette speak earlier in defense of the man he called "the golden calf" during his Party's leadership campaign more than a year ago. At the time he spoke with considerable eloquence about that gentleman's past. Mr. Speaker, I would now like to say a few words about the future of the Member for Central Nova (Mr. Mulroney).

The Hon. Member for Central Nova (Mr. Mulroney) would have Quebecers today believe that his Party has wiped out the blot made on its record by that same Party in the Riel affair. I would like to point out to the Hon. Member that there are still Members in his own Party who are against the Official Languages Act have said so in no uncertain terms. I am referring, for instance, to the Member for Simcoe-South (Mr. Stewart) and the Member for Winnipeg-Assiniboine (Mr. McKenzie), to name only two.

Mr. Speaker, I remember during the debate on the Constitution that I asked the Hon. Member's predecessor, the

Member for Yellowhead (Mr. Clark), to call the Member for Simcoe-South to order, following a speech he had made, and I challenged him to do what the former Progressive Conservative Leader, Robert Stanfield, did with the Member for Moncton at the time.

I may point out to the Member for Central Nova (Mr. Mulroney) what happened to the Member for Yellowhead afterwards. He failed to do what he should have done to clarify his Party's position, and it was his own Party that removed him from his position as Leader of the Opposition at the time. I therefore urge the Member for Central Nova to do his duty to Canada and to all French-speaking Canadians and keep a tight rein on Members of his Party who are not in agreement with that Party's philosophy, if indeed it has one, Mr. Speaker.

* * *

[*English*]

PRIME MINISTER'S OFFICE

INVESTIGATION OF LEADER OF THE OPPOSITION—CALL FOR GOVERNMENT'S RESIGNATION

Mr. Gordon Taylor (Bow River): Mr. Speaker, the committee set up by the President of the Liberal party concluded that the Liberal Party was in a "state of disarray", that it was "tired, arrogant, self-serving, self-satisfied and irrelevant", and its aim was to build a better Liberal Party. Well, any improvement would make the Party better. In fact it could not sink any lower, or become any more corrupt.

In today's *Globe and Mail* there is a story of the Prime Minister's Office using taxpayers' money to snoop into the private life, before he was elected, of the Leader of the Progressive Conservative Party. They have no policies of their own to combat the debt-ridden unemployed society they have created, and they fear the honest approach of our Leader, so they try to find dirt to throw at him. They used the taxpayers' money to finance their misdemeanor. They could not find anything but good, and so the Minister of Finance (Mr. Lalonde) made up a story that, when he was in private life, our Leader was begging for the rich and for himself, when in fact his letters were pleading for a fair deal for the workers. The Minister's apology was hollow.

How many other Canadians are being snooped and investigated? Is any Canadian safe? No wonder the Liberal committee says this Government is self-serving. Canadians want their Government to show honesty and have integrity. The Liberals have betrayed Canadians. They should resign and let a man of the stature of our PC Leader take over and restore honesty and integrity to the Government of this country.

• (1415)

ENVIRONMENTAL AFFAIRS

TRANSPORTATION OF TOXIC WASTES THROUGH CANADIAN WATERS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, last week a bargeload of toxic waste was shipped from Alaska to Seattle through Canadian waters. The 261 metric tonnes of waste from American military bases was contaminated with cancer causing polychlorinated biphenyls, or PCBs. Although this barge travelled through the inland passage of British Columbia, our provincial Government was not notified. According to the B.C. Environment Minister, our federal Government does not require pre-notification for such shipments in spite of the hazard they pose to our coastline.

The threat to marine life, and ultimately to human life, is taken seriously by the people of British Columbia even if the Ottawa Liberals choose to ignore it. This careless attitude on the part of the federal Government is the same that was shown to the uranium mine at Key Lake before the massive spill of radioactive material there a few weeks ago. It is a situation similar to the unwanted seepage of toxic waste coming from the United States across the Niagara River into Canada.

I call on the Minister of the Environment, (Mr. Caccia), the Minister of Fisheries and Oceans (Mr. De Bané), the Minister of Transport (Mr. Axworthy), and the Secretary of State for External Affairs (Mr. MacEachen) to get together and draft regulations forbidding the transportation of toxic waste through Canadian waters.

ORAL QUESTION PERIOD

[*English*]

PRIME MINISTER'S OFFICE

OFFICIALS' INVESTIGATION OF LEADER OF THE OPPOSITION

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my question is directed to the Acting Prime Minister who will know of the admission by officials of the Prime Minister's Office that that office was using public funds, and publicly funded employees, to conduct a vain witch hunt into the background of the Leader of the Opposition before he was in public life, and may well have been involved in activities which will prove to be illegal.

I am sure that the Acting Prime Minister is as alarmed as I am by this evidence of the spread of a Watergate mentality into the Prime Minister's Office.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): We know that there was a covert operation mounted by officials of the Prime Minister's Office. I ask the Acting Prime Minister who authorized it?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, if one were to take at face value the description given by the Right Hon. Member for Yellowhead, or indeed presumably the newspaper article upon which his descriptions have been based, then there might be cause for concern because the newspaper story alleges a covert intelligence operation. That is quite untrue, and quite false. There was no such covert intelligence operation conducted by the Prime Minister's Office into the conduct of the Leader of the Opposition and into his background before he entered public life. There was no such covert operation, and I deny it completely.

I would ask the Right Hon. Member for Yellowhead to take a rather more responsible attitude to a very important matter.

Mr. Clark (Yellowhead): The Acting Prime Minister's denial, and his disinterest in the fundamental principles of decency and morality and the practice of the House of Commons are denied by the words of the officials in the Prime Minister's Office.

RESPONSIBILITY FOR AUTHORIZING INVESTIGATION

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I notice that the Acting Prime Minister has admitted that there was an operation. I notice that he has declined to answer my question as to who authorized it. I repeat that question. Who authorized that operation which we believe broke the law, and which we know broke the traditions of this Parliament? To whom did Mr. Crenna report when he came back from his vain witch hunt in Washington?

• (1420)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, let us take the case of Mr. Crenna and explain exactly what happened.

Mr. Crenna is a full-time employee of the Prime Minister's Office. He was in Washington on a variety of questions as a member of that office. They were important public questions which he was examining in Washington, in the course of which he went to the Securities and Exchange Commission to seek the annual report of the Iron Ore Company, and to seek some other information that is part of the public record. He went into a public office, signed a paper, secured authority to receive those documents which are available to any citizen in the United States and in Canada. It took a very short time, and this is the basis upon which the former Leader of the Opposition uses the words "a witch hunt", and the basis upon which the writer in *The Globe and Mail* says that two employees, two people from the Prime Minister's Office, were engaged in covert intelligence gathering.

What Mr. Crenna did in Washington is something that was done publicly, that was done openly, and that is on the public record. There is nothing covert about it. It can be done by any citizen, by paying the required fee to the public authority.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

REASON FOR OBTAINING INFORMATION FROM U.S. SECURITIES AND EXCHANGE COMMISSION

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, again the Acting Prime Minister refuses to answer the question. He has admitted the operation.

Let me ask him why Mr. Crenna was down there getting information from the Securities and Exchange Commission? Who authorized his venture? To whom did he report when he came back? Will the Acting Prime Minister tell us whether the Prime Minister of Canada knew about this venture directly, or whether he knew about the operation only indirectly through his principal secretary who was part of the group that laid the plan?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I think we have to bear in mind that what Mr. Crenna sought was public information on the operation of a wholly owned multinational corporation. It is a matter of public record that when the Leader of the Opposition sought the leadership of his Party, he built a very important part of his appeal to the Canadian public on his superior management abilities in the Iron Ore Company of Canada and how he handled labour adjustment problems. It seemed to me to be—

Mr. Clark (Yellowhead): To you?

Mr. MacEachen: —a very important part of the research activities of any professional organization to find out all about this masterful operation, in the words of the now Leader of the Opposition.

Mr. Crenna was examining an issue that had been brought into the public domain by the Leader of the Opposition as he sought the leadership of the Conservative Party, and which he incorporated into his party manifesto. What is wrong with that? I do not see anything wrong with it—

Mr. Andre: That is what Alfred Apps has been saying.

Mr. MacEachen: —to find out about the public operations of a multinational corporation with operations in Canada.

The former Leader of the Opposition asks who authorized this. The project was under the direction of the principal secretary who employs all the staff. I do not know whether the Prime Minister knew about it or not. I certainly did not know anything about it. I find it quite a normal operation to keep informed about what is going on.

Mr. McGrath: Mr. Speaker, the Acting Prime Minister is now admitting that public funds were used to examine SEC files in Washington with the sole purpose of destroying the reputation of the Leader of the Opposition.

Some Hon. Members: Hear, hear!

An Hon. Member: Nonsense.

Mr. McGrath: I submit to you, Mr. Speaker, that if hon. gentlemen on the treasury benches were to stand up to the same scrutiny, they would fail.

• (1425)

REQUEST FOR INDEPENDENT INQUIRY

Hon. James A. McGrath (St. John's East): Mr. Speaker, I want to ask the Acting Prime MInister, who stands in this House and puts his credibility on the line by denying there is anything improper about this, if he is prepared to have an independent inquiry into this—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): That is how they reacted to the Erwin inquiry.

Mr. McGrath: The people of Canada do not think this is any laughing matter. Is the Acting Prime Minister prepared—since he stretched his credibility here by denying there was anything wrong with this—to authorize an independent investigation into this sleazy, covert operation which had one objective, and that was, by the improper use of public funds, to destroy the reputation of the Leader of the Opposition, the Hon. Member for Central Nova?

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member really should try to fasten his attention on the facts which I have put before the House. In the case of Mr. Crenna, he sought information which is publicly available, having to do with a corporation which operates, or used to operate, in Canada. That is all he did. There was no investigation into the personal conduct, nor would I condone if it were ever brought to my attention any such investigation into the conduct of the Leader of the Opposition.

An Hon. Member: What are you afraid of?

Mr. MacEachen: I wonder why we should have an independent inquiry about dropping into a public office to get public records in Washington. Does the Hon. Member want an inquiry on that?

ROLE OF RESEARCH ASSISTANT

Hon. James A. McGrath (St. John's East): Perhaps, Mr. Speaker, the Acting Prime Minister might want to tell the House what the role was of Mr. Pierre Cadieux who, apparently, was operating as "a secret agent" in this covert operation?

Some Hon. Members: Oh, oh!

Mr. McGrath: Why was he operating clandestinely if there was nothing to hide, if this was an operation which was legitimate, proper, and above board?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, we have dealt with Mr. Crenna who is accused of being a secret agent. Let us turn to the other person. Who is this secret agent to whom the Hon. Member refers?

Mr. McGrath: I did not call him a secret agent.

Mr. MacEachen: Who is this covert operator as mentioned in *The Globe and Mail*, and what was his scene of operations? Well, the person in question is currently enrolled as a student at the University of Ottawa. He was taking a summer job and doing this research work for a couple of months prior to going to university. So that is the covert agent. What was the scene of his covert operations? The library, Mr. Speaker, at the University of Ottawa.

Some Hon. Members: Oh, oh!

Some Hon. Members: More.

CONTENTS OF DOSSIER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Acting Prime Minister on the same subject. The Acting Prime Minister has said, and I listened with care to his answers, that what was obtained here was public information which was publicly available. However, I want to say to him that the ordinary citizen of Canada does not work in the Prime Minister's Office, and does not have access to the funds and to the power of the state. That is an important difference.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Cadieux said, with reference to the Minister of Finance's complete abuse of privacy recently in terms of revealing correspondence of a then private citizen who happens to be now the Leader of the Opposition, that the use of those letters was "a complete ignorance of the dossier". My question to the Acting Prime Minister is this: if that was a complete ignorance of the dossier, what else, what other material is in the dossier?

• (1430)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member talks about the use of funds. The Prime Minister has an office budget, and so does the Leader of the New Democratic Party. He has $500,000 in his office budget. Those are public funds to run his office, and if he wants to do

research with it, he is entitled to do so. He has a research operation which is publicly funded. So let us not talk about public funds, because they are available to him to conduct research as he wishes and at his own discretion.

The Hon. Member has asked about what is in the file. Well, the file is in the Prime Minister's Office, the press are invited to go and look at it and see what is there. If the Leader of the NDP wants to go, he will find a chronology of events and a lot of press clippings, and I think it will be a very boring afternoon for him.

TAX FILES AND PRIVATE LIVES OF MEMBERS OF PARLIAMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is one thing for a political Party, whether on that side or on this side of the House, to conduct a public inquiry into the public activities of any political opponent. It is quite another to conduct an investigation into the private lives and matters that ought to remain private, of political opponents. There is a crucial distinction.

Some Hon. Members: Hear, hear!

Mr. Broadbent: We already have on record the abuse of that principle by the Minister of Finance just a few weeks ago. The Government and the whole country know about that, hence my question about what is in the dossier.

Will the Deputy Prime Minister assure the House unequivocally that no official in the PMO has authorized an investigation into the tax files of Members of Parliament, for example, or has in any way been responsible for conducting an investigation into the private lives of Members of Parliament? Surely this is an important and basic democratic question, and if the Government was at all sensitive to propriety, it would be able to give us a categorical no to those questions.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, on the first point I want to assure the Leader of the NDP that this particular research exercise had nothing to do with the private life of the Leader of the Opposition. If he will recall, when the Leader of the Opposition became a candidate for the Conservative leadership he issued a very large glossy promotion in which was included, as part of his claim to the leadership, how he handled the Schefferville case. In fact he included with his announcement a very large series of comments on Schefferville.

Mr. Broadbent: I did not ask about that.

Mr. Axworthy: That is the issue.

Mr. MacEachen: In his book *Where I Stand*, in case the Leader of the NDP—

Mr. Broadbent: Answer the question!

Mr. MacEachen: —has not read it, he will find a very important segment dedicated to Schefferville and how the Leader of the Opposition operated there. We were interested in following up this issue which he brought into the public domain. That is all; nothing to do with his private life. In answer to the Hon. Member's other questions, I give a categorical no.

Mr. Broadbent: Mr. Speaker, it is interesting that the Deputy Prime Minister, who said he has not discussed the matter with the Prime Minister, is in a position to give such a categorical no. I hope what he says is the case and that the Prime Minister, when he returns, will confirm it.

REQUEST FOR ASSURANCE OF NON INVESTIGATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, to be perfectly clear, is the Deputy Prime Minister assuring the House that none of the political offices of the Government with access to funds which can be used for public inquiry into publicly available information, no question about that, whether it is Schefferville or any other publicly available item—but is he telling us for sure that tax matters or the private lives of Members of Parliament, or of candidates for the Conservative Party, the New Democratic Party, indeed the Liberal Party, under no circumstances are being investigated by this Government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Leader of the NDP asked me whether the Prime Minister's Office was investigating the private lives of Members of the Opposition, including tax files. I think in a sense the question is very offensive.

Mr. Broadbent: That is what the Minister of Finance did.

Mr. MacEachen: I deny any allegation that arises from it. I said no to his question, and I say no to his second question which he has now applied to the whole Government. Are we investigating the personal lives or personal tax files of Members of Parliament? That is also an insulting question, and the answer is no.

Some Hon. Members: Hear, hear!

INVOLVEMENT OF OFFICIALS AND MINISTERS

Hon. David Crombie (Rosedale): Mr. Speaker, my question is also for the Acting Prime Minister. What was alleged in *The Globe and Mail* this morning is a very, very grave matter. It is alleged there has been abuse of public office in the Prime Minister's Office. So far the Acting Prime Minister has indicated there are two people, to his knowledge, involved in that matter, Mr. Crenna and Mr. Cadieux. It has also been alleged that Mr. Gillan and Mr. Tom Axworthy, the Prime Minister's principal secretary, have been involved. My question to the Acting Prime Minister is: how wide does that go? It is clear from his remarks that he does not know, and he does not know whether the Prime Minister knows.

It is also clear from other people's remarks that the Minister of Finance, some weeks ago, knew of it and had access to it. Who else is involved in this matter of abuse in the Prime Minister's office? How many more? Are the political Ministers involved? Has the Prime Minister knowledge of it?

Mr. Dionne (Northumberland-Miramichi): Have you stopped beating your wife yet, David?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, we are talking about two persons who were accused in *The Globe and Mail* this morning of conducting a covert intelligence operation. We know what those words mean. I have explained the circumstances in each case as truthfully as I could find out in the limited time available this morning. I know of no other facts that I should give to the Hon. Member. If another fact comes to my attention, I will bring it to his attention and that of the House. But I am giving the facts as I know them, both in the case of Mr. Crenna and in the case of Mr. Cadieux.

It seems to me that when we have said "look at the file" put together by Mr. Cadieux, we have told the press to look at it, that is a pretty clear indication there is not very much covert about it, that one wanted to conceal, and nothing about the personal life of the Leader of the Opposition. I tell you, Mr. Speaker, that I would condemn as being totally without justification any such investigation by the Government into the private life of any Member of Parliament. That is for the police if they want to do it, but not for us.

Mr. Crombie: Mr. Speaker, I think the Acting Prime Minister, indeed all Canadians, would understand that when we read the paper this morning we clearly had in mind the abuse demonstrated in this House by the Minister of Finance. That is why we attach far more importance to it than the Acting Prime Minister.

REQUEST THAT PRIME MINISTER CONDUCT INQUIRY

Hon. David Crombie (Rosedale): Mr. Speaker, I ask the Minister to consider this. We understand there was a limited time to investigate, and we understand that the Acting Prime Minister can confirm for us only two of the four persons named in the paper. However, Tom Axworthy, the principal secretary to the Prime Minister, is alleged to have been involved, as well as others. What we want to know, I think what everyone wants to know, is who else is involved, how long will it go on, and who else is going to be touched?

Will the Acting Prime Minister undertake to this House today to meet with the Prime Minister on his return and ask him to carry out a full-scale inquiry, so that the matter can be dealt with openly and cleanly? At stake are not only the Acting Prime Minister and this Government, but the sanctity and importance of this House.

• (1440)

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, if the conduct in itself were reprehensible, it would be important to find out whether there were other persons involved. I do not find anything reprehensible about seeking information on public issues and about the stand of public figures on public questions. That is all that has happened here. It has arisen from a very important industrial relations case, a very important shutdown in which the Leader of the Opposition was involved and to which he drew attention himself. It seems to me it was our responsibility to be fully informed on that event. That is all. Why ask who else is involved? If there were three or six others, would it add anything to an act which in itself is innocent and fully justified?

POSITION OF DEPUTY PRIME MINISTER

Hon. Jake Epp (Provencher): Mr. Speaker, my supplementary question is for the Deputy Prime Minister. The Deputy Prime Minister would like to dispose of this issue by saying it is not reprehensible. A few days ago, after the Minister of Finance could not produce a specific letter, he tried to back it up by saying he had heard of a conversation with the Deputy Minister of Finance. We have had a plethora of examples in the House whereby the Government is using various means to hang on to power and to bring others in the House down to its level.

Does the Deputy Prime Minister not feel that this action, in connection with the other actions that have been exposed in the House, in fact degrades the Government, the House, and the very institutions we are to uphold in the eyes of Canadians?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, we are speaking about a particular case which has been brought up in the press this morning and has now been raised quite legitimately by members of the Opposition. I have explained what has happened in each case, to the best of my knowledge. I do not find anything degrading about going into a public office to seek information, nor do I find anything degrading about doing research, principally in the library of the University of Ottawa, to get information on a public event. I do not see anything degrading about that. Maybe the Hon. Member does, but I do not.

Mr. Epp: Mr. Speaker, since the Deputy Prime Minister feels that it is so minor, it is interesting to note that it was the principal secretary in the Prime Minister's Office who thought it was important enough to develop this kind of activity.

INSTRUCTIONS GIVEN TO RESEARCH ASSISTANT

Hon. Jake Epp (Provencher): Mr. Speaker, if this was so minor, inconsequential, and of such little importance, why was Mr. Cadieux told to operate in private, not to be associated with the Prime Minister, not to have any linkages with the phones, not to have any office space in the Prime Minister's office, but to get the information?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I have not used the word "minor" at all. The Hon. Member has built his case around the use of the word "minor", as if I had used it. I have not said this event which was being researched, and to which the Leader of the Opposition paid so much attention, was a minor event. It was an important event in the public and industrial life of Canada. However, it was not degrading to look into it, as I have explained. I have no way to answer the question which the Hon. Member bases upon a premise which I have never employed.

* * *

EMPLOYMENT

APPROVAL OF FUNDS FOR PROJECTS ON INDIAN RESERVES

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, my question is for the Minister of Employment and Immigration. The question arises from some of the accusations of porkbarreling and Liberal patronage made against that Minister in the past week or so. My question is in regard to Canada Works projects in my riding. Programs similar to last year's were cut back. We now have about one-tenth of what we had the previous year. There were special allocations set up for non status, Métis people, and treaty Indians. Not one non status or Métis project was funded in my constituency. Many of the treaty Indian projects which have been around for some six months are not approved.

From the research I have done I understand there is an argument between the Minister of Indian Affairs and Northern Development and the Minister of Employment and Immigration. Some of the reserves in the northern areas have in excess of 90 per cent unemployment, as opposed to the rate of 8 per cent which was assigned to my constituency. When will those funds finally be approved for the reserves in The Battlefords-Meadow Lake constituency and other constituencies across Canada which have to wait while this Minister and the Minister of Indian Affairs and Northern Development squabble over how the money should be disbursed.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman refers to some dispute, squabble, or disagreement between myself and my colleague, the Minister of Indian Affairs and Northern Development. I can tell the House quite honestly that I cannot think of any dispute or divergence of view between us on anything at the moment. We have had some in the past but they have all been resolved, as far as I know. If the Hon. Member is alleging that there has been some delay in the Canada Works grants in his constituency because of a difference of view between my colleague and myself, that is simply not true.

In regard to the situation in his constituency in terms of Canada Works, I do not know offhand what the details are of the projects which have been applied for there, or what recommendations he has made. I will be happy to look into the situation and look at his representations.

FORMULA FOR ALLOCATING GRANTS

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, there is a six month delay in terms of having the funds approved. Considering there is in excess of 90 per cent unemployment, I think there is some kind of a problem there. The Minister should be answerable for it.

Instead of diverting these funds into patronage programs over which the Liberals have control, will the Minister look at the formula which determines the rate of unemployment? I know that within my constituency the rate of unemployment is not the 8 per cent upon which grants are based. The rate of unemployment is much higher than that. The Canada Employment Centres can substantiate that. Will the Minister look at the formula for allocating those grants rather than the formula of political patronage for their own people. Will he change it so it is more realistic and allows unemployed people to take jobs under this program albeit short term?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I am very impressed by the fervour with which the Hon. Member deals with his question. I would have been far more impressed if he had expressed that fervour earlier rather than waiting until members of his constituency were in the gallery to watch him. At any time over the past several months he could have made representations to me personally or in the House on this matter. I regret that he has not done so until now.

* * *

[*Translation*]

CHARTER OF RIGHTS

LINGUISTIC RIGHTS OF FRANCO-ONTARIANS

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, my question is for the Minister of Justice.

Throughout the debate which led to the adoption of the Canadian Charter of Rights and Freedoms, senior Government Members kept repeating that the main purpose of section 23 of the Charter was to ensure that French-speaking minorities in Canada would have the same education rights as those of the English-speaking minority in Quebec.

In view of that, could the Minister tell the House if, from a legal standpoint, Franco-Ontarians can indeed seek for themselves the status given to Quebec's English-speaking minority when they claim the right to manage their own school system, and could he say whether, in the opinion of the Government, section 23 of the Canadian Charter of Rights and Freedoms does grant such a right to the Franco-Ontarian minority, "where numbers warrant"?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the Government advocates a very broad-minded interpretation of section 23 of the Constitution. The operative words are "minority language educational facilities" and our position in

that respect is that all means to establish facilities for the linguistic minority must be taken in keeping with the interpretation of that section of our Constitution.

* * *

• (1450)

[*English*]

PRIME MINISTER'S OFFICE

ADVICE GIVEN TO MINISTER OF NATIONAL REVENUE BY OFFICIALS

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is for the Deputy Prime Minister. The Deputy Prime Minister will know as a result of the furore concerning criticisms of the Tax Department that the Prime Minister's Office has established a small group of individuals designed to advise the Minister of National Revenue with respect to the criticism that has been levied at his Department.

Mr. Tom Axworthy, the principal secretary, says that the Prime Minister's Office is designed for partisan purposes. In light of the tactics of investigation, and in light of the attempted smear and the muck raking with respect to the Leader of the Opposition, how can any Members of this House repose confidence in the fact that we will be immune from criticism with respect to criticism of the Revenue Department when the Prime Minister's Office is constantly investigating the Leader of the Opposition and other Members of this House?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the question is purely rhetorical. The Hon. Member does not ask anything. He makes a number of charges with which I have dealt already. There is no investigation whatsoever into the personal lives of Members of Parliament. The Hon. Member repeats the claim again. Why? There is no such effort. Is the Hon. Member surprised that the Prime Minister's Office is interested in the politics of Canada?

Some Hon. Members: Oh, oh!

Mr. MacEachen: It is, and will continue to be. I am sure if that never-never land happens and we have a Tory Government again, the Prime Minister of that Government would be interested in the politics of Canada and would be very interested in what the Leader of the Opposition would be doing in that very, very distant time.

Some Hon. Members: Hear, hear!

Mr. Speyer: Mr. Speaker, the Deputy Prime Minister represents the Party of St. Laurent and Laurier. I am sure they would be disgusted at the tactics that are being utilized.

Some Hon. Members: Hear, hear!

REQUEST FOR ASSURANCE DEPARTMENT NOT MONITORING TAX RETURNS OF MEMBERS OF PARLIAMENT

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is for the Minister of National Revenue. Will he confirm the accuracy of my statement that he is being advised by a group of individuals with respect to the Revenue Canada crisis, the Revenue Canada furore, from the Prime Minister's Office? In addition to that, can he give assurances to every Member of this House that the Leader of the Opposition's tax returns have not been monitored, or any other Members' tax returns? Will he give us that ironclad assurance?

Mr. MacEachen: That has been asked and answered already.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): In answer to the first part of the question of the Hon. Member, Mr. Speaker, I would like to indicate that, with the assistance of the Privy Council, where can be found the most senior officials who assume responsibility for the Public Service within the Government, we have appointed a working group to look after and improve Revenue Canada communications with the public. I hope the Hon. Member will understand that they belong to the Privy Council and are all senior Government officials. I should like to assure him as well that, whatever the political partisanship criteria may be, they are never a determining factor as to whether a taxpayer return will be audited or not.

[*English*]

JOB DESCRIPTION OF RESEARCH ASSISTANT

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, bearing in mind the statutory responsibility of the Minister of Justice is to ensure that the laws of Canada are enforced, has the Minister assured himself, or will he, that no offence has been committed by Mr. Tom Axworthy, the principal secretary to the Prime Minister, or anyone else connected with the Prime Minister's Office, in dishonestly or fraudulently committing a deception in the falsification of documents under Section 355 of the Criminal Code, or for that matter under Section 356 relating to the falsification of employment records, in that Mr. Pierre Cadieux was allegedly employed by the Prime Minister's Office and apparently Mr. Axworthy by utilizing a false job description and classification?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the Hon. Member's question is full of allegations and insinuations. It seems to me that if he wants to make that kind of allegation, he should do so plainly and directly.

Some Hon. Members: Hear, hear!

CONSPIRACY INQUIRY

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I have a supplementary question for the Minister of Justice. Would the Minister in this regard when he is giving the consideration, which under his statutory responsibility he must do, look at the matter of criminal conspiracy under Section 423 of the Criminal Code as it relates to the involvement of the employment of people in the Prime Minister's Office in connection with the falsification of employment record in the public service of this country?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I will give the Hon. Member's questions the attention they merit.

Some Hon. Members: Oh, oh!

An Hon. Member: You had better look at them.

* * *

NATIONAL DEFENCE

INQUEST INTO DEATHS OF MILITIA MEMBERS—REQUEST FOR TRANSCRIPT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Minister of National Defence. On Monday I had the opportunity to present a petition to this House, a copy of which I supplied to the Minister, requesting him to release the transcript of the military inquest into the accident which took the lives of two young men of the Canadian Militia on August 21, 1983. The Minister previously indicated to me that he thought this information should be sought through the Access to Information Act. He has been asked to use his ministerial powers to make that transcript available to the families so they can find out what actually happened that day. I know the Minister has had the opportunity to consider the matter. Will he tell us now whether he is prepared to release that transcript?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I thank the Hon. Member for his question and for his continuing interest in this matter. As I indicated to him initially, the matter should be pursued through the Access to Information Act. As I understand it, an application has already been made and I have directed my officials to give that application their undivided attention in order to expedite the release of the information.

Mr. Blaikie: Mr. Speaker, I feel the Minister could have used his powers in this case. The families have already waited since August of last year, trying to find out. I regret that he has not decided to make the transcript available now.

DRIVER'S LICENCE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a supplementary question for the Minister of National Defence. May I ask him whether he would be prepared, because this is a matter separate from the inquest, to instruct the Militia to make available to the parents a copy, or the original, of the driver's licence of Private Krosney, so the parents can know whether or not their son was trained by the military to drive the vehicle he was driving that day when he was killed?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I will take those comments as a representation, and I will see to it that every effort is made to accede on a positive note.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

EXTENSION OF DEADLINE FOR PRESENTATION OF PROJECTS

Mrs. Éva Côté (Rimouski-Témiscouata): Mr. Speaker, my question is for the Minister of Environment.

Some time ago, he announced a most interesting program known as Environment 2000. However, the time limit for submitting projects under this program is very short and representations have been made to the Minister in this regard. I would like the Minister to tell us today if possible whether the final date for submitting projects under the Environment 2000 Program has been put off so that a greater number of interesting projects may be submitted?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, as mentioned by the Hon. Member, several Members have shown their interest in the Environment 2000 Program and have raised the question of the date limit. I have examined this issue, and to give more time to all Canadians who live in the faraway areas of the country and who are interested in this program, I have decided to push the final date back five days.

* * *

[*English*]

PRIME MINISTER'S OFFICE

DISTRIBUTION OF INFORMATION PERTAINING TO LEADER OF THE OPPOSITION

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is for the Deputy Prime Minister with respect to the covert operations carried on by the Prime Minister's Office—

Mr. Ouellet: That is not true.

Mr. Hnatyshyn: —with respect to the background of the Leader of the Opposition. The Prime Minister and the Deputy Prime Minister obviously confuse the public funds and the use of public facilities with their own money for political purposes. At least the Watergate plumbers got their money from the Republican Party.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I want to ask the Deputy Prime Minister a couple of specific questions. Were the Minister of Finance's recent accusations on the floor of the House with respect to the Leader of the Opposition as a result of a strategic distribution of material obtained by the crew that is working out of the Prime Minister's Office?

• (1500)

I also want to ask him—and he should know it—whether or not any official in the embassy in Washington facilitated or assisted in the obtaining of this information by Mr. Crenna?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, to my knowledge it would not be necessary to secure the help of an embassy official to drop into a public office, make out an application and pay a fee to obtain documents which are generally available. It would be quite unnecessary to call upon the services of the embassy to conduct a purely information gathering activity, not a covert activity as the Hon. Member wants to continue to say against all the facts.

SECURITY SERVICE INQUIRY

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, the Deputy Prime Minister did not answer the question with respect to the recent reprehensible actions of the Minister of Finance when he had scoured the files on the Leader of the Opposition in various government Departments, including his own. I want the Deputy Prime Minister to answer the question as to whether this was connected in any way with this particular endeavour. Also I want to ask him whether or not he can give an iron clad assurance, in terms of the law enforcement powers of the Government, through the Solicitor General or otherwise, or through any security service, that there is no use of these facilities with respect to obtaining information about the Leader of the Opposition or any other Member of Parliament.

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I have already answered similar questions by the Leader of the New Democratic Party. It is obvious that the Opposition will not stop at anything in order to make unfounded allegations. Now he is suggesting that the Government is using the Security Service. That is a pretty baseless, unjustified, and cheap allegation.

PRIVILEGE

MR. NIELSEN—REPORTED INVESTIGATION OF LEADER OF OPPOSITION

Hon. Erik Nielsen (Yukon): Mr. Speaker, I raise a question of privilege arising out of the exchanges in today's Question Period. It is a very grave and probably the most serious matter to have come before the House, certainly in my experience.

Some Hon. Members: Oh, oh!

Mr. Nielsen: I know the Government—

An Hon. Member: In 30 years?

Mr. Nielsen: I know government Members do not take it seriously, but I take very seriously any attempt by the Government to intimidate Members of the House of Commons in the execution of their duties through the threat of the release of confidential or private information about Members of the House, because that is what we are dealing with here.

We are dealing with public servants and hired agents used to dredge up material against the Leader of Her Majesty's Loyal Opposition (Mr. Mulroney), a despicable action, unworthy of a Prime Minister's Office.

Some Hon. Members: Hear, hear!

Mr. Nielsen: We have been given a glimpse, Sir, into the inner workings of the office of the Prime Minister (Mr. Trudeau), and what has come out is not such as to encourage or reassure Canadians who continue to believe that a Prime Minister represents all the people, that the Public Service, paid out of the public Treasury, is outside of politics, and that Canadians can rely on impartiality in the organs of government. The Prime Minister's Office, particularly that part of it within the parameters of the Public Service, is just such a government organism. It should be prepared to treat all Canadians with that measure of even-handed justice to which the Prime Minister is so fond of referring. Instead, we have evidence of a perversion of the organs of government in a way which has never been experienced in this country.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The action of taking out files on one's political opponents, of setting out to investigate the private, not the public, activities of an Opposition is common in secondary military governments, petty dictatorships and totalitarian societies. It has no place in a parliamentary democracy, and this is not the first time that this kind of conduct has occurred under a Liberal government.

There was an occasion when a Liberal Prime Minister used the RCMP to go through the files for a decade to find material discreditable to the Opposition. An inquiry was set up which a former Prime Minister of the country, then Leader of the Opposition, the late Right Hon. John Diefenbaker, refused to attend. Since then the politicization of our institutions has advanced by leaps and bounds. We have a Prime Minister who

likes to take shortcuts. The Prime Minister is so busy settling the world's problems, he has no time for what is going on in his own Office.

Within weeks of the new Leader of the Conservative Party being chosen, emissaries were on their way to Washington to dig up information. They were not looking for biographical information. We could have supplied that; we would have been pleased to do so. They were looking for material which would cast the Leader of this Party in a derogatory light, and they were doing it with public officials at public expense. The fact that they found nothing does not detract one iota from the underhanded, unparliamentary nature of their desperate action, for that is the only way that it can be described.

Some Hon. Members: Hear, hear!

Mr. Nielsen: We have had Members of Parliament threatened in the performance of their duties. Members who engaged in the House in criticism of tax collection methods of the Department of National Revenue were faced with a scarcely-veiled hint about publication of their tax positions. We had a threat in the House by a Minister, the Minister of Finance (Mr. Lalonde), who suggested that he would pull out letters which would cast a derogatory light on the Leader of the Opposition. This House, Sir, has been most jealous of its privileges, as has the British House before it. Threatening a Member in the performance of his or her duty is so serious that if forms the subject of a statutory prohibition. Now we have hanging over us on this side of the aisle the threat that the vast resources of government, as was pointed out by the Leader of the New Democratic Party (Mr. Broadbent), are being used to dredge up material against the Opposition including its Leader.

It is not a large step from dredging to fabricating. Those who are capable of hiring investigators to look into the activities of the Leader of the Opposition are equally capable of creating material. Would it not have been more appropriate for the Prime Minister to investigate the background of his own proposed Cabinet Ministers before their appointment, rather than to conduct the resources of government in this direction?

Some Hon. Members: Hear, hear!

Mr. Nielsen: We have already had a case where correspondence contradicting specifically the impression which the Minister of Finance sought to leave was not produced. That, Sir, is known as suppression, and I speak specifically of the letter he failed to produce dated November 30. This latest infringement on the privileges of a Member is one of the most serious which has ever been brought before the House.

The Leader of the Opposition is an officer of the House. He fulfils a function recognized constitutionally in Canadian and British parliamentary law and precedent in the same way as the position of the Prime Minister is recognized. It is his constitutional duty to attack and to criticize government. The present Leader of the Opposition has carried out that function in a reasonable, honest and fair-minded way.

Some Hon. Members: Hear, hear!

Mr. Nielsen: No one can accuse him for being overly partisan or carrying partisanship to the extremes. In my personal viewpoint, he has been moderate to a fault.

What is the reward for this restraint that he has practised? Threats, production of documents, secret and clandestine investigations. Surely this is one of the most serious revelations ever to come before a House of Commons in any parliamentary democracy.

The investigators have been hired with public funds, public servants suborned, secret trips authorized in order to dredge up anything, inside the country or out, which might reflect upon the conduct of the Leader of the Opposition while he was the head of a company in private industry. Coming on top of the publication by the Minister of Finance of private communications, the message is clear to Canadians in business and industry or to those of us who attempt to serve our constituents in Parliament. We are all subject to being looked into, we are all subject to being harassed, we are all subject to being investigated or spied upon by a Government which feels free to use the apparatus of the Public Service for partisan purposes.

• (1510)

We know what happened to the Special Recovery Fund: $300, million of public moneys turned over to Grit members as a patronage dispensary controlled by the Prime Minister's Office. How far has that politicization gone? Now the subversion of the Prime Minister's Office, the highest office in the land, which ought to be at the service of all Canadians without distinction as to the political conviction, is being used as a kind of command post for espionage against members of the Opposition. Is it any wonder that Canadians throughout this country have serious qualms about entrusting a new security apparatus to the kind of people capable of carrying out the kind of operations Mr. Axworthy has been masterminding in the Prime Minister's Office?

Some Hon. Members: Hear, hear!

Mr. Nielsen: It was from the Prime Minister's Office that the slush goodies were being dispensed. It was under Mr. Axworthy's direction that the funds were made available for a project here and a project there. Curiously, all of these projects which came fluttering out of Mr. Axworthy's office—and there was some doubt whether it was his or the Prime Minister's—all came fluttering down like manna from heaven, to land where? In Gritland. Mr. Axworthy makes no bones of the politicization of the Prime Minister's Office. It has become an anteroom for the National Liberal Federation. The only criterion of qualification is the degree of Gritism inherent in the person seeking favours. We have seen this politicization—

Some Hon. Members: Oh, oh!

Mr. Nielsen: They laugh over there. That displays the head space that they are in.

The *Globe and Mail* article today, written by Lawrence Martin, confirms that Government employees have been used to investigate details about at least one Member of Parliament with the objective of using that information in the House of Commons to deter Opposition questions about the Government's handling of its administrative responsibilities.

You have recently been asked, Mr. Speaker, to consider a parallel instance where a civil servant threatened to withhold the services of a Government agency if a given Member of this House did not pre-screen questions to be raised in Question Period. That matter is now under your advisement. I submit there can be no doubt that if such a threat occurred, it was a contempt of Parliament. Similarly, if the threat is made, implicitly or explicitly, that private information about a Member will be released if that Member rises in the House to ask a question of a Minister for the purpose of obtaining information about the Minister's Department of his responsibilities or policies in respect of that Department, the threat is made for the purpose of restricting the Member's freedom of speech in the House, and that, fundamentally, is a contempt of Parliament. Such a threat has been made. Citation 55 of Beauchesne's Fifth Edition says this:

> The privilege of freedom of speech is both the least questioned and the most fundamental right of the Member of Parliament on the floor of the House and in committee.

This fundamental privilege is under attack in the House. Members of the House can no longer rise in the House to ask questions of the Ministry without fear of reprisal for their action. Members sitting on this side of the House can no longer ask questions about matters pertaining to the official duties of Ministers—their public duties—without expecting that the Minister will respond by releasing information about the Member of Parliament in his or her capacity as a citizen of Canada either before or after that individual was elected to public office. That is what is at the core here.

Furthermore, the Government has engaged in this practice with the full knowledge of the fact that any such allegations as to facts made by Ministers must be accepted by the House and are privileged, and thus not subject to legal action outside of the House.

This concerted attack on Opposition Members seems to have been orchestrated through the Prime Minister's Office and therefore falls under his direct responsibility as a Minister of the Crown. If public employees working for the Prime Minister are engaged in activities designed to intimidate Members, obstruct them in their duties or malign them or impute motives to their conduct in the House of Commons, it is the Prime Minister and no one else who must take responsibility for that kind of sordid conduct.

Some Hon. Members: Hear, hear!

Mr. Nielsen: The *Globe and Mail* article established the fact that at least two employees in the Prime Minister's Office—indeed it was admitted today by the Deputy Prime Minister (Mr. MacEachen)—were engaged in researching, as he calls it, details about the conduct and behaviour of the Leader of the Opposition in his capacity as a private citizen prior to his election to the House. Furthermore, the article states that one of those individuals was hired specifically for the purpose of conducting this investigation, and that the job description under which he was hired was written by the principal secretary to the Prime Minister. In the interview conducted by *The Globe and Mail* reporter, it is clear that the principal secretary to the Prime Minister was entirely aware of the activities in which the PMO employees were engaged and that he sanctioned those activities.

Clearly there can be no doubt that this investigation into the activities of the Leader of the Opposition was conducted at high level within the Prime Minister's Office and that the Prime Minister was aware, or should have been aware, of the fact that this investigation was under way.

Admittedly, an investigation into the private life of a Member of Parliament by the political appointees of the Prime Minister, while distasteful and unconscionable, is not by itself sufficient to amount to a question of privilege. What must be demonstrated is that this resulted from actions undertaken or statements made by the Leader of the Opposition in the conduct of his duties in this place and that the objective of the Prime Minister's actions was to obstruct or intimidate the Leader of the Opposition in the carrying out of his duties. Such a connection, I submit, is established in that *Globe and Mail* article, which also appeared on the front page of *The Citizen*. The Prime Minister's principal secretary is described in *The Globe and Mail* article as having said that "the more intense research on Mr. Mulroney was in response to the Opposition Leader's use of the Iron Ore lay-offs as an issue".

Although the PMO employee who led the investigation into the actions of the Leader of the Opposition in the Iron Ore case had been hired before the Leader of the Opposition had taken his seat in the House of Commons, the article notes that it was only last fall that the operation moved into high gear. According to *The Globe and Mail*, that same official said that "gathering information on Mr. Mulroney has become a cottage industry in the Liberal hierarchy, with several groups involved". Should there be any question that this information was being gathered for use during the Question Period, that doubt is surely resolved by the closing paragraph of that article, which reads as follows:

> Mr. Axworthy said that the public should not confuse the Prime Minister's Office with the Privy Council Office, which it often does. He called the PMO "a partisan office." Information gathering is "to prepare for Question Period . . . We have to know what the stands of the various players are."

What information on file with the Security Exchange Commission in the United States may have to do with the stands on issues of Members of Parliament during Question Period is a moot point. However, it is clear that the Prime Minister's hit squad was engaged in this investigation for the purpose of using the information during Question Period. Thus, two elements of the case for a question of privilege have been established. First, the investigation resulted from or related to issues raised by the Leader of the Opposition. Second, the

investigation was undertaken so that some form of retaliation could be exercised in the House during Question Period.

● (1520)

For a breach of privilege to be established, it must be established that the Government attempted to intimidate or obstruct the Leader of the Opposition by threatening to release information about his conduct in his role as a private citizen.

Ample demonstration of just such an attempt at intimidation was provided by the Minister of Finance on Tuesday, January 24 last. As you will recall, Mr. Speaker, when the Leader of the Opposition rose and asked the Minister of Finance a question on the effect of the Minister's policies on the unemployed, the Minister did not reply to the question but stated, as reported at page 693 of *Hansard*, that the Leader of the Opposition's question:

> —would have a little more validity and credibility if, when we prepared the last Budget, the Hon. Member had made representations other than the one I obtained from him when he was in private business at the time, to deal with an advantage for the rich and a deal which would have benefited him rather than the unemployed.

As we now know, those allegations were unfounded and the Minister was forced to swallow his words. The important aspect of this attack upon the integrity of the Leader of the Opposition and the attempt thereby to undermine his credibility when asking questions in the House is that there appears to be a connection between the investigation undertaken by the Prime Minister's Office and the Minister of Finance's charge that was made in the House.

The official in the PMO who was in charge of the investigation is quoted in *The Globe and Mail* as saying:

> Mr. Lalonde is a prime example of this.
>
> I don't know who would have briefed him on the fact that a letter might have contained demands for the rich. It's a complete ignorance of the dossier.

This comment suggests, at first glance, that there was no direct link between the Minister of Finance and the information collection which was undertaken by the PMO. However, the fact that the PMO official quoted notes that the dossier contained detailed and accurate information about the letter in question indicates that the letter must have been obtained by the PMO from the Department of Finance or that officials in the Department of Finance made the PMO aware of the details of the correspondence between the Leader of the Opposition and the Minister and his officials.

The Minister of Finance cannot disclaim responsibility for the actions of his officials, nor can he deny his intent to use the information in Question Period to intimidate and obstruct the Leader of the Opposition. Can he then justify the communication of private correspondence with the Department of Finance to the political arm of the Prime Minister's Office? I think not.

The ominous overtone of this whole issue is clearly underlined in the following remarks attributed in *The Globe and Mail* to the PMO official in charge of the investigation:

> The steps that were taken to obtain the information were well done. But it's in the interpretation of the final information. That's what's hot.

Clearly the Prime Minister's Office undertook an exhaustive search for information, causing officials of the Office to go as far afield as Washington to peer into files, and presumably scouring the files of Government Departments, as implied in the case of the Department of Finance, in order to develop a dossier of detailed information which could then be "interpreted" by Cabinet Ministers and the Prime Minister to, as the Prime Minister's principal secretary put it, "prepare for Question Period".

Intimidation was the Government's intention. The Government proposed to "interpret" information contained in the dossier whenever the Leader of the Opposition raised a question in the House that the Government found too hard to handle or too politically embarrassing. This is Newspeak. Whenever the Government says that it is interpreting information, we can now assume that it means bending it out of shape for the purpose of causing damage to the reputations of those who oppose the Government. Interpretation in reality means intimidation and obstruction. Much as it must upset the Government to have come up dry in its quest for compromising information about the Leader of the Opposition, the fundamental question of privilege remains. The Government used its access to information to construct a dossier about the Leader of the Opposition, and was prepared to hide behind the privileges of the House while putting its interpretation of that information on the public record in the House of Commons.

This action raises two fundamental issues of privilege. First, is the Government committing a contempt by attempting to intimidate a Member of the House into silence? Second, can the Government be permitted to place allegations on the record of the House without being prepared to attest to the accuracy of those allegations and to be held responsible for them?

On the first issue, there can be no doubt that intimidation offends the rules of the House. At page 157 of Erskine May the following words which speak to the issue of intimidation are found under the heading "Attempted Intimidation of Members":

> To attempt to influence Members in their conduct by threats is also a breach of privilege.

There follow several examples as authority for that.

The observations made in Erskine May are further underlined in Beauchesne's Fifth Edition, Citation 67, where it states:

> It is generally accepted that any threat to a Member, attempting to influence his vote or his actions as a Member, is a breach of privilege.

The threat, implied or stated, to release private information about a Member of Parliament should he or she ask questions in the House that are embarrassing to the Government falls squarely into the definition of intimidation. Because such intimidation limits the Member's freedom of speech, it is a contempt of Parliament of the highest order.

The further difficulty posed by Ministers standing in the House and tabling documents, or referring to private information about a Member of the House in deflecting a question

about ministerial responsibilities is that under the rules of this place, those Ministers are protected from similar actions undertaken by private Members. A Member cannot, for example, stand in the House and pose a question to a Minister about matters not falling within his administrative responsibilities in a portfolio currently held by that Minister. All other questions are out of order and they would be ruled out of order by you, Sir.

Ministers of the Crown cannot be allowed to use their privileged access to information, the resources of the Government paid for at the taxpayers' expense, and the immunities that they enjoy in this place in an unfair or unjust manner. It is fundamental to the rules of Parliament that the rules exist to protect the minority from the tyranny of the majority. Individual Members of the House should not be subject to attacks on their personal integrity and invasion of privacy simply because the Government finds it expedient to engage in such practices.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Furthermore, politicized Government employees operating out of the PMO should not be given the authority to scour Government files and create dossiers for the purpose of arming Ministers to enter into character assassination in the House. The very fact that such an action was contemplated by Government officials is a breach of the privileges of the House and of Members of this place. That Ministers have the intention of proceeding to use this information is a far graver offence against Parliament.

To support my contention that the threat against Members could be made either explicitly or implicitly, I would like to draw your attention to the following observation drawn from page 162 of the Twentieth Edition of Erskine May:

> Both Houses will treat as breaches of their privileges, not only acts directly tending to obstruct their officers in the execution of their duty, but also any conduct which may tend to deter them from doing their duty in the future.

● (1530)

There can be no doubt that the intended effect of the campaign against the Leader of the Opposition was to counter the questions that he was raising in Question Period. By revealing private information when the Leader of the Opposition asked them a question to which they did not wish to reply it was the hope of the Ministers of the Government that the Leader of the Opposition would be deterred from asking further questions. Unfortunately for the Government, it was unable to find the damaging information that it had hoped for, and the Leader of the Opposition is not easily deterred from doing his duty in the House and holding Ministers to account for the actions of their Departments. Nonetheless, the very attempt to restrict the Leader of the Opposition's freedom of speech in this place is a contempt of the House.

My contention as to the seriousness of this contempt is further supported by the following observations found at pages 158 and 159 of Erskine May's Twentieth Edition and which speak to this issue of reprisal against Members' actions in the House and acts which reflect upon or obstruct Members in the conduct of their duties in the House. The heading and text read as follows:

> Acts tending indirectly to obstruct Members in the discharge of their duty.
>
> Conduct not amounting to a direct attempt to influence a Member in the discharge of his duties, but having a tendency to impair his independence in the future performance of his duty, will also be treated as a breach of privilege.

On the same page appears the following:

> Molestation of Members on account of their conduct in Parliament. It is a breach of privilege to molest any Member of either House on account of his conduct in Parliament.

In the middle of page 158 is the heading "Reflections upon Members", which is also regarded by that authority as a breach of privilege. The actions undertaken by the Prime Minister's Office and thus on his behalf, are a gross breach of parliamentary privilege, Mr. Speaker.

This question of privilege relates not solely to the rights of the Leader of the Opposition. If the Government is allowed to get away with this practice in the case of the Leader of the Oppposition, then no Member of Parliament is safe from this form of public trial with no charge laid against him. Every Member rises in the House to ask a question knowing that a Minister may leak information about the Member in retaliation for his or her question. Mr. Speaker, we cannot, under the rules, require Ministers to answer questions, but it seems that by asking questions we open ourselves to a personal attack upon our freedom of speech by the Government. If ever there were a question of privilege, this is it.

The heart of the issue rests in the age old principle that the publishing of statements impugning Members and threatening them with further exposure if they take part in the debate of the House, is a breach of privilege. This principle was set out in the famous Plimsoll's case in 1873, found in May's Twentieth Edition, at page 157, and continues to be valid today.

What is of great concern is the fact that this has become, as *The Globe and Mail* reports, a cottage industry. It would seem that the assault on Members' freedom is widespread among government Departments and the responsibility is thus shared by the Prime Minister with other of his Cabinet colleagues.

In closing, Mr. Speaker, if you find that I have a prima facie question of privilege — that I have raised a matter of sufficient substance that the House should be permitted to examine and decide the issue — I would be prepared to move the appropriate motion that the subject matter of the article and the circumstances surrounding it be referred to the Standing Committee on Privileges and Elections.

I know that you regard this matter as serious, Mr. Speaker. I know that brief as your tenure in the Chair has been, you have been a Member of Parliament long enough to realize —

The President of the Privy Council (Mr. Pinard) treats the matter with such frivolity that he plays an imaginary violin.

Mr. Pinard: You are wasting the time of the House.

Mr. Nielsen: We take it as serious, Mr. Speaker. The Minister accuses me of wasting the time of the House. It was

his own House order we are living with, that if we come to Orders of the Day before four o'clock, we would rise and re-convene. I am not wasting any time in a technical way and I am certainly not raising any passing matter of frivolity. We have the makings of a threat against all Opposition Members of Parliament that cannot be glossed over lightly.

I know, Sir, that you will look upon this seriously enough to take the matter under advisement and consider very carefully what the decision will be. I submit to you in all sincerity that the matter is a valid question. There is a serious question of privilege that should be referred to the House for a decision.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, lacking the prophetic talents of the Member for Yukon (Mr. Nielsen), I do not have before me a pile of some thirty-odd pages prepared in advance, all nicely ordered so that I can make a speech on a matter that, according to the Member for Yukon, arose from an article published this morning. I was looking at the elaborate document he prepared. I wonder whether he drafted it this morning or whether it has been in his files for some time. In any case, I merely intend to look at the facts that could possibly form the basis for a question of privilege.

Judging from the facts before the House, which are the only facts that should be considered by the Chair in deciding whether there is a question of privilege, there is not much there. We have here a mass of high-sounding principles, sometimes a bit exaggerated and a bit drawn-out, that have been enumerated or mentioned by the Member for Yukon, but as a general rule, he was quoting principles, in some cases with, and other cases without, their context but in any case, principles that should be considered and applied only when the facts so justify.

What is lacking in his arguments is that there are no facts or elements that could lead us to believe that there had been an investigation into the private life of one or several Members. There is nothing before the House that justifies the conclusion or even the suspicion that the private life of a Member had been the subject of a "secret investigation", to use the Opposition's words.

Mr. Speaker, I suppose you heard the brief, concise and brilliant answers given by the Deputy Prime Minister (Mr. MacEachen) during Oral Question Period. One by one, he disarmed the Members on the front bench of the Progressive Conservative Party, who visibly wanted to build up a momentum that would justify their indulging in a form of obstruction, as a footnote to a happy anniversary. Unfortunately for the Members opposite, however, because the Deputy Prime Minister had the facts and the truth on his side, he was able, simply and literally to disarm them, and as a result, the cut-and-dried document prepared in advance by the Member for Yukon became totally insignificant. It has absolutely no basis in fact.

Mr. Speaker, the facts are quite simple. During the Progressive Conservative Party's leadership campaign, one of the candidates, now the Member for Central Nova (Mr. Mulroney), said that he wanted to lead the country more or less as though it were a large corporation, because he had experience in managing a multinational, the Iron Ore Company, and had shown that he was very good at it. Upon starting his career in public life, the Hon. Member used that experience in becoming a candidate and running for the leadership. Subsequently, he used the same arguments during his election campaign in Central Nova, and later, here in the House, he also referred to his experience in managing the Iron Ore Company, especially in Schefferville.

• (1540)

That is the basic issue of the debate today. Following those allegations made public and used publicly by the Leader of the Opposition to win his election, we now have one of two individuals who is accused of being a secret spy by the Opposition. I am referring to Mr. Crenna of the political office of the Prime Minister, which is not the same thing as the Privy Council. The Leader of the Opposition also has an office and public funds in excess of $1 million to hire people whose sole occupation is nothing other than political activities. Even the Leader of the New Democratic Party has a budget of $570,000 to hire similar staff, as the Deputy Prime Minister has indicated. The Prime Minister is entitled to a slightly larger budget for his political office. Mr. Crenna is from the political office of the Prime Minister and, after the Member for Central Nova talked about his experience in the management of major companies, we want to know exactly what happened at the Iron Ore and at Schefferville. What is so remarkable about the management of a company which has to close its doors and practically ruin the economy of the north shore? What is so remarkable? That is why we want to set the record straight, since the Leader of the Opposition himself raised the issue.

As it happened, Mr. Crenna—the so-called secret spy—was performing his duty in Washington to seek information about various other sectors. As the Hon. Member and the Deputy Prime Minister pointed out, he went to a public commission, the American Securities and Exchange Commission. It is open to the public for those who seek public documents concerning a public report on a public company. Those are the facts concerning the secret spy, Mr. Crenna. He went to ask a public document about a public company in a public place, nothing else. There is no other evidence which would lead us to believe that he has inquired into the private life of anyone. These are the facts as far as the first person involved is concerned, and I do not think that I am exaggerating. In all the answers which were given to the questions asked and in all the facts that you have before you, I ask you to indicate what element could lead us to believe that the private life of an individual has been subjected to an investigation.

The second person involved, a second secret agent, to use the words of the Opposition, is a certain Mr. Cadieux. Mr. Speaker, Mr. Cadieux is not a secret agent! He is a student, and he obtained a certain amount of money to do some public research as a summer job. He did not operate from a secret place and in an underhanded manner to make a covert inquiry as a secret agent into the private life of the Leader of the Opposition. He is merely a student who, as summer employment, did some research work on a public company, Iron Ore, and on the situation in Schefferville, since this had been used by the Leader of the Opposition. He conducted this research from the University of Ottawa library.

Those are the only facts before us. It is quite ridiculous, Mr. Speaker, for the Hon. Member for Yukon to get all excited and give the same pat retorts to the clear, specific and simple answers which were given by the Deputy Prime Minister and which correspond with the facts.

I do not think that either Mr. Crenna or Mr. Cadieux are secret agents. They are two individuals who were acting quite legitimately in carrying out their legitimate and normal duties and who operated in public, seeking public information on a public company, period. Nothing in the facts before us, Mr. Speaker, would lead us to suspect that someone could have investigated the private life of a Member of Parliament.

Mr. Speaker, the one and only thing to do to settle the complaint made in this House on behalf of the Hon. Member for Central Nova is to refer to a precedent. Curiously enough, this precedent concerns a complaint made by the predecessor of the Leader of the Opposition, the former Member for Central Nova, Mr. MacKay.

[*English*]

It is a coincidence, perhaps, that twice in a row we are facing the same Tory tactic, a frivolous attempt to waste the time of the House. In 1977, the former Hon. Member for Central Nova raised a question of privilege. He seemed to be obfuscated and it was found he was totally wrong and that the facts were contrary to his allegation.

You will recall, Mr. Speaker, that in 1977 the Tory tactic was to allege that Members of Parliament were being subjected to surveillance by mail tampering, wiretapping and bugging of offices. They brought forward only two so-called "solid" cases. In the mail tampering case, the matter referred to a weird "postcard" which turned out to be an unstamped, incorrectly addressed, plasticized computer card which the postmaster, having read the message, referred to the RCMP. In the bugging case, Mr. MacKay, the former Member of Parliament for Central Nova, the predecessor of the Leader of the Opposition and now his senior adviser, hired a Toronto detective to check his office. The detective claimed to have discovered a listening device in the office and, as a result of Mr. MacKay's complaint, the Speaker called in the police. The police found that the device was phony and that it had been planted by the detective. The detective was prosecuted, convicted and fined, as well as being deprived of his licence.

That is the previous case which was brought to the attention of the House by the adviser to the Leader of the Opposition, the former Hon. Member for Central Nova.

Today we have the complaint regarding the new Hon. Member for Central Nova, which is, in my view, almost as frivolous. What we have witnessed today is a tactic to try to build up a crisis in the House. I do not know why. Perhaps the Tories do not like the anniversary of their defeat four years ago. Certainly, however, their attempt was totally destroyed by the very clear, simple and brilliant answers given by the Deputy Prime Minister (Mr. MacEachen) today to each of their questions.

There are absolutely no facts in this case which would allow us to believe that there might have been an inquiry into the private life of any Hon. Member. On the contrary, the facts are very clear and very simple. One employee in a political office was doing his job, seeking public documents from a public bureau, from a public commission, dealing with a public company, the Iron Ore Company of Canada. The student was working during the summer from the library of the University of Ottawa to find out what had happened in Schefferville and dealing with facts with respect to the Iron Ore Company.

All this is public, the gathering of press clippings, the gathering of facts in relation to a public company. There is nothing which should allow you, Mr. Speaker, to suspect that there might have been a private inquiry into the private life of any Hon. Member of the House. I suggest that this attempt today has been undermined very seriously by the Deputy Prime Minister in his very straight answers which were based on the very simple facts. This attempt should not be encouraged. I believe you should set aside this frivolous so-called question of privilege.

I should like to refer you, Mr. Speaker, in conclusion, to Beauchesne's Fifth Edition, the usual reference, Citation 19, which is very clear. It indicates to a Speaker that when Members disagree on facts, this cannot be the basis of a question of privilege. What we are witnessing here is the Opposition Members pretending that there are facts indicating to you, Mr. Speaker, that there has been an inquiry by secret agents into the private life of the Leader of the Opposition or of any other Hon. Member. That is not the case. This was firmly denied by the Deputy Prime Minister.

Moreover, to the intelligent question posed by the Leader of the New Democratic Party (Mr. Broadbent), the Deputy Prime Minister was very straightforward and gave a very clear, unequivocal answer. The Deputy Prime Minister was asked if there was an inquiry going on with respect to any private Hon. Member of the House, and he replied, no. I believe his word should be taken and this should close the matter.

It is a shame that the Opposition is insisting at this time on trying to ride a dead horse and waste the time of the House, when in fact there was nothing wrong in this whole dossier. It was merely two individuals doing their jobs, doing them well, in a very open way, and dealing merely with public facts, public documents, public commissions and a public company.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans).

Mr. Deans: Mr. Speaker, I listened—

Mr. Speaker: Order. The Chair would like to call the attention of the House to the House order which will mean that at four o'clock we will be dealing with budget matters.

Mr. Nielsen: On that point of order, Mr. Speaker—

Mr. Speaker: The Chair has recognized the Hon. Member for Hamilton Mountain on a point of order.

• (1550)

Mr. Nielsen: It was on the remarks of the Chair, Mr. Speaker, just very briefly.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) is deferring on the matter of the four o'clock House order.

Mr. Nielsen: That is right. I just want to say that there would be a question as to whether or not it is a House order. We have no intention of carrying this question on beyond four o'clock because we want to hear the Budget. But the matter is far too important not to carry on tomorrow at three o'clock.

Mr. Speaker: The Chair in no way wishes to interfere with the rights of Hon. Members to make further representations. There is ample precedent, the case of the Hon. Member for Peace River (Mr. Cooper) being the most recent one.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I listened with great interest to the exchanges that took place in Question Period, as well as to the presentation by the House Leader for the Official Opposition and the response of the President of the Privy Council (Mr. Pinard). I, too, read this morning's paper. I read the story a number of times, quite carefully, and there is no doubt in my mind that the story raised more questions than it answered, which was perhaps unfortunate. You may have noted that the Leader of the New Democratic Party (Mr. Broadbent) raised some questions which that story failed to answer. I listened to the House Leader for the Official Opposition with great care and I must say his presentation was long and, honestly, quite difficult to follow in some instances. It was very involved and it raised a number of questions which may well have been related to the ultimate question of privilege claimed, but they were questions which, I think it is fair to say, we dealt with during the course of the last two or three weeks.

For example, Mr. Speaker, there was the incident of the letter referred to by the Minister of Finance (Mr. Lalonde) which ultimately turned out not to exist. We supported the Official Opposition's contention that that letter ought to have been tabled, and we were appalled to find the letter and the Minister's comments concerning what was alleged to have been said by the present Leader of the Official Opposition (Mr. Mulroney) were unsupported.

The House Leader of the Official Opposition raised another matter of great concern. He indicated that there were incidents where Members of Parliament were being threatened over statements they may have made regarding matters which are clearly a public concern. They were being threatened with exposure of information of a personal nature in an effort to intimidate them into stopping their legitimate public criticism. I should like to go into that matter in a little more detail later. He then went on to speak of the matter of the Special Recovery Fund, which has been the topic of some considerable debate in the House over the course of the last few days, and the whole question of the Liberal Government's use of public funds for what, at least on the surface, has been indicated to have been patronage purposes.

Other than the fact that they are of interest and tend to cast the Government in a bad light, quite justifiably so, I am not too sure how those matters relate to the question now before us, which is as follows. There are two related matters, but they are separate. Did the Government improperly use public funds to research and obtain information of a private nature about Members of Parliament? That question has to be addressed in some detail in order to determine facts. Did the Government, using funds available to it for the exercise of its public responsibility, allocate those funds so as to seek information, private or public, which could be used to discredit or undermine the effectiveness of a Member of Parliament or, as raised by my Leader, of Members of Parliament. I think that is a separate question to be dealt with in a moment.

The second question is: If they used those public funds to get that information, was that information to be used or intended to be used to intimidate a Member of Parliament? I think the House Leader for the Opposition used those exact words. In addition to that, was it to be used to deny the Member, or attempt to deny the Member, the undoubted right of freedom of speech?

I think those are difficult questions to answer, Mr. Speaker. The story as it appears in the paper today, although it carries considerable innuendo, produces very little evidence to show that that is the case. However, having said that, it is not unreasonable to draw the conclusion that that may well have been the case. I think it would have been easier for us to come to a conclusion about that had the House Leader for the Official Opposition dealt specifically with that matter rather than with the other matters.

As I see it, the question you have to deal with is twofold, Mr. Speaker. The first question is the one I raised: Can the Government, using all the powers of the Treasury—

Mr. Nielsen: State.

Mr. Deans: —using all the powers of the state, as my colleague says, but using all the financial powers of the Treasury, can the Government go out and investigate at whatever cost, in whatever way it desires, the private involvement of Members of Parliament, whether it be in business or otherwise? Is that a breach of privilege? It is quite clear on the face of it that the Office of the Prime Minister (Mr. Trudeau)

certainly did go out and did attempt to seek information. The question now before you is whether that was a simple research operation, or was it in fact intended to intimidate and deny the Leader of the Official Opposition the opportunity to exercise his responsibilities as the law requires?

It being four o'clock, Mr. Speaker, I would prefer to continue with this matter tomorrow.

• (1600)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. Marc Lalonde (Minister of Finance) moved:

That this House approves in general the budgetary policy of the Government.

He said: My budget today is dedicated to building a strong and growing economy—an economy that will generate lasting, meaningful jobs for all Canadians who want to work, an economy that will provide the economic opportunity and security all Canadians seek.

My budget puts into action the program for growth, opportunity, security and partnership outlined in the Speech form the Throne.

We find ourselves in a markedly improved international and domestic environment. World economic recovery is taking hold. The threats to the financial system have been contained through the close co-operation of governments, the international institutions and the world banking community. Protectionist pressures worldwide remain a potential threat. In this area, as on the financial front, my colleagues and I are working actively with other governments to promote a more stable and more predictable international environment.

On the domestic front the record is impressive by any standard. In the June 1982 budget, my predecessor established the 6 and 5 Program to reduce significantly the inflation that was destroying our economy. That goal has been met. In my April budget, my goal was to secure the recovery. That goal has also been met. Growth has been stronger, inflation lower, and our employment higher than forecast last April. When we compare our economic recovery to that of other countries, Canada is faring better than most. Our economy, growing steadily and surely, is expected to be mong the leaders in the industrial nations this year.

These are solid achievements. Yet none of us can be satisfied when more than 1.4 million Canadians—our children, our relatives, our friends and neighbours—want to find jobs and cannot.

[*Translation*]

BUDGET STRATEGY

My budget is aimed at creating jobs through partnership. The private sector must be the main creator of jobs. But the government can help—by providing assistance where desirable, by lightening the burden of administration where feasible and by leading directly where necessary. Ultimately, the confidence of Canadians—consumers, savers and investors—and the creative energy and entrepreneurship that flow from this confidence, will shape our future.

In my consultations with Canadians in all walks of life and in all regions, I have been encouraged by the sense of realism they bring to our economic and human challenges. There has been a renewal of confidence throughout the country—confidence in our economic potential and confidence in our ability to achieve that potential. At the same time, we increasingly recognize that our future prospects depend, fundamentally, on a strong, co-operative and responsible partnership among Canadians and between Canadians and their governments.

[*English*]

Today I shall propose new initiatives to strengthen this partnership. Although I shall refer to these initiatives in detail later on, let me indicate the general thrust of some of them.

The accomplishments of the 6 & 5 Program are a remarkable example of what Canadians can do when we all work together. Thanks to the success achieved, we shall, in 1984, be able to maintain our commitment to wage and price restraint but with a more flexible approach.

To secure the jobs we need, we must become more efficient, more productive, and more aggressive in world markets. I shall announce significant measures to improve our productivity and competitiveness, and our ability to export.

The principal generators of jobs in this country are the hundreds of thousands of small and medium-sized businesses.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I am glad the Conservatives are at long last recognizing this. I shall take steps to ease their administrative burdens by simplifying the tax system. Increasing the economic security of Canadians will strengthen confidence and help boost growth and job creation. I shall propose innovative measures to increase the security of homeowners and I shall announce comprehensive measures to reform the Canadian pension system, including assistance to those in greatest need.

• (1610)

This budget is fiscally responsible. It is designed to provide leadership in moving beyond economic recovery to economic expansion. It will lead us toward growth in incomes and jobs. Most important, it does so by public support to private initiative.

Private initiative depends on confidence. Confidence in turn is fostered by consistency and continuity in government policy.

My objective as Minister of Finance has been and remains straightforward: to keep the economy growing, so that Canadians who want to work can find productive and meaningful jobs. My policies have been consistently directed towards this end.

Securing growth and jobs depends on our success in four basic areas: reducing and controlling inflation; increases investment; reducing the government's deficit and improving our competitiveness and productivity. I want now to report the progress we have made on inflation, investment and the deficit, and our prospects for the coming years. I shall return later to competitiveness and productivity in more detail.

[*Translation*]

CONTAINING INFLATION

Canadians can be proud of our collective achievement in bringing inflation down from almost 12 per cent in June 1982 to 4.5 per cent at the end of last year.

The government's 6 and 5 Program has contributed substantially to this this achievement. Restraint in federal wages and prices has helped to lead inflation down. Canadians were challenged to support the federal government's leadership in their own wage and price decisions. They have responded positively and enthusiastically. Inflation, after three years in double-digits, averaged 5.8 per cent in 1983, the lowest annual rate in a decade.

The 6 and 5 Program has been supported by responsible fiscal and monetary policies. These policies will continue to be directed at facilitating real growth, while resisting inflationary pressures.

The 6 and 5 Program, however, will begin to phase out at the end of June.

Over the course of the last few months, I have benefited from consultations with labour and business groups, with other associations, with Members of Parliament, and with my provincial counterparts. Canadians recognize that the program has been instrumental in moving from a 12-per-cent world of recession to a 5-per-cent world of recovery. They have urged the federal government to maintain strong leadership in the continuing battle to contain inflation. Most cautioned, however, that simply extending the program could create distortions that might do more harm then good.

[*English*]

I am confident that wage and price decisions in the private sector this year will not contribute to renewed inflationary pressure, and I am therefore not proposing a new guideline for the private sector. As well, effective January 1, 1985, Family Allowance payments, Old Age Security payments, public service pensions, and income tax brackets and deductions will again be adjusted on the basis of actual increases in the cost of living.

I recognize, however, that all levels of government have a fundamental responsibility to continue to exercise discipline in their own wage and price decisions.

The federal government will continue its leadership role. I am today affirming our commitment to continue wage and price restraint.

The existing policy of limiting price increases for goods and services sold by the federal government, Crown corporations and federally regulated industries will be extended for a third year. The price guideline will be reduced from 5 per cent to 4 per cent for this period.

Mandatory wage controls in the public sector will not be extended.

As urged upon us by the public sector unions and many others, the government is prepared to resume collective bargaining when the legislation expires. I want to say clearly that we shall bargain hard. We shall bargain responsibly. We shall bargain fairly. No catch-up payments will be allowed. And we shall observe four major principles in our negotiations.

Federal compensation settlements will contribute to reducing inflation and be fiscally responsible.

They will be based on total compensation comparisons with the private sector, that is, factors such as job security, pensions, hours of work and other benefits will all be considered.

They should not exceed the private sector in compensation for comparable jobs.

They will be designed to ensure that settlements encourage increased productivity and improved performance, and recognize relative job responsibilities.

Should it become apparent in specific cases that arbitration awards in the public sector or wage settlements in our Crown corporations are excessive, when measured against these principles, or that reasonable wage settlements cannot be obtained without lengthy and disruptive strikes damaging to the public interest, then the government will ask Parliament to legislate a wage settlement.

As well, my colleague, the President of the Treasury Board (Mr. Gray), will undertake consultations with labour and other interested groups on proposals to amend the Public Service Staff Relations Act. This Act establishes the framework for collective bargaining in the federal public service. It has not been updated since its introduction in 1967. Both the government and public sector unions will wish to consider changes to modernize it.

[*Translation*]

For 1984 as a whole, I expect inflation to average about 5 per cent, compared with 5.8 per cent in 1983. The economic projections I shall table with this budget suggest that further reductions in inflation will be made through the mid-1980s. The policies I have just announced will ensure that federal wage and price decisions contribute to this outcome. I expect other levels of government and the private sector to continue to do their part.

INCREASING INVESTMENT

New jobs will come from the expansion of business and industry throughout Canada, to meet the needs of Canadians and customers abroad. This expansion will require new investment.

Public investment, particularly by the federal government, will give a strong boost to the recovery over the coming year. Led by the Special Recovery Projects, our capital expenditures will increase by more than 25 per cent over the course of 1984.

Business investment declined by about 9 per cent in 1983, which is a smaller decline than I had forecast last April. Over the past year, however, significant progress has been made in restoring the financial health of the business sector. The strength of the recovery, lower inflation and interest rates, and higher productivity all helped to bring about a strong rebound in business profits. It must be stressed however that profits are still below historical levels, but they are on their way back. This growth in profits, together with much stronger stock markets and the tax incentives to assist private investment that I introduced in my April budget, have helped businesses to make considerable progress in restoring the strength of their balance sheets. These positive developments are beginning to pay off in stronger investment programs.

Equipment investment picked up in the second half of last year, and I expect it to grow strongly this year, increasing by about 7 per cent over its 1983 level. Stable interest rates and rising consumer demand should encourage business to replace and expand its stock of machinery and equipment. Plant construction should begin to grow again in the second half of this year. In 1984, I expect total business investment to grow by 2¼ per cent. Beginning in 1985, and continuing through the medium term, business investment is projected to be a major source of economic growth in Canada.

• (1620)

[*English*]

REDUCING THE DEFICIT

As business investment increases, the government's financial requirements must be reduced.

In April, I estimated that the government's deficit for the 1983-84 fiscal year would be $31.3 billion. My current estimates for revenues and expenditures show only slight changes from those I presented to Parliament last April.

The changes to projected revenues and expenditures will result in a deficit for the current fiscal year of about $31.5 billion. Government financial requirements will total about $27 billion.

The deficit has provided considerable support to the welfare of individual Canadians and to the promotion of economic activity through the difficult period of the recession and the first year of recovery. Current financial requirements have been financed without pushing up interest rates as a result of strong savings and weak business investment. But government deficits must be reduced as investment recovers and the economy expands.

I remain committed to bringing the federal deficit down in a way that does not damage our economic prospects. The fiscal strategy I set out last April has proved itself to be the right course of action.

In the coming fiscal year, taking into account the impact of the measures proposed in this budget, the deficit will fall by almost $2 billion to $29.6 billion. The government's financial requirements will be $25.6 billion.

In the medium term, the deficit will continue to fall, consistent with the strategy set out last April, from over 8 per cent of gross national product this year to about 4.7 per cent by 1987-88. Financial requirements will fall even faster. They will drop from 6.9 per cent of gross national product this year to 3.4 per cent by 1987-88.

[*Translation*]

SECURING GROWTH AND JOBS

Creating employment for Canadians wanting to work is a prime national objective. The progress we are making in reducing inflation, increasing competitiveness, restoring investment and reducing the deficit is showing up in growth and jobs.

The first year of economic recovery has been stronger than I forecast last April. We have achieved about 3 per cent real growth in 1983, rather than the 2.3 per cent I predicted. Employment also grew more rapidly than expected. About 400,000 jobs were created during 1983.

The government is making a major contribution to ease the pain and hardship of unemployment, and to speed up the creation of new jobs.

In my April budget, I announced a $4.8 billion Special Recovery Program to create jobs by accelerating productive investment. Half of this money is available to the private sector, to support private investment. The remaining $2.4 billion is being spent to upgrade public facilities in key sectors of our economy and in all regions. Under the Special Recovery Capital Projects Program, work is now under way on more than 200 projects to improve our basic research capability, our harbours and wharves, our transport system, our agricultural facilities and our tourist attractions. More than $1 billion will be spent on these projects in 1984-85. These facilities will contribute to growth across our country, provide support to private investment and create jobs for many thousands of Canadians.

In addition to the Special Recovery Program, the government has already committed over $2.3 billion in the coming year to provide direct employment and training opportunities to almost 550,000 Canadians. This includes the additional $400 million announced in the Speech from the Throne last December.

[*English*]

Creating jobs for Canada's youth is a priority. The strength and vitality of our nation's future depend on our young people. It would be nothing less than a national tragedy if they do not have the opportunity to realize their potential. The Speech from the Throne established a Youth Opportunity Fund of over $1 billion to help young Canadians acquire new skills and find meaningful jobs in the private, voluntary and public sectors. The Prime Minister has also announced the appointment of a Minister of State for Youth to oversee the co-ordination of programs assisting young Canadians. I am announcing today that the Youth Opportunity Fund will be increased by a further $150 million, thus bringing the Youth Opportunity Fund to about $1.3 billion this year.

In the coming fiscal year, the government's commitment to Special Recovery Capital Projects and to direct employment support will exceed $3.5 billion. This is about $525 million more than in the current fiscal year.

[*Translation*]

But we must all recognize that there are limits to what government alone can do. The jobs Canadians seek—good jobs and permanent jobs—must come from a healthy and growing economy, led by a strong and vigorous private sector.

I expect real growth in 1984 to be about 5 per cent compared with 3 per cent in 1983. Continued strong employment growth, of about 3.5 per cent, will increase the total personal income of Canadians. I am forecasting that total personal income, after inflation and taxes, will increase in 1984, after declining for the past two years. Consumer expenditure is expected to grow steadily in 1984, supported by this increase in personal income and a modest decline in the personal savings rate.

The improvement in the housing market last year will be maintained with an average annual level of new housing starts of about 170,000 units. Government capital expenditures, including the Special Recovery Capital Projects, will provide an important source of growth. Most importantly, I expect business investment to provide increasing support throughout the year, thereby providing the key building block to a sustained medium-term recovery.

Over the medium term, I expect real growth to continue, averaging almost 4 per cent a year from 1985 to 1988. Employment increases will continue to be strong. I am projecting that almost 1.6 million new jobs will be created over the five-year period from 1984 to 1988. At the same time, however, the labour force will also grow significantly, particularly in 1984 as increasing employment opportunities lead many Canadians to return to the job market. For this reason, we may not see a dramatic reduction in the unemployment rate this year. However, the unemployment rate should steadily decline and fall to about 7.5 per cent by 1988.

• (1630)

[*English*]

These forecasts are not goals. Our experience last year showed that by working together we could do better than the forecasts. Our objective should be to do so once again. the measures I am about to announce will help to achieve this outcome.

PARTNERSHIP FOR COMPETITIVENESS AND PRODUCTIVITY

I now turn to the competitiveness and productivity of the Canadian economy.

Becoming more competitive is a critical challenge for us all. It is a challenge we must meet if we are to create new economic opportunities and new jobs.

We are making progress. In the past year, moderating costs and strong productivity growth have helped us maintain our competitive position in world markets. Our exports grew by more than 5 per cent last year, increasing our share of the world market.

In order to keep Canada growing we must better equip ourselves to compete with our trading partners, both at home and abroad. That means we must cut our costs and be more productive. We must be world class. Laterly the government is committed to strengthening the world trading system. We can grow and prosper only by raising our own standards, not by self-defeating attempts to cut ourselves off from the rest of the world.

Three weeks ago the Government announced that business and labour representatives had agreed on the mandate and structure for the Canadian Labour Market and Productivity Centre. The federal government has committed about $27 million towards its operation over the next four years. The establishment of this Centre is a welcome result of what I regard as one of the most important of the many initiatives in the budget of April 1983: the effort to develop a new national partnership of labour, management, and governments to meet the tough competitive challenges of the 80s and provide the jobs Canadians need. Such a partnership cannot be legislated; it must be based on a strong sense of shared economic interests.

I wish to thank the labour and business representatives who worked together to make the Centre a reality. I am confident that it will soon make a valuable contribution to increasing productivity and employment.

In order to help ensure that our economy remains efficient and productive, my colleague, the Minister of Consumer and Corporate Affairs, will soon introduce amendments to the Combines Investigation Act. By modernizing competition policy, the government will assist in the promotion of efficiency and growth. An effective competition policy allows for efficient producers to be successful and for the fair treatment of large firms, small firms and consumers alike. The proposed amendments will help Canadian companies meet foreign com-

petition domestically and challenge foreign companies for markets abroad.

Today I am announcing new measures to assist Canadian workers and managers to build a more productive and competitive economy.

[*Translation*]

EMPLOYEE PROFIT-PARTICIPATION PLAN

The key to our success is productivity. Investment in modern equipment is critical. So is education, training, and research into new techniques of operation. But equally important is "putting it all together", and putting it all together comes down to individual Canadians co-operating in the workplace to make a better product at a lower cost.

Innovative managers are recognizing this. Traditional management techniques are adapting to changing attitudes and rising expectations of workers. Workers today want to be informed about their company's goals and performance. They want to understand why, as well as how, things should be done. They want to participate in the decisions that affect their work environment and the security of their jobs. And they want their own contribution to the success of their company to be recognized and rewarded. Responding to these legitimate ambitions can provide substantial benefits for management and workers alike.

[*English*]

The government believes improved labour-management co-operation in the work place is fundamental to economic growth.

I am therefore proposing today to encourage this process with tax assistance for a new Employee Profit-Participation Plan.

The government will provide a tax credit of 10 per cent of the profits shared under the Plan. Sixty per cent of the tax credit will go to individual workers; forty per cent will go to the employer.

The Employee Profit-Participation Plan is designed to complement the collective bargaining process, not replace it. Experience has shown that to succeed, profit-sharing cannot be a substitute for competitive wages.

Any company wishing to establish a plan must form a labour-management committee. The details of the Plan will have to be agreed upon by both workers and management.

I shall table a paper with this budget providing details of how the Plan will work. I want to proceed with legislation that will allow such plans to begin in the 1985 taxation year. I therefore intend to consult without delay provincial governments and representatives of the business and labour communities to seek their views and co-operation.

I also intend to broaden the tax assistance available to employee stock option plans. Employee stock options are important in compensating dynamic and entrepreneurial employees. They provide such employees with incentives directly related to their ability to increase the productivity, competitiveness, and growth of their company.

[*Translation*]

AID-TRADE FUND

Public support can do much to enhance the role which our private sector can play in international development.

In my April budget, I stressed the importance of exports to promote recovery and expansion. I established a Special Recovery Export Financing Fund of $180 million to enable the Export Development Corporation to provide greater assistance to exporters.

The developing countries offer many export opportunities for our private sector. However, many of these countries are experiencing unusually serious balance of payments problems which are impeding their development efforts and thus their capacity to import. Their decisions to undertake investments and capital projects often hinge on the availability of external financing on concessional terms. To respond to these needs, for our own benefit as well as theirs, we shall require closer co-ordination of our development assistance and our export financing policies.

● (1640)

[*English*]

In the Speech from the Throne, the government reaffirmed its commitment to devote 0.5 per cent of GNP to official development assistance by the mid-1980s and 0.7 per cent by the end of the decade. This commitment will require an expansion of Canada's traditional development assistance programs; it will also require new policies and new delivery channels.

In this regard, I am announcing that the government will allocate up to one-half of the increase in Canadian official development assistance, as we move towards the target of 0.7 per cent of GNP, to create a special fund in support of an expanded role for Canadian firms in developing countries. By 1990, as much as $1.3 billion could be allocated to the fund to provide financing for projects which have high priority in recipient countries' development plans, for which Canadian firms are competitive and for which development assistance financing is required.

The government will develop guidelines for the use of this fund in consultation with the business community. The object will be to help Canadian firms to provide additional goods and services in support of Third World development and to increase the Canadian share of procurement in multilateral development projects. It will also be the government's intention to enhance industrial co-operation between Canada and developing countries.

[*Translation*]

SIMPLIFYING TAXES FOR SMALL BUSINESSES

I now want to deal with the issue of simplifying the tax treatment of small business. An important part of the government's responsibility to the private sector is to keep the rules of the game simple and clear. Far too much talent, money, and productive effort is being misspent on keeping complicated records, filling out difficult forms, and trying to understand increasingly complex legislation. The Minister of State for Small Business and I have received numerous representations about the complexity of small business taxation. With the advice of small business organizations and tax practitioners, I have devoted considerable effort to simplifying the tax system.

Tax simplification can free valuable resources for the critical tasks of running a business and making it grow. I recognize that the tax system must inevitably be complex to some degree in order to deal fairly with the wide variety of circumstances that characterize a complex economy. But I am determined to simplify it where possible. I propose to take a significant step tonight, but I recognize that more remains to be done. I intend to continue my efforts in this regard.

[*English*]

Canadian small businesses are the main source of entrepreneurship, risk-taking, and job creation. It is, therefore, an appropriate area to begin tax simplification. Streamlining their tax regime can be as important as the considerable financial support that the government already provides.

I shall table a paper with this budget containing proposals for a major simplification of the income tax regime for small businesses. The original purpose of the cumulative deduction account was to limit the low tax rate for small business to companies having less than $1 million of cumulative business income. However, it meant that all small business corporations had to keep track of this account regardless of their size. The cumulative deduction account is a prime source of legislative and administrative headaches. I propose to eliminate it. This will reduce paperwork and record-keeping for almost 300,000 small Canadian companies.

The administrative burden on small businesses will be eased further by eliminating the distinction between active business income and non-qualifying business income, and by simplifying the legislation dealing with specified investment businesses, personal service businesses, and corporate partnerships.

These proposals will cut the small business tax legislation by two-thirds, shorten and simplify the tax form, and lighten the burden of record-keeping. The measures will also provide more tax savings for growing small and medium-sized businesses. In the first full year of operation, federal taxes for Canadian controlled private corporations will be reduced by $150 million.

In my consultations on tax simplification, I heard many Canadians say that the rapid pace of change in the tax system in recent years was itself a cause of complexity. Accordingly, I want to allow time for interested parties to comment on these measures. The paper I shall table contains detailed proposals and draft legislation. I hope to receive comments by April 15 and to introduce legislation shortly thereafter. The measures will take effect following enactment by Parliament.

IMPROVING THE FAIRNESS OF TAX ADMINISTRATION

Canada's tax system is based on the principles of self-assessment and voluntary compliance. Because of the complexity of our tax laws, however, taxpayers often experience difficulties in completing their returns. It is becoming increasingly difficult for them to be sure they are complying with the law, and also to be sure they are claiming all the tax relief to which they are entitled.

Demands have increased for Revenue Canada to provide information, assistance in the preparation of returns, advance rulings, and other similar services to taxpayers.

The Minister of National Revenue has appointed an independent expert to undertake a thorough review of the administration of the Income Tax Act. The purpose is to find out what steps need to be taken to make Revenue Canada's service more responsive to the public without detracting from fulfillment of its responsibilities. But some legislative action can be taken immediately.

In response to representations by my colleague, the Minister of National Revenue, I propose a number of immediate changes in the law that, taken together, should contribute significantly in relieving the administrative burden on taxpayers and improving the fairness of tax administration.

The quarterly tax payments are a serious burden to many senior citizens. Therefore, I am increasing the existing $400 annual tax threshold below which individuals are exempted from having to pay quarterly tax instalments. The new threshold will be $1,000 and will be extended to corporations. In addition, where interest on late or deficient tax instalments is less than $25, it will not be assessed. These new thresholds will mean that tax instalment obligations, and the associated burden of paperwork, are eliminated for about 350,000 senior citizens and over 50,000 corporations, most of them small business and family farm corporations.

• (1650)

I propose a package of legislative initiatives to improve tax administration. A number are designed to facilitate the resolution of taxpayer disputes and appeals.

The period for filing formal objections to tax assessments is being extended from 90 to 180 days. In addition, rather than being required to pay taxes in dispute, taxpayers will be entitled instead to provide adequate security.

More generous provisions will be introduced relating to the awarding of costs on successful appeals to the courts. In particular, the Tax Court of Canada will be allowed to order Revenue Canada to pay up to $1,000 of the costs of a taxpayer's successful appeal.

Further, taxpayers will have a right to a refund of any overpayment of taxes when a court decides in their favour, even if Revenue Canada further appeals the decision. There are additional relieving changes relating to taxpayer elections and waivers.

[*Translation*]

A number of major administrative initiatives are also proposed for the sales and excise tax. The government will for the first time pay interest on delayed refunds of overpayments of sales and excise tax. Manufacturers will also be permitted to claim a refund of any such taxes paid on bad debts. In addition, a formal assessment and appeal system will be introduced into the Excise Tax Act. The appeal rights of taxpayers will be protected and entrenched in the law.

These and other proposals detailed in the supplementary information address a number of serious concerns relating to tax administration and represent major improvements in the protection of taxpayers' rights and I wish to thank the Minister of National Revenue (Mr. Bussières) for his co-operation in this matter.

[*English*]

SALES TAX CHANGES

I am also announcing today a further change to the sales tax.

The question of whether the manufacturer's sales tax should be shifted to the wholesale level has been discussed for several years. One of the government's original objectives was to eliminate the unwarranted advantage this tax gave foreign producers competing with Canadian manufacturers in our own markets. This was particularly serious in the auto industry.

Last year I appointed a private sector committee to study alternatives. The committee has recommended that the proposed overall shift in tax to the wholesale level not be implemented. Rather, it has suggested that the government introduce modifications to the existing system to deal with specific defects. The government accepts this recommendation.

I propose, however, that the manufacturer's sales tax on highway motor vehicles be shifted to the wholesale level, effective March 1, 1984. At present, the tax on a Japanese or European car can be $100 to $200 lower than on a comparable car made in Canada or the United States. The change I propose will result in a small revenue decrease for the federal government. But it will ensure a uniform application of tax to all makes of vehicle and end the unfair advantage for imported overseas automobiles.

This measure among others will support growth and employment in the Canadian auto industry.

OTHER TAX MEASURES

I am also proposing a number of additional amendments to the Income Tax Act and to the Customs Tariff and Excise Act that will affect Canadians in specific situations. These are described in detail in the supplementary information I shall table with this budget.

One in particular I want to mention relates to the energy sector. While circumstances in the petroleum industry are improving, there is a need for further temporary assistance, particularly for Canadian companies that are typically among the most aggressive in searching for new supplies of oil and gas. Last April, I provided support to these companies by deferring the reintroduction of the incremental oil revenu tax for one year, from June 1, 1983 to June 1, 1984. I will be proposing to defer reintroduction for another year, to June 1, 1985.

I also propose to introduce changes to facilitate the transfer of family farms from one generation to another. These changes are in keeping with the government's commitment to the preservation of the family farm.

There has been some controversy surrounding the possible application of Section 31 of the Income Tax Act to farmers. The court decisions have clearly emphasized that farm losses are not in any way restricted for those farmers whose principal occupation is farming and I want to affirm that this is our policy intention. Those farmers whose principal occupation is farming should have no concern that their losses may be restricted. This includes farmers who have taken jobs to provide an extra source of income, as many farmers do in order to support their farm operation.

There is some question of the application of these rules to part-time or so-called hobby farmers. Many such persons have full-time or other occupations in the city but nevertheless carry on farming activities. Concern has been expressed that changing the loss rules to benefit those persons could have an adverse impact on farm prices and provide an inappropriate incentive for speculation in farm land. Before considering any specific changes to Section 31, I intend to establish a consultative group to assess the impact that changes might have on the agricultural sector.

[*Translation*]

PARTNERSHIP FOR ECONOMIC SECURITY

In preparing this budget, one of my overriding concerns has been to improve the economic security of individual Canadians.

Through the recession and into the recovery, this government has maintained its commitment to a wide range of programs and policies that provide an essential level of economic support for Canadians: income support programs, health care programs, economic opportunity programs. These programs help build an environment in which economic growth can be better achieved and maintained.

I am proposing today important measures to enhance the economic security and confidence of Canadians.

IMPROVING PENSIONS FOR CANADIANS

First, I will deal with pensions. Pensions are the principal lifeline Canadians have to economic security in their retirement years. There are ways we can strenghthen that lifeline.

We have had a constructive debate in this country for many years about the best way to build better pensions for Canadians. The government issued a Green Paper in December 1982. This paper was the subject of extensive review by the Parliamentary Task Force on Pension Reform, which reported at the end of last year.

Today, I want to propose actions in five important areas of pension reform.

First, too many retired Canadians are now receiving pensions that are insufficient to allow them to live in comfort and dignity. I refer to those single senior citizens who are now receiving the Guaranteed Income Supplement.

This government will never turn its back on those who spent their working lives helping to build this country, and who now need help themselves. In the Throne Speech, the government made a commitment to introduce legislation to increase the GIS for single pensioners. My colleague, the Minister of National Health and Welfare, will soon be introducing legislation to increase the maximum payment to this group of pensioners by $50 a month. The payment will increase by $25 a month on July 1 of this year and another $25 a month on December 1. This raises the guaranteed income for elderly single individuals to more than 60 per cent of the amount paid to couples, as recommended by many business, labour and women's groups.

• (1700)

[*English*]

When the GIS is combined with the universal old age pension, single pensioners will be assured of a monthly minimum income of $600, or $7,200 a year. About 750,000 single senior citizens, three-quarters of whom are women, will benefit from the increase. The additional government support will amount to $460 million in a full year. This $50 increase is in addition to the $35 which this government introduced on July 1, 1980. As a result of these increases introduced by this Government during the last four years, those elderly Canadians in greatest need will receive next year additional assistance of more than $1 billion over and above what they would have received had we not made the changes we have in the last four years. Provision will also be made to see that persons receiving partial old age pension, most of whom are Canadian immigrants, have Guaranteed Income Supplement benefits sufficient to give them the same minimum income as other pensioners. About 3,000 pensioners will benefit in the coming year. The number will rise to about 25,000 by the end of the 1980s.

We have honoured our commitment to help those in greatest need.

I expect that provincial governments will not take advantage of this significant increase in benefits to senior citizens by reducing their own payments or increasing their charges on them.

Second, I intend to introduce legislation at an early date which will significantly improve minimum standards for all private pension plans under federal jurisdiction. This represents about one million Canadian workers. I shall table a paper providing details of these proposals.

The changes I am proposing will provide protection against inflation for future pensions.

They will assist mobility by ensuring that employees acquire rights to their pension benefits after two years' service instead of ten, and are allowed to take their benefits with them if they move to another job.

The changes will also broaden pension coverage for full-time and part-time workers, many of whom are women.

Indeed, they will also assist women in a number of other ways: first, by requiring pension plans to provide survivor benefits and ensuring that these benefits will not end if an individual remarries; second, by requiring the pension earned to be split between spouses in the case of marriage breakdown; and third, by ensuring that women and men retiring under identical circumstances receive equal pensions.

There will also be new provisions to assure the disclosure of information and to provide for worker representation on pension advisory committees.

Time will be needed for private plans to adjust to this new regime. I am proposing that these measures take effect no later than January 1, 1987. I will seek an earlier implementation date if that is possible. I expect provincial governments to adopt similar measures in their jurisdictions.

Third, with respect to the Canada Pension Plan, my colleague, the Minister of National Health and Welfare, will soon be bringing forward several specific amendments to strengthen the CPP and improve the benefits to women that the CPP provides.

These include automatic splitting of pension benefits upon marriage breakdown or when the younger spouse reaches 65, the continuation of survivor benefits on remarriage, and the raising of pensionable earnings to the average industrial wage by January 1987. Agreement of provincial governments to implement these measures will be sought as soon as possible.

A number of more extensive changes in the CPP will be discussed with the provinces beginning this summer. Among them are the introduction of a homemaker's pension in the CPP, improved survivor and disability benefits, the qualifying age for entitlements and the financing of CPP benefits.

Fourth, I propose to introduce a major reform of the income tax system in order to improve tax assistance for retirement saving. I shall table a discussion paper with this budget that sets out details.

It has become clear over time that a number of aspects of the tax treatment of pension savings are unfair and inflexible.

For example, the tax system now provides significantly greater support and flexibility to Canadians building pensions through defined-benefit plans than it does to Canadians building pensions through money-purchase plans such as RRSPs. This inequity penalizes in particular employees of small businesses, farmers, fishermen, professionals and others who are self-employed.

I am proposing changes to put all pension plans on an equal footing for tax purposes, and to allow contribution entitlements to be carried forward from year to year on the basis of total career earnings. As a result, all Canadians will have comparable access to tax assistance. They will be able to save for retirement as their means permit without losing any entitlement to tax assistance. This will recognize that many Canadians, in their early working years, find it difficult to build pensions because they are saving for a home, bearing a heavy burden of family expenses, or investing to build up a business.

The new tax-assistance system will also be indexed by the average industrial wage, to ensure that Canadians are able to build tax-supported pensions that keep up with inflation and with real increases in living standards.

I am also proposing an innovative Registered Pension Account. This will create a tax-assisted individual savings vehicle to which employers and employees can both contribute funds that cannot be withdrawn until retirement. The Registered Pension Account will relieve many small business employers of complex pension administration burdens, as well as allowing employees improved pension portability.

• (1710)

The new system will provide tax assistance for an adequate pension based on total career earnings. To meet this target, Canadians will be allowed to deduct their own contributions, or contributions made for them by their employer, to any registered pension plan, up to a limit of 18 per cent of total career earnings.

In the first stage of the new system, beginning in 1985, the annual dollar limit for money-purchase plans, including RRSPs, will be increased from $5,500 to $10,000. The annual dollar limit will rise to $12,000 in 1986 and $14,000 in 1987. Limits on employee contributions to registered defined-benefit plans will be removed in 1985.

With the second stage in 1988, the new system will become fully operational. In that year the annual dollar limit for contributions to all pension plans taken together will rise to $15,500. The ceiling will thereafter be adjusted annually by changes in the average industrial wage. The fully operational system will allow individuals to carry forward their unused annual deduction entitlements to future years.

Fifth, I am also taking immediate action to assist farmers to build better pensions for retirement. Effective this year, a special provision will be introduced to allow farmers to contribute up to $120,000 of taxable capital gains from the sale of a farm to an RRSP. The amount eligible will be $10,000 for every year they have farmed the land from 1972 to 1983. This provision recognizes the special difficulty farmers have had in providing for their retirement during the years they are building up their farm.

[*Translation*]

The new system of tax assistance for retirement saving, together with the changes I propose to the Pension Benefits Standards Act, will increase the capacity of Canadians now working to build stronger pensions for their retirement. By so doing they will help to build a strong foundation for personal economic security, while increasing savings that will support investment and growth over the medium term. This shows once again how public support for private initiative can help Canadians to help themselves, and in the process build a stronger future for all of us.

Finally, the government reaffirms its commitment to ensuring that all Canadians have adequate retirement income. It undertakes to monitor closely the reaction of provinces and the private sector to the proposals for pension reform presented in this budget. The government will be ready to discuss with them whatever additional steps may be required, and their nature and timing.

INCREASING SECURITY FOR HOMEOWNERS

Another area which requires attention is the security of homeowners and of prospective homebuyers. I will have three measures to announce.

Mortgage rates have fallen dramatically and have been stable for many months. Lower and stable interest rates, together with growing incomes and government incentive programs, have restored some of the confidence of Canadian homebuyers. In the past few years, however, thousands of homeowners were dealt a serious blow by mortgage interest rates that rose to unprecedented levels. The Canada Mortgage Renewal Program supported more than 20,000 Canadians in financial difficulty when they had to renew their mortgages at very high interest rates. The Canadian Home Ownership Program provided $3,000 grants to more than 260,000 first-time homebuyers. Over the past two years, the government has provided about $800 million to help Canadians own a home.

With the return of lower interest rates, and in response to the assistance provided in my April budget, new housing starts rebounded strongly in 1983. But many Canadians who were forced to renew their nortgages at very high rates in 1981 and 1982 continued to experience financial difficulties even after mortgage rates came down.

I am concerned about those Canadians who are trapped in such difficulties. The government has encouraged the co-operation of major lending institutions in assisting them. I have also considered, with my colleages, the Minister of Public Works and the Minister of Consumer and Corporate Affairs, what additional steps can be taken to increase flexibility in the mortgage market, provide borrowers with better information

and firmer rights, and protect homeowners against extraordinary increases in mortgage rates.

The government is prepared to act in three areas to strenghten borrowers' rights and to increase the fairness and flexibility of the mortgage market in order to improve the security of Canadian homeowners. These proposals are outlined in detail in a document I am tabling with this budget.

[*English*]

First, the government proposes a Mortgage Rate Protection Program that will provide income security to homeowners facing mortgage renewals at much higher interest rates. All Canadians will be eligible to join the plan. An individual will pay a modest fee when renewing an existing mortgage or taking out a new one. This will protect the homeowner against extraordinary interest rate increases for a further period of years equal to the original term of the mortgage. As a consequence, someone taking out a five-year mortgage and buying coverage under the program will be guaranteed that monthly payments will remain relatively stable for a 10-year period, that is, twice the duration of the first mortgage.

Mortgage Rate Protection will provide an important element of personal security to home owners and those wishing to purchase homes. My colleague, the Minister of Public Works, and I wish to consult with the financial community and housing industry on a number of administrative and technical details related to the operation of this program. These consultations should be concluded over the next month or so. Enabling legislation will be introduced as soon as details are settled. All homeowners entering new mortgage contracts after March 1, 1984 will be eligible to participate in the program.

Second, together with my colleague, the Minister of Consumer and Corporate Affairs (Mrs Erola), I will be proposing amendments to the Interest Act. These amendments will require disclosure of interest rate information, and prepayment rights and penalties, so that all borrowers will be able to know, precisely and simply, the terms of their contract. The amendments will also guarantee a right of prepayment for all mortgages and will limit maximum prepayment penalties in a way that is fair to both borrowers and lenders. The government intends to proceed as quickly as possible. I am also asking financial institutions to voluntarily apply the proposed prepayment measures immediately to existing mortgages.

• (1720)

Finally, in order to facilitate the introduction by the private sector of mortgages that run longer than five years, and as Members know, mortgages for longer than five years have practically disappeared from the market, I shall take steps to encourage the development of mortgage-backed securities. Longer-term mortgages can provide substantial security to homeowners by guaranteeing their mortgage costs for a considerable period of time. I am prepared to propose amendments to remove any legislative barriers to the development of mortgage-backed securities, and I intend to consult with mortgage lenders to determine whether additional measures are required to support the development of such instruments by the private sector.

[*Translation*]

The measures I am proposing to improve the security of homeownership will enable and encourage more Canadians to buy their own homes. This will increase their personal economic security and contribute as well to residential construction, business investment, and growth.

This budget was preceded by an extensive round of consultations with Canadians from all economic sectors and all regions of the country. These consultations are an important step in carrying out the government's commitment in the Speech from the Throne to introduce more permanent mechanisms of economic consultation.

I have found these consultations extremely valuable, and I wish to thank all those who took the time and effort to present their views to me and to my colleagues.

If there was one underlying message that came through time and again, it was the need for a period of stable and consistent economic policies. Now is not the time for a radical change in direction. People also stressed that the budget process should allow major initiatives to be presented in a way that provides for informed public comment and discussion before they are put into effect.

In line with the Green Paper on the Budget Process, issued in April 1982, the government has been steadily opening up the budget making process.

[*English*]

Extensive consultations have now become a permanent feature of budget making. I welcome this development. Major proposals in my last budget, such as the Indexed Securities Investment Plan and improved tax incentives for research and development, have benefited considerably from the expertise and knowledge that was brought to bear on them in post-budget consultation and comment.

My budget today continues this evolution to a more open process. The government recognizes that consultation cannot and must not be a substitute for action. But proposals, such as those I have put forward today, can be improved and refined to

the benefit of all when Canadians are offered a reasonable opportunity to comment on them.

CONCLUSION

I am tabling with this budget Ways and Means motions relating to all the tax and tariff changes I have proposed. I am also tabling all of the budget papers to which I have referred.

These papers on profit sharing, on tax simplification, on the mortgage market, and on pension reform, contain far-reaching proposals for action. These proposals will strengthen the partnership between government and the private sector while they expand economic opportunities and improve personal economic security for Canadians. The Government is eager to proceed with these proposals as quickly as possible. In the coming weeks, my colleagues and I will meet with our partners in labour, business and the provinces to hear their views.

[*Translation*]

Mr. Speaker, I have brought down a Budget which, I am sure, will help us make the transition from recovery to expansion, by ensuring that more industries, regions and Canadians receive the benefits of economic growth. I am thinking particularly of our young people who need jobs and of those Canadians who are retired or close to retirement and deserve proper recognition for the contributions they have made.

As Canadians, we must share the burden when times are hard, but we must also share the profits when better times come along. Above all, we must do our share to make our economy grow, by working together as true partners. My Budget opens new avenues towards an economic future that will be better and more profitable for all of us.

As businesses regain their profitability, their employees will share more directly and completely in the benefits of their work. Following the substantial simplification of their taxation system, small and medium-sized businesses will be able to use more of their time, more of their talents and more of their money to promote productive growth.

With the proposals contained in this budget, Canadian homeowners and builders will benefit from an improved confidence and a greater stability as well as from a more secure future.

Our young people will benefit from better opportunities to gain secure and satisfying employment through a substantial increase in the material resources which the government will set aside for this purpose this year.

As I have already noted, the Youth Opportunity Fund will receive about $1.3 billion this year.

Finally, senior citizens today and in the future will be able to enjoy a larger part of the property they have acquired through their work thanks to a reform of the pension system. Farmers particularly will benefit from new and innovative measures which will help them to better provide for their retirement years.

[*English*]

If Canadians are to meet the challenges of the future, we cannot be satisfied with past performance and past habits. These will not sustain us in a fiercely competitive international marketplace. We must become better than the competition—better at producing and marketing goods and services; better at working together for the shared economic interests of all Canadians.

If we measure up to that challenge, then we shall create new opportunities for Canadians to find good, satisfying, permanent jobs. We shall create opportunities for more Canadians to buy a home, to start or expand a small business, and to invest with confidence in our future. In short, we shall create the opportunities for Canadians to build better, more fulfilling lives on a foundation of economic strength.

That is the goal of the program of action I have presented today to lead Canada from recovery to expansion.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, unfortunately I have to be truthful with the Canadian people. I can be no other way. I do not rise here tonight to deceive them by saying that this is indeed a wonderful Budget. There is a little froth on the surface of it to which the Government has been forced. There is some help for those who have suffered from the injustices of the Department of National Revenue, which of course has been caused by the people on this side of the House who pursue that issue. There are some improvements in pensions, largely because of the agitation of a Member on this side, the Hon. Member for Kingston and The Islands (Miss MacDonald) and others.

When you look at the fine print in this Budget, Mr. Speaker, you will discover that all these improvements are going to cost the Government today a net decline in revenue of only $215 million. It is only froth on the surface of this Budget. At the same time last April this Government increased taxes to the Canadian people in the amount of $805 million. It will cost the Canadian people $2.4 billion in the next financial year, and the year after that it will cost $2.9 billion. All of this that sounds so fine today will cost the Government $215 million net while it will bleed the Canadian taxpayers four times that amount. This Government has taken the Canadian ownership charge of $840 million without the authorization of the House. It has been put into general revenues. Otherwise, the debt for this year, which is now $31.5 billion, would have been $840 million more. That is the kind of deception we are used to with this Government.

● (1730)

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, in order to show that I am bilingual, I want to say a few words to the Minister. I am quoting from the great French author Rabelais. His last words are these: "Tirez le rideau, la farce est jouée".

Some Hon. Members: Oh, oh!

Mr. Crosbie: It means, bring down the curtain, the farce is over.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Canadian people will have endured four years of Liberal Government on February 18. The Government's moral authority to rule any longer has gone. I say, let us go to the people on this Budget.

Some Hon. Members: Hear, hear!

Mr. Crosbie: What did the Minister say in his Budget of last April ten months ago? Let me quote:

> My dominant concern in preparing this budget has been to help the more than 1.5 million Canadians who want to work but cannot find jobs.

That is what the Minister said ten months ago. How many Canadians are there today out of work who cannot find jobs? There are 1,500,000. That is exactly the same number he was going to help ten months ago.

Some Hon. Members: Hear, hear!

Mr. Crosbie: We have the greatest deficits in Canada's history and not one more person is working. We have $31.5 billion deficit and there is not one more person working. That is how wonderful deficits work, Mr. Speaker. Do you know that in the next five years, including the financial year that starts at the end of March, the Government will have, it says, $173 billion in deficits. The Government says its financing requirements will be $114.1 billion. Do you know, Mr. Speaker, that the Government will have to borrow all of that because it will have to pay, it says, $109.1 billion in interest on the deficits and the debt it has racked up in the last eight or ten years?

Some Hon. Members: Shame!

Mr. Crosbie: There is no future for Canada in this Budget. There is no thrust for economic recovery. There is no thrust for economic growth. It is a down the chute budget. It is a red ink budget.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The public debt charges this year, what we are paying on the debt the Government has already incurred, are $18.1 million. One of every $3 the Canadian people will pay in taxes this year goes in interest on the debt. Next year the public debt will go to $20.3 billion, the following year, $22.4 billion, the following year, $23.6 billion, and the following year after that, $24.7 billion. That is money just wasted in interest payments. For what, Mr. Speaker? For permanent improvement? No. It is to pay interest on the debt of these spendthrifts, these wastrels opposite us.

Next year the deficit will be $26.9 billion. Do you know, Mr. Speaker, that personal income tax returns will be up 16 per cent this year; corporate tax will be up 25 per cent and the revenue is shown as going up 14 per cent? Everything in this Government goes up except what should go up. The Minister just brought the Budget up. We have had five budgets brought up by this Government.

The public net debt of this country at the end of March will be $150 billion. When the Prime Minister (Mr. Trudeau), who is now off on a trip to Russia, started his regime in Canada we had a net public debt in Canada of $17 billion. It is now $150 billion. No wonder he is ashamed to be here for this Budget.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: Any excuse is all right for the Prime Minister to be away when the domestic problems of this country are under consideration. He does not want to hear the shameful record of this country.

Some Hon. Members: Oh, oh!

Mr. McDermid: That gets them going.

Mr. Crosbie: Now most of them hope he never returns.

Some Hon. Members: Hear, hear!

Mr. Crosbie: There is only one way this nation can have economic recovery, and that is, to have lower interest rates. There is only one way we will get lower interest rates, and that it, if we have a Government that will show it will control its spending and its deficits. That is the only way. We are doomed to a thwarted and aborted recovery with this Budget. It does not show the Government will control its spending or the deficit. The Minister of Finance knows that. He has given that exact advice to Mr. Volcker. Remember when I put the question to him last week, Mr. Speaker? I quoted Mr. Volcker, the U.S. Federal Reserve Board Chairman, who said this:

> High deficits are restraining economic recovery. The federal deficits have kept interest rates high. Pressures from the deficits work to restrain expansion in areas of the economy that are more sensitive to interest rates, such as housing, autos, and long-term business spending.

I asked the Minister whether he agreed with those statements. He got up and he said, "Sure, I was the one who originated them. I said that long before Volcker did". If the Minister believes these statements of Volcker's are true, how can he continue to have budgets that bring in a deficit far greater than the U.S. deficit? The U.S. economy is ten times our size. The U.S. deficit this year, I think is $183 billion. Our is $31.5 billion. In terms of the U.S. economy, that would be a deficit of $310 billion. That is far worse than the U.S. deficit. If these economic principles are true for the United States of America, they are true for Canada. The Government is leading us down the chute because it does not have the guts, the gumption or the courage to tackle the real problems of this country.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I will not give myself as an authority, Mr. Speaker; I will quote somebody else. I quote him now:

Real interest rates are high and this seems in part a reflection of worries about a possible resurgence of inflation and large fiscal deficits.

"Real interest rates are high". What is it? A reflection of worries about a resurgence of inflation and large deficits. Who said it? The Minister of State for Economic and Regional Development (Mr. Johnston) making a submission to the MacDonald Royal Commission last September 21. How can he stay in a Government that ignores these economic truths and these views?

Mr. Lalonde: I said it, too.

Mr. Crosbie: You are the cause of the real interest rates. You and your Government and your spending over the last four years. You do not want to do anything to overcome it.

Mr. Speaker, let me give another quotation that I have here somewhere in my voluminous notes.

Some Hon. Members: Oh, oh!

Mr. Tousignant: What about the Budget, John?

Mr. Crosbie: If you want me to bring in a budget, go to the electorate tomorrow and they will see that I am put back to bring in the budget.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The Minister of Finance said this:

Budgets are not instant solutions, but building blocks to success.

Mr. Evans: What do you think?

Mr. Crosbie: This is not a building block to any economic recovery in Canada. We have had six of these documents from this Government since it got back in power four years ago. The first was on April 21, 1980, which was an economic statement. The next was on October 28, 1980. That was when the poor old Deputy Prime Minister (Mr. MacEachen) brought in a Budget on energy and he crushed the energy industry with the help of the then Minister of Energy. The two of them should be taken up for attempted murder.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

• (1740)

Mr. Crosbie: On November 12, 1981, the Deputy Prime Minister reversed himself, swallowed himself and became the Gypsy Rose Lee of Finance Ministers. He threw off all these tax reforms and was left naked as a newt in front of the Canadian people. On January 28, 1982, there was another Budget from the hon. gentleman, and he finished stripping—the G-string went on that one.

On October 27, 1982, there was an economic statement from the present Minister of Finance (Mr. Lalonde), and on April 17, 1983, a Budget. This is now No. 7; seven come eleven, they hope, and every one of them different from the last one, every one of them reversing the last. There is no confidence left in the country at all. There is no confidence among those who have money to invest, foreign or domestic. Then comes down the Budget of today, which reveals a situation far worse than anyone could have imagined in their most drunken moments, with a deficit that was not several billions of dollars better, as the rumour had been, but a deficit that was several million worse.

The Minister had a Budget leak last year at a cost to Canadian taxpayers of $200 million. But even adding that on, he has outdone that. His Budget deficit is now going to be $31.5 billion. By the way, in the lock-up we asked about several places in these documents where they are calculating that interest rates will decline. Remember, this is very important, because the biggest spending done by the Government now is on interest payments on our debt. In estimating what they will be, one has to estimate what interest rates will be in the next five years. This group says that they are estimating that they will decline. So we asked them what interest rate they were using. Oh, they could not tell us. We asked, "Why can't you tell us? Don't you have to use some estimate of interest rates?" They said, "Well, we have to ask the Minister about that". I said, "If you are going to ask the Minister to give you permission to tell us what interest rates are used—and probably it was 3 per cent—then we are never going to find out what interest rate assumptions were used". In other words, these figures are entirely fictitious.

Some Hon. Members: Hear, hear!

Mr. Crosbie: They are what the ordinary person describes as a crock. I hope the Canadian people watching tonight will tune in tomorrow morning; I am back again at eleven o'clock in the morning.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Tomorrow I will show how accurate the Government has been in its projections and estimates over the last four years. It would turn your hair white, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The Hon. Member for York West (Mr. Fleming) on the Government side of the House on November 29 said this about the Government: "If we stay the way we are, surely we are dead". We are looking at the living dead here today. They have stayed just the way they were. As he said, the Government operates on cynicism, ballyhoo and manipulation, but cynicism, ballyhoo and manipulation will not feed the unemployed.

Do you know, Mr. Speaker, what goes on in this Budget speech? I will show one little piece of deception that is in this Budget speech just to show how it is done. They cannot feed people on deception. I would like to refer to page 7 of the speech. By the way, the Budget speech and the documents were not delivered around. I do not think they have been delivered to our Members yet.

Some Hon. Members: No.

Mr. Crosbie: When our Members leave the House, they will be asked by their constituents, the radio and other media, questions about the Budget and the Budget papers. They have not even been allowed to see them yet; they are not even distributed yet. That is a disgraceful piece of news management.

Some Hon. Members: Hear, hear!

Mr. Crosbie: On page 7 of his speech, the Minister discussed securing growth and securing jobs. He said:

> For this reason, we may not see a dramatic reduction in the unemployment rate this year.

Well, that is a safe prediction. We are going to see a lot of unemployed Liberals if they get their act together and call an election. Then he went on to say:

> However, the unemployment rate should steadily decline and fall to about 7.5 per cent by 1988.

Now the person listening in hears only the words "decline and fall to about 7.5 per cent". He does not notice the "1988". But if he gets, which he will not, the fiscal plan and all the other Budget documents and looks them up, he will find what the Minister really predicts in 1988, five years away unless my mathematics are incorrect.

Here is what is in the document—the unemployment rate for 1983 was 11.9 per cent and for 1984 will be 10.9 per cent on average. That is the year in which we are living now. They also estimate the number of those who will be unemployed—1,401,000 is the Minister's estimate of those who will be unemployed in Canada all during 1984; not 1988, they cannot survive on nothing until 1988. They estimate that 10.1 per cent will be unemployed in 1985; 1,336,000 will be unemployed that year. Then the Minister estimates that 1,238,000 will be unemployed in 1986 and 1,184,000 in 1987, and we are right down to 1,106,000 in 1987-88; not 7.5 per cent which the unsuspecting listener who hears him rush through his speech thinks he is forecasting. He is not forecasting that. He is forecasting leaving them in the dark. The Minister is forecasting leaving all those unemployed in the dark for the next five years. Mr. Speaker, 1,401,000 will remain unemployed this year, not what the Budget speech tries to pretend will happen. I have unlimited time, by the way. That is good news for the other side.

The Minister said, "In my April Budget, my goal was to secure the recovery. That goal has also been met". Do the 1.5 million unemployed out there think that his goals have been met? They do not. They will put him through the goal posts soon.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Do you know, Mr. Speaker, that only 70 per cent of all our industrial capacity is now being utilized? Is that economic recovery? "My goal was to secure the recovery. That goal has also been met". Was 70 per cent utilization of our industrial capacity the Minister's goal? Is that his goal? If so, he should get out. That is not our goal. Our goal is 100 per cent, not 70 per cent.

Some Hon. Members: Hear, hear!

Mr. Crosbie: On page 2 the Minister said, "This Budget is fiscally responsible." It is the most fiscally irresponsible, pernicious Budget ever brought into the House. How can they criticize President Reagan? President Reagan's deficits are far better than theirs. How can they come into the House and show that over the next five years we will have the kind of deficits they show, with no indication of how they are going to change? The improvements in pensions which we are discussing here today and which we support and the improvements in the GIC will do Canadians no good if in 10 years or 15 years the economy of this country cannot grow, if we are on the downward path, if we are finished as an industrial power, if we do not have the capacity to work hard, if we cannot be more productive and improve our productivity, if we cannot be competitive, if we cannot control the deficit, if we cannot control our sloth, if we cannot control our Government's carelessness, and if we cannot control their insatiable lust to be in power and stay there forever. If we cannot do that, none of those people have any security; it is all going to go.

Some Hon. Members: Hear, hear!

Mr. Crosbie: That is why we have to get in office. The people and the press ask us outside, "What are you going to do?", "How are you going to control the deficit?" and "What spending are you going to cut?" That is the responsibility of those who wheedled their way in four years ago with deceit, lies and trickery. They have the responsibility of governing. If we get the responsibility of governing, then we will take the responsibility. We are going to do all the hard things that have to be done.

• (1750)

An Hon. Member: Tell us about them.

Mr. Crosbie: You had your 20 years. You brought us to this pass. You have not got the guts of a giblet between the whole lot of you.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The Minister says on page 3 that he is going to put back indexing, which our former Leader, Mr. Stanfield, suggested in the first place, which they stole and adopted, and which they betrayed several years ago, unnecessarily. They are going to put back the indexing of income tax brackets, deductions and so on, which they should never have removed in the first place because they were not causing inflation. If those things had caused inflation, why are they putting them back again when we still have inflation of 5 per cent and there is a threat of further inflation? Obviously they did not cause inflation in the first place.

The man who slit the throat of the principle of indexation is the Deputy Prime Minister. He is swallowing himself again

today as the principle of indexation gets put back in the Budget.

Mr. Evans: Thirty-five minutes and you've said nothing yet.

Mr. Crosbie: We happen to know what you would do. The unknown is far preferable, so don't worry about it. Give the Canadian people a choice between the Government and anyone, a group of phantoms, zombies from outer space, and they will choose.

Some Hon. Members: Hear, hear!

Mr. Crosbie: What I want Government Members to do is to ask these questions. What has this budget done to address the problem of high interest rates in Canada and to be sure that they will decline in the coming months? What has it done to achieve that? That is the secret to any economic recovery.

What has this Budget done about bringing about lower interest rates and increasing consumer demand? The Canadian ownership charge is still gouging the Canadian consumer four and one-half cents a gallon. The Minister of Energy, Mines and Resources (Mr. Chrétien) had the audacity, the gall and the skullduggery to announce on November 21 that the Government was going to impose the Canadian ownership charge, although it did not know what it would do with the proceeds. It did not care what it would do with the proceeds, but it would keep collecting them from Canadians. The Deputy Prime Minister said: "Vote Liberal and the price will come down." Prices have gone up a thousandfold since.

What has the Budget done to lower interest rates? What has the Government done to help consumer demand? What has it done to increase business investment? This will not increase business investment. Anyone who has money to invest will stay away from Canada until Canada has a government that is prepared to tackle these problems. I will be elaborating tomorrow. If Members want to know what I would do, I advise them to come along and I will tell them what to do.

The need in this country is for confidence, confidence of ordinary Canadians in their government. How can they have confidence in a government that acts as though it were completely composed of sleaze-bags that spend public funds? Part of the $31.5 billion deficit is to hire investigators to look into the record and the activities of the Leader of the Opposition (Mr. Mulroney) before he became our Leader. Can anyone have confidence in a regime that will stoop that low? Of course not. Can an investor have confidence in a government that sees itself out of control and does not care about spending, but apparently is never going to control its spending, that will impose increased taxes? No. There cannot be confidence in a government like that.

Do you know that the structural deficit is over 50 per cent? We are not in boom times. The Government's own analysis shows that over half of the $31 billion deficit is structural. It will not disappear with an economic recovery, but is anything being done? Can anyone have confidence in a government that will not seize that fact? Of course they cannot and do not.

Can they have confidence in a government that changes its fiscal and economic policies every six months, changes its Finance Ministers, brings in as a last gasp the only man in the Cabinet that has the necessary backbone to be able to slip under the door, a refurbished McCarthyite who attempted to besmirch the escutcheon of our honoured Leader and who met with editorial scorn in every paper of the Dominion, French, English and Ukrainian?

Some Hon. Members: Hear, hear!

Mr. Crosbie: The need is confidence. The need is for a convincing program, a deficit reduction that will deal with the structural deficit over four or five years. The need is for solicitude for the helpless and the needy who need to have a better future, and that depends on a healthy growing economy. The need is for honesty of purpose and expression. The public is fed up with the whole shebang, because they see a government ripe with dishonesty and they think all politicians are the same.

Some Hon. Members: Hear, hear!

Mr. Crosbie: We need a restoration of integrity for the governmental process. We need the removal of those whose sense of right and wrong is atrophied by 20 years in power. We need a restoration of the sense of smell to Cabinet Ministers. The mighty must fall and be humbled and the humble must be given their chance. That environment will lead to lower interest rates. It will lead to a resurgence of belief and investment. It will lead to a return of confidence to the consumer and to the investor, more employment and growth. It will lead to a better climate for federal-provincial co-operation. That is what we intend to bring when we take office.

In ending, temporarily, let me say this. Canadians are shocked by the stench of Party favouritism, patronage and corruption that is wafing out across the country from Ottawa. It is worse than the worst excesses of Mr. Duplessis or Mr. Smallwood. They are not in the class of what has been happening here in the last few months.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Malevolent McCarthyism, misuse of public funds, smear tactics, the attempt to find something discreditable about those who are wholly creditable is wholly despicable. No budget nor any set of policies can overcome this atmosphere. There can be no economic recovery for Canada with this atmosphere. Only an election and a new government can set the stage. If you care about the Canadian people, give them a chance and call an election. That is how we will have real economic growth.

In concluding, let me say this: Come my friends, the Canadian people, 'tis not too late to seek a newer world. Push off and sitting well in order smite that Liberal Government and all will be on the way to becoming better.

Mr. Speaker, I move:

That the debate be now adjourned.

I hope, to be here at eleven in the morning. Tune in tomorrow morning.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Agreed.

Mr. Speaker: It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 16, 1984

The House met at 11 a.m.

• (1105)

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: Mr. Speaker, I rise on a point of order. I thank the Hon. Member for St. John's West (Mr. Crosbie), who knows that I will take just one minute to outline the business for the coming days and tell Hon. Members when we will debate the Budget. Today, obviously, will be the first day of debate. The second, third and fourth days of the Budget debate will be Tuesday, Wednesday and Thursday of next week. Tomorrow and Monday we will deal with the following Bills: C-18, C-9 and C-10, in that order.

This is the business for the coming days. I thank the Hon. Member for St. John's West for giving me this opportunity.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 15, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I do not want to be repetitious. I hope that anything I say today with reference to the Budget Speech the Minister delivered yesterday will be new and fresh.

I want to start by adverting to the situation with respect to unemployment. Probably the most serious deficiency in the Budget is that it does not provide for any long-term recovery in Canada. That, of course, is because it does not show any way in which we are going to get out of the Government's existing deficit position in the next five years. It does not show any way in which we are going to achieve lower real interest rates or lower interest rates in the next five years. It does not show how the present economic recovery is going to continue successfully.

It is also noticeable because of the apparent inability of the Government to deal with the question of unemployment, the 1,473,000 Canadians who are now unemployed. The document that gives the figures for the fiscal plan is astonishing. When you get behind the figures and the phraseology in his Budget, it shows that the Minister is contemplating that this year there will be 1,401,000 Canadians unemployed on average during the year. In 1984-85 he contemplates 1,336,000 Canadians will remain unemployed. In 1985-86 he is contemplating 1,238,000 Canadians remaining unemployed all year. In 1986-87 there will be 1,184,000 people unemployed, the Minister prophesied. In 1987-88, even then, 1,106,000 Canadians are to remain unemployed if this Government remains in office.

• (1110)

I can only tell you, Mr. Speaker, that we do not intend to contemplate those kinds of unemployment figures for Canada when we assume power whenever this Government calls an election. These figures are not good enough. That is why the Minister's Budget appears on the surface to have something to it; but when one looks underneath, as I said last night, it reminds me of a capelin, a little fish that rolls in on the beaches in Newfoundland having his last jolly spasm on the way. The capelin lies on the beach in Newfoundland in the moonlight for a few days. It looks bright and shiny on the surface but once you give it a poke, you find it is completely rotten inside. That is the trouble with this Budget. It is shiny on the surface but completely deteriorated on the inside. That is the Minister's projection of unemployment for Canadians in the next five years.

We hear the Minister in this House tell us how much better we are doing than the rest of the world, how proud he is of our recovery, and how much better off we are than the United States. The unemployment rate in the United States is now 8 per cent. Do you remember, Mr. Speaker, that in 1968 when the Prime Minister (Mr. Trudeau) formed his administration the unemployed rate was 4.8 per cent? There were 360,000 people unemployed. That is a great record. If the Prime Minister stays in power long enough, there will be no Canadians employed. There was 4.5 per cent unemployment when the Prime Minister assumed office in 1968.

Let us look at what it was in March, 1980 when the "terrible Tories" left power. By the way, that was the only year the deficit had been reduced in a number of years. In the eight months we were in power, what was the situation? In March, 1980 the unemployment rate was 7.5 per cent. There were 967,000 people unemployed in the winter of 1980. Four years later there are 1,473,000 Canadians unemployed and we have a government that contemplates some remaining unemployed for the rest of the 1980s. If it is not time for that Government, that tired, dispirited group of montebanks to leave office, then when will the time come? Will anyone be left employed if this Government continues in office? There were

360,000 Canadians unemployed when Mr. Trudeau was elected Prime Minister and today we have 1,473,000 Canadians unemployed.

There is another point I want to make in connection with the Government's figures that have been presented to the House. These are five-year projections. The Government has projected, of course, horrendous deficits, as I mentioned yesterday, totalling $142.1 billion over the next five years. It is a fantastic series of deficits, and there are fantastic increases in spending. Are even those projections accurate?

The Government projects $114 million in interest payments alone and $119 million to be borrowed. Are those figures accurate? As you know, Mr. Speaker, we do not know what interest rate calculations the Government is using. We do know from looking at what the Government says the expenditures will be that the Government is using some peculiar figures. For example, the Government says total outlays this year—expenditures—will be $90.076 billion; the year after they will be $99.3 billion; the following years $108.5 billion; $118.4 billion and $128.3 billion. That is what the Government tells us.

● (1115)

These are the increases in percentage terms: 7.6 per cent this year; in 1985, 5.3 per cent; in 1986, 5.6 per cent and in 1987, 6.0 per cent. That is the percentage increase in expenditures each year.

Then they show that the cost of living in those years will go up. In 1984 the figure is 5.2 per cent; 1985, 5.3 per cent; 1986, 4.8 per cent and in 1987, 4.5 per cent. They show that during the same years the Gross National Product will go up. In 1984 it will go up by 10.3 per cent; 1985, 9.3 per cent; 1986, 9.1 per cent; and 1987, 8.3 per cent.

Let us compare the percentage increases in the Government's expenditures or what it tells us they are going to increase by each year. We see, for example, that in 1985 the Government says its expenditures will go up 5.3 per cent and the cost of living will go up by exactly the same. We know that there is practically no chance whatsoever that these are accurate projections of the expenditure increases. We therefore know that under this regime the deficits will be even more horrendous.

When we see that in 1985 the GNP goes up by 9.3 per cent and Government spending only goes up by 5.3 per cent, we know that there is a large measure of fiction in the figures that the Minister is asking us to believe are estimates.

That brings me to another point, Mr. Speaker. What is the Government's record for the accuracy of what it tells the House and the people of Canada is going to be the situation from year to year? I hope this will not bore hon. gentlemen because it will take a few minutes.

By the way, I have some quotations. In 1969-70 the Prime Minister said on August 13 that we would be on the road to financial disaster if nothing was done to bring spending under control. That was what the Prime Minister said in 1969-70, Mr. Speaker. That year we spent $13.8 billion. That was the total spending of the Government when the poor Prime Minister said we would be on the road to financial disaster if nothing was done to control spending. We had a surplus that year of $493 million and our net debt was $18.1 billion. The Prime Minister was worried about the road to financial disaster then, 14 years ago.

This may be of interest, Mr. Speaker. On May 6, 1972 Mr. John Turner said:

> The bare fact of the matter is that we cannot do everything at once. We simply don't have the resources. There are limits to the scope of fiscal policy. There are limits to stimulus and readjustment.

He had spending of $20.8 billion and the net debt was $18.8 billion. That gentleman may have a resurrection this year if the Prime Minister is not resurrected for the second time. If he does not beat the record set several thousand years ago, then it may be that Mr. Turner will have a resurrection. On November 19, 1974 he said:

> We must do all we can in these circumstances to restrain the growth of government expenditures . . . We have sought and shall continue to seek to cut out public waste, to place limits on the growth of the public service, and to approve only the most essential new programs.

That was the policy of the Government in 1974-75. The total spending was $30.8 billion, the deficit was $1.7 billion and the net debt was $21.1 billion.

The next year, on June 23, 1975, in his Budget address, Mr. Turner said:

> The Government proposes to set an example of restraint in this regard by imposing strict control over its activities and programs.

Have you ever heard such a list of protestations of restraint and control, Mr. Speaker? He spent $36.5 billion, had a deficit of $5.4 billion and a net debt of $22.9 billion. Along came Mr. Donald Macdonald, now the Chairman of a Royal Commission that is pointing out our economic future. On May 25, 1977 he said:

> To achieve our expenditure central objectives, the introduction of new programs must be kept within careful limits, and the resources required for the continued operation of existing programs must be minimized . . . It is appropriate that these record deficits should recede.

That was the pious hope of Mr. Donald Macdonald, now the guiding genius of the Macdonald Royal Commission. He spent $40.3 billion, his deficit was $6.2 billion and the net debt $28.3 billion. He had a Budget the next year as well. On March 31, 1977 he said:

> The restraint of growth in the government's spending has been an integral of our anti-inflation policies. The Government believes that such restraint is as important today as it was at the start of the program.

He had a $45.5 billion expenditure, $10.8 billion deficit and a $34.6 billion net public debt. The Liberals are restraining themselves so much, Mr. Speaker, they are suffering from hernia in the Liberal caucus.

● (1120)

In 1978-79, the new Minister of Finance, the present Minister of Energy, Mines and Resources (Mr. Chrétien), now out on the campaign trail, said on November 16: "There can be no

weakening in our determination to keep expenditures under tight control". What did he spend? He spent $49.3 billion. What was his deficit? His deficit was $12.2 billion. What was the net debt at the start of the fiscal year? It was $44.8 billion.

In 1979-80, we have the Prime Minister interested in the game now, nine or 10 years later. He has become alarmed about what he said in 1970. I believe he went on TV. He had a dramatic conversion on the road on one of his trips. He has had more trips than Bob Hope and Bing Crosby put together. That is the most travelled family, Mr. Speaker, since the *Love Boat*. On January 12, 1980, during the election campaign, the Prime Minister said:

> We will hold the line on government expenditure growth to under the rate of GNP... The deficit will be reduced in a phased and orderly fashion... Any new expenditure programs to meet the evolving needs and requirements of Canadians will be financed by reallocating existing expenditures or by increases in revenues. We will not add to the deficit by adding new programs.

What did Government spend that year? It spent $54.4 billion. The deficit was $11.4 billion, reduced from the previous year. Why? Because the Conservatives had slipped into office for eight months and then slipped out again, and brought the deficit under control. What was the net debt at the start of the year? It was $57.1 billion.

By the way, Mr. Speaker, had I continued on as Minister of Finance, we would not today be looking at 1,473,000 unemployed Canadians. There would be hundreds of thousands fewer.

We can see, Mr. Speaker, that this is a Government fantastically interested in restraint and control of expenditures, one horrified and shocked by deficits and determined to crush the deficit, because that is their rhetoric every year.

In 1980-81, the Deputy Prime Minister (Mr. MacEachen) said in one of his great Budgets on October 20, 1980:

> In order to achieve the essential reduction in the deficit, great restraint over expenditures has, therefore, been required.

But not in Cape Breton. The Celtic sphinx was not restraining things down in Cape Breton. He spent $62.8 billion. He had a deficit of $12.6 billion. The net debt was $68.5 billion. He had a deficit of $12.6 billion. The net debt was $68.5 billion.

He brought in another Budget for 1981-82. The November 12 Budget had three themes; restraint, equity and economic renewal. He said:

> For our part, I believe we must reduce our deficit and our borrowing requirements substantially.

What did he do, apart from what he said? He spent $75 billion. He had a deficit of $13.6 billion. The net debt was $81.2 billion. "But he said, "We must reduce our deficit and our borrowing requirements substantially".

Then he brought in another budget on June 28, 1982, in which he said:

> Some say it (the Government) should print more money.

They certainly do, and he is one of the biggest ones.

> Others say it should let the deficit rip.

Oh, it would never do that.

> But that would fail miserably.

Well, if letting the deficit "rip" would fail miserably, why has it let the deficit rip?

> Inflation and unemployment would get worse.

The Minister of Finance knew what was going to happen if they let the deficit rip; inflation and unemployment would get worse. But he let it rip. He did not have a seat left in his pants, it ripped so much.

Mr. Nielsen: "Marc, the ripper".

Mr. Crosbie: Yes; that is "Allan, the ripper".

• (1125)

Then he went on to say interest rates would rise even more. The former Minister of Finance is prophesying exactly what happened. Then he said Canada would price itself out of world markets and recovery would be postponed. That is what the then Minister of Finance said June 28, 1982. He said if we let the deficit rip, inflation and unemployment will get worse, interest rates will rise even more, we will price ourselves out of world markets and recovery will be postponed. What does he do? He lets the deficit rip. Spending was $89.5 billion, the deficit $25.2 billion. The previous year's deficit was $13 billion.

The Deputy Prime Minister was not going to let the deficit rip; he was going to keep her under tight control and she doubled. Doubled! Everything he said would happen that was wrong if he let that happen, happened. Yet the Liberals are continuing to govern. They have been there for years; they are going to brazen it out and cling on for another few months in light of that record.

What about the next year? Why, the next year we had the present Minister of Finance (Mr. Lalonde) on April 19, 1983 say: "This is a fiscally responsible Budget". Well, this is indeed good news. It is the first fiscally responsible Budget we have seen from this crew. What does he do? He spends $100.2 billion. He has a deficit of $31.3 billion, of which $200 million was caused by his Budget leaking; the only Canadian Minister of Finance ever caught in the act of leaking. The deficit turns out not to be $31.3 billion, it is $31.5 billion. What was the net debt of this country at the start of the year? It was $119.2 billion. What does he now tell us our net debt is going to be at the end of March, 1984? Our net debt is going to be $150.9 billion, some 38.8 per cent of the GNP, the highest it has been as a percentage of the GNP since 1951 or so, which resulted from the war years. The average per capita debt is $6,011, the highest ever in our history. That is where this fiscally responsible Budget, this fiscally responsible Minister—all of those Ministers—are leaving us. Every one of them, every year, has fought the good fight against the deficit.

By the way, Mr. Speaker, the present Minister of Finance is a spritely dancer, as you will see from *The Globe and Mail*. He is the Jimmy Durante of Canadian Ministers of Finance. Old "Schnozz" himself.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Herbert): Order, please. I should remind the Hon. Member that displays in the House are not allowed.

Mr. Nielsen: The Minister of Finance should go out, then.

Mr. Crosbie: If there is a request from anyone, Mr. Speaker, I would table this document.

Some Hon. Members: Hear, hear!

Mr. Malone: Table the Minister.

Mr. Crosbie: Actually, Mr. Speaker, I feel brutal having to say these things because I do not like to be critical.

Some Hon. Members: Oh, oh!

Mr. Crosbie: But this is a Government that can make the most Christian among us feel positively negative. Just let me refer again to the same problem. The previous Minister of Finance is now the Deputy Prime Minister and Secretary of State for External Affairs, and never has a Minister been able to obscure and obfuscate our external policy such as this Minister has. Luckily the Prime Minister has taken a great interest in foreign affairs so the Deputy Prime Minister is not needed to put his nose into affairs that are more foreign to him than anyone else. On October 28, 1980, that former Minister of Finance promised that over the fiscal period of 1983-84 there would be a steady reduction in the Government's deficit and financial requirements.

Now I am coming to the point of how accurate estimates are. He said only a moderate reduction in the deficit was needed in the next year. Of course, it went up. He said he expected the budgetary deficit to decline from $14.2 billion in 1980 to $13.7 billion in 1981-82, and then more sharply to $12.1 billion in 1982-83, and to $11.8 billion in 1983-84. The Minister was bravely projecting what the deficit was going to be for the next three years. Let us see how successful he and all of those people who work for him in the fortress of Finance were. He forecast the deficit for 1982-83 would be $12.1 billion. In fact, it was $24.6 billion. This Minister asks us to believe that his projections for the next five years, which are horrendous, are accurate when his predecessor's forecast of a deficit for 1982-83 of $12.1 billion was doubled. He forecast the deficit of 1983-84 at $11.8 billion. That is the year ending at the end of March. The Deputy Prime Minister said the deficit would be $11.8 billion. It is $31.5 billion. That is three times, Mr. Speaker. Three eights are twenty-four, three ones are three and three ones are three! I, at least, am careful mathematically. It is almost three times that the Minister estimated it would be. If the same mistakes are being made by this Minister, it leads us to deficits of $70 billion and $75 billion as opposed to $25 billion and $26 billion. If this Minister is as accurate as the other Minister, that is what we are let to. There is no reason to believe that this Minister is any more accurate than the other Minister. They are both "bass ackward".

• (1130)

In his Budget of November 12 the Minister said:

> I believe we must reduce our deficit and our borrowing requirements substantially—even more than I proposed a year ago. This will take pressures off credit markets, ease interest rates and provide room for needy borrowers.

That is when the Government was borrowing $10 billion or $11 billion a year. He wanted to take the pressure off the credit markets, ease interest rates and provide room for needy borrowers. This Minister says we do not need to worry about borrowing $27 billion from the financial markets. He says we do not need to take pressure off the credit markets. This Minister says we do not need to ease interest rates or provide room for needy borrowers because he has been so successful they do not want to borrow. Our economy is so bustling and hustling that no one wants to borrow but the Government. That is the great record of success that this Minister has had.

The Deputy Prime Minister said; "I have set myself the task of cutting back the deficit in the next two fiscal years". I have shown you how successful he was in that task. In his final Budget of June 28, 1982 the Deputy Prime Minister said: "The Government cannot responsibly add to the deficit". That is what he said; but the Government has tripled the deficit. It used to be thought that a Minister of Finance had to be truthful, honest, scrupulous, careful in his statements, careful not to exaggerate and not to frighten the financial markets, rather than people who would say the Government cannot responsibly add to the deficit and then double and triple the deficit. Is it any wonder there is a lack of confidence in the country? Is it any wonder that people from outside Canada do not want to invest in Canada and that Canadians are moving their money out to the U.S. and elsewhere? Zanzibar, Afghanistan or any other country looks better than investing in Canada. We cannot believe a word our Ministers of Finance say.

There can be no confidence in this kind of chicanery and inaccuracy, Mr. Speaker. The Government does not only have budgets, it has economic statements. When the Government wants to pretend matters are not as serious, it has an economic statement. The Minister said the Budget deficit for 1982-83 would be $23.6 billion. That was when the financial year was half over. It was actually $24.6 billion. He put before us the biggest borrowing Bill the Government ever asked the House to grant it, claiming the deficit for the year would be $27.2 billion. The deficit for the year was not $27.2 billion, it was $24.6 billion. In other words, you cannot believe a word these Ministers say, Mr. Speaker. We know what has happened through the 10 or 12 years I have given you the quotations for. That is why this country can only be described as being in a sad state.

A few weeks ago the Minister called for a social contract with the Canadian people. He wants a social contract. The contract the Canadian people want is the contract they now have out on the Government. That is the only contract they want with the Government.

The political process, Mr. Speaker, has been so prostituted for political purposes by the Liberal Party now in power that

when you pay taxes today you should get recognition for a deductible contribution to the Liberal Party because the money is not being used for public purposes. Wherever possible, it is being diverted to partisan political purposes such as we have seen in the Prime Minister's Office in recent days.

What is the fastest growing thing in Canada today, Mr. Speaker? It is not worry and fear in the Liberal caucus and it is not projects in Liberal ridings. It is the debt servicing cost of the Government of Canada. Apart from all other concerns with the debt, the average term to maturity of Government debt today has fallen to five and one-quarter years from six and one-half. In other words, all this indebtedness of the Government now has an average term of only five and one-quarter years. The Government has to repay it all within five and one-quarter years. This includes Canada Savings Bonds of $90 billion. About two-thirds of all this debt matures in three years or less. Two-thirds of this tremendous amount of debt matures and has to be refinanced in the next three years. Let that give you pause.

The Auditor General himself has said that these figures are not accurate and do not show properly what the debt is. The Auditor General pointed out that the debt last year was understated by $5.3 billion. Even the fantastic figure shown last year was understated by $5.3 billion because unemployment insurance transactions of $3.28 billion are not shown. The Government has nothing in the books to show the losses of Canadair of over $1 billion and the losses of de Havilland and the like.

Last year the Government did an exercise to show how much of the deficit was structural and how much was cyclical to try to help explain why the debt was so large. Unfortunately, its studies last year and this year show that of the present debt over half is structural. Even with a booming economy we would still have a deficit this year of $18 billion. The more you look at what is happening, the worse it appears.

In his Budget the Minister tries to pretend that we are going to have great growth this year. Other independent agencies such as the Conference Board of Canada, which has a much better record than the Government, predicts 3.3 per cent and .3 per cent for next year.

Mr. Lalonde: Look at the OECD.

Mr. Crosbie: Every time I look at the OECD I see how badly Canada compares to the rest of the OECD and I get depressed. That is why I do not want to look at the OECD.

In February, 1983 Statistics Canada said the value of goods and services declined .2 per cent. On January 31 Statistics Canada said softness of investment plans in Canada contrast with strong gains in the U.S. What is there is this Budget that will make investment plans stronger rather than softer? There is nothing. There is not anything in this Budget that will attract anyone to invest here in Canada. Our industrial capacity which is utilized at the present time I believe is 70 per cent. It is Statistics Canada itself that is giving the lie to what the Minister says, that softness of investment plans in Canada contrast with strong gains in the U.S.

• (1140)

How scrupulous is the Government to assist Canadian consumers and taxpayers? I mentioned the Canadian ownership charge yesterday. The Government has taken that, without the consent or authority of the House, and instead of leaving these funds in a special fund, has put it in general revenue to reduce its deficit. Yet the deficit still becomes $31.5 billion.

What was it the Minister of Energy, Mines and Resources said on November 22, 1983? I could not find the quote from the *Toronto Star* last night but he said: "The tax stays but we are still studying what to do with the money". How is that for arrogance? The Government now taxes the Canadian people before it even knows what it wants to do with the money. If that is not the epitome of arrogance. "The tax stays", says the Minister while beating his chest—because he is like a gorilla running across the country—"because I say the tax stays, and to heck with the Canadian consumer. We are still studying what to do with the money". Now we know what he is doing with the money. He is using it just to try to keep the deficit down to $31.5 billion.

While we are looking at the truthfulness of the Government, what did the Deputy Prime Minister say about the Canadian ownership charge when it was imposed on October 28, 1980? At page 11 of that speech he promised the Canadian people that:

> Revenue for the Account will be provided by a Canadian ownership charge imposed on all oil and gas consumption in Canada which will come into operation as the acquisition program progresses and will be set at a level to ensure that the program will be totally self-financing, and in no way affect the government's deficit.

That was the solemn promise made on October 28, 1980, when the Canadian public were taxed one cent per litre on heating oil, gasoline and every product made from a barrel of oil. It is 4.5 cents a gallon; $840 million this year; $960 billion next year and $1 billion that it will take the year after. We were told that the program would be self-financing and in no way affect the Government's deficit. What does the Government do four years later? It reduces the deficit by $800 million or $420 million for this year, I believe, because it has taken $500 million to use for Dome—if Dome ever needs the $500 million, because Dome has taken the Government for far more than $500 million. Now it is used to affect the Government's deficit. Can one believe a word that such a motley crew as this enunciates? Of course one cannot. One hates to have to say it.

Just in passing, as a person who comes from the Atlantic provinces, what a disgraceful belabouring they have been given in the Atlantic provinces in the last three or four years. The Government has dismantled DREE. It did away with DREE in January, 1981 and we will now have what the Government calls ERDAs. It did away with DREE, replaced it with DRIE and we will now have ERDAs, Economic Regional Development Agreements.

The money spent in Newfoundland by DREE has decreased by something like 70 per cent of 80 per cent in the last several years. I understand that the Government will spent $2 billion in ERDAs of which $1.2 billion goes to Quebec and $30

million, for example, to Alberta. That is called equity by the Government; $1.2 billion in Quebec and $30 million in Alberta. I do not know if it will spend anything in Newfoundland.

That is what has happened to the great program to overcome regional disparity. Do Members recall the Prime Minister in 1968 when he was on the diving boards of the country? His great theme was that he was going to overcome regional disparity. This is what has happened to his attempt to overcome regional disparity.

The present Minister of Finance said on September 15: "The top economic priority is the creation of jobs to ease our serious unemployment". Where does that appear in this Budget? What happened to that priority of September 15? On January 23, when he spoke to the Canadian Club in Toronto—memories are so short—he said:

Budgetary policies in 1984 must also respect the need for stability in the economic and fiscal environment. That means holding firm to the fiscal policy track—

He has his fiscal policy track suit on.

—on which the deficit will be restrained and then reduced as the recovery strengthens.

That is what he said to the Canadian Club on January 23 of this year. What has happened to that proposal? What is the point of the Minister making speeches if he will not carry out what he says in those speeches?

The Government said in the 1983 Throne Speech:

A comprehensive program will be presented to encourage economic growth so that more Canadians can own a home, learn a trade, expand a business, participate in the ownership of our resources, and gain a fair share of the abundant benefits this country can provide.

Where is the comprehensive program? This is the Government's Budget for 1984 and there is no such program. I mentioned yesterday that the Minister of Finance's dominant concern last April was to help 1.5 million Canadians who want to work but cannot find jobs. He has done nothing for them. In the Budget of last April the Minister said:

I expect strong growth to continue through 1984 at an average rate of 5.2 per cent. It will also become more broadly based as investment gathers strength.

Neither of those expectations has been fulfilled. The recovery is not broadly based.

I mentioned what Statistics Canada has reported. It said:

The narrowing of sources of growth in domestic demand is also reflected in the regional distribution of economic activity... In fact, Central Canada has accounted for all of the increase in employment since June as net declines have since been registered in Western Canada, notably Alberta and British Columbia.

Where is the broad-based growth that the Minister said would occur just 10 months ago? How does the Budget address the fact that the broad-based recovery promised in April has not occurred? Where can we point to in the Budget to show how the broad-based recovery is going to be achieved?

The special recovery tax imposed last April will cost Canadians $805 million this financial year. It will cost $2.4 billion in 1985-86 and $2.975 billion in 1986-87. The Minister calls it the special recovery tax. He should rename it the special recession tax. There is no recovery. This tax is not going to help it, this special recession tax. Again, Statistics Canada said on January 31:

The economic recovery appeared to lose some of its vitality in the fourth quarter, and it is likely that this slow-down will continue early in 1984. The moderation of growth has been most evident in domestic demand.

Where does the Minister help domestic demand in this Budget? He does not help it at all because he increases taxes and takes four times the revenue he has given back in the various matters he mentioned yesterday. He might help demand if he did away with the Canadian ownership tax. He would help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

The Minister brings in pension changes that favour the wealthy, increasing the RRSP limit as he has. Where in this Budget does he help to increase domestic demand? If anyone on the other side can point to where he does that, then we will pleased to listen.

The increase in sales tax in October will cost Canadians $365 million. That is for this financial year. Of course, it will be a much greater amount next year when it has been in effect for a full year.

• (1150)

What is the main problem or obstacle to continued economic recovery? We can look to the Conference Board or other economic specialists. I would like to quote the Conference Board where it said: "Interest rates, given the rate of inflation, remain high and thus are unable to provide the usual stimulus to economic activity as would be the case in normal cyclical recoveries". What has this Budget done to address that question? Nothing. The Budget papers indicate in two places that the Government expects interest rates to decline, but the Government refuses to tell us what interest rate projections they are using in calculating debt repayment costs for the next five years.

The current Bank of Canada rate is 10 per cent. It is higher than it was last April. Is that a sign that interest rates will go down? The prime rate of the Bank is 11 per cent. Inflation has dropped significantly during that period, but it has not affected interest rates. Why not? It is because no one with money to invest trusts this Government. They know the Government is incapable of operating the economic affairs of the country. They know that if this Government continues in power, we will have renewed inflation and economic disaster. That is why they will not lower their interest rates now. As I said last night, the Budget has done nothing to bring about lower interest rates, to increase consumer demand or business investment, which are the three essentials if we are to have a real economic recovery.

It is a sorry story. By the way, when Liberal Members have a chance to speak in this debate, I hope they will not be tiresome and keep referring to some alleged article in *The Globe and Mail* of Toronto by "yours truly", unless they are going to look at it more accurately. I was honest enough to say

that the Budget of last April contained a proper general approach. That was the right kind of general approach compared with the disasters of his predecessors. The general approach was right, but that general approach has disappeared, and now the Minister has joined his predecessor in the march to inexorable disaster. This Budget guarantees Canadians a dubious and diminishing economic future. He has joined the march. He has arrested nothing, and he no longer moves in a direction that is satisfactory. He now has no chance of bringing economic recovery to Canada.

Of course, we will have other speakers in this debate who will be tackling different phases of the Budget—the question of pension reform, which is important; improvements in the assessment practices of the Department of National Revenue, which we forced the Government to commence and bring about. That is important as well. These things will all be discussed.

In this connection, I want to move the following amendment to the Budget:

> That all the words following the word "That" be deleted and the following substituted therefor:
>
> "this House regrets the failure of the Government to present measures designed to reduce Canada's budgetary deficit, lower existing high interest rates, reduce crippling high levels of unemployment or to create meaningful pension reform all of which are needed as a result of years of government economic mismanagement and condemns the Government for its continued misuse of public funds and arrogant maladministration which have led to a crisis in public trust and confidence in government".

To top off this record I have given this morning, this résumé of economic mismanagement, wrong estimating, deceit of the public, complete lack of control or fidelity—as though that were not bad enough—there is not anyone in the country with an ounce of impartiality who does not look at Ottawa and see a government which is wallowing in the worst kind of stable politics. I mean "stable" in the sense of a stable in which one keeps animals. They see leading this country a group of people who are prepared to do anything to keep themselves in power. That destroys confidence. The only hope the country has is that before too long there will be an election and we will have an opportunity to give the people of Canada an alternative and to show what we can do with the economic administration of this country. That is the only hope. Even if this group brought into the House a set of perfect policies to fit our economic circumstances, they would be unsuccessful as they cannot work without confidence. And there is no confidence in this Government.

Some Hon. Members: Hear, hear!

Mr. Crosbie: If this Minister had the confidence which he pretends he now has, surely with four years expiring on February 18 of this week the Government would be going to the electorate. This has been the practice in every democratic country, that the government goes to the electorate in its fourth year. This Government has completed four years.

Mr. Fisher: You did it in four months.

Mr. Crosbie: Yes, and Canadian people suffered terribly because of it. Your term in Parliament will be a short-term one; you will not be back next time. I will miss you.

Mr. Fisher: Come out to my riding and campaign. We love you.

Mr. Crosbie: Mississauga will give you an awful mauling, brother, when the election comes.

Mr. Fisher: Come down and help them out. We love you.

Mr. Crosbie: Only this Government would go over four years in these circumstances and try to hang on after the four-year term. If the Minister thinks that the Canadian people are supportive of what they have done for the last four years—for the last 14—why does he not advise the Prime Minister to settle down here? Is the Prime Minister prepared to spend six weeks in Canada on an election campaign? He could not bear not to be out of the country somewhere during those six weeks. He should try to persuade him to stay here during those six weeks and have an election campaign. Let us put it to the test.

Mr. Lalonde: Where were you in January?

Mr. Fisher: Yes, where were you?

Mr. Crosbie: I paid for my own trip.

Mr. Lalonde: You are paid to be in the House.

Mr. Harquail: When did you get home?

Mr. Crosbie: Mr. Speaker, in January I was in the Yemen and, believe me, the level or intelligence there is far higher than it is in the government ranks.

Some Hon. Members: Hear, hear!

Mr. Crosbie: While there I saw someone who reminded me of the Minister of Finance.

Mr. Harquail: That is the most intelligent remark you could make.

Mr. Crosbie: We ran into a group of quagga, wild jackasses, such as the one yelling down in the corner.

We ask Government Members who will now pretend to be so proud of this Budget document, indeed, we plead with them, to dissolve the House and go to an election. Let us put this to the test. Let us see what Canadians think. Let us see what the 1.4 million unemployed think. Let us see what they think in Newfoundland which did not have a Cabinet Minister for six months. Its Cabinet Minister was thrown out of Cabinet, humiliated, and then reconstituted and recycled six months later because the person they attempted to appoint in the meantime had a little bother with the tax authorities. Let us see what they think of them down in Newfoundland. Let us see what they think of them in New Brunswick, Nova Scotia and Prince Edward Island. Let us see what they think of them in

Quebec. The unemployment rate in Quebec has gone down while they are hiring people to scout around to see what they can find on the Leader of the Opposition (Mr. Mulroney). The only place where they are making a dent in the unemployment rolls is down there—people being hired by the Prime Minister's Office. Let us see what they think of them in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. That is what we want. We do not want another year of watching this Government *in extremis*, crucifying the Canadian people as it attempts to cling to power. I invite Hon. Members opposite, some of them, to allow their pangs of conscience to vote with us so that we can terminate this scurvy lot today or when the vote comes next Tuesday, so we can terminate the Government and put this to the test. Give the Canadian people a break. You have had four years; give them a break. Give them a chance to say whether they regret what they did on February 18, 1980. I am confident what the answer will be.

• (1200)

Some Hon. Members: Hear, hear!

Mr. Harquail: Mr. Speaker, I rise on a point of order. Under the democratic process, all Hon. Members have a right to raise a point. Since you were not able to discern the question of some of the terminology, the verbiage and the squalor of the previous speaker, and you did not comment on that, I would point out that Erskine May in the British House talks about lunacy. If that is the attitude, perhaps we should consider in this House what Erskine May has brought through the United Kingdom in the British Parliament. It might be an aspect that we could consider for this House when remarks border on lunacy.

The Acting Speaker (Mr. Herbert): If the Hon. Member is making a suggestion that there were some remarks that were not in conformity with our normal practices, I would like him to identify them. I did not personally hear them. I will refer to the blues. If he has anything he wants to refer to, he might let me know precisely what it was.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have the opportunity to rise today to respond on behalf of the New Democratic Party to the Budget introduced by the Minister of Finance (Mr. Lalonde) yesterday and try to find some way to visualize what kind of a Budget it was. Over the last number of hours we have had responses as different groups indicated their reaction to the Budget.

I want you to imagine for a moment the Minister of Finance in a worn, torn, old suit to which he has sewn brightly coloured and brightly covered sequins. When he walked into the House of Commons yesterday to deliver his speech, the floodlights gave a glimmering appearance to this man on stage. Actually he looked kind of good with his glimmering sequins on his suit. A few hours later, taking advantage of the sunshine of the next day, the real worn and torn fabric of that suit comes through.

So be it with this particular Budget. Last night when people heard the Budget, there were feelings that there were some good aspects to the Budget, that there was something for everyone. When you analyze carefully item by item what was in the Budget, you find that indeed there were some things in that Budget that will make people very happy, particularly a very select and special, elite group in Canadian society.

One document which the Minister of Finance gave out as part of his Budget is entitled: "The Canadian Economy in Recovery". I suspect that most Canadians over the last number of months have not noticed that there has been a recovery in Canada. Most people in my constituency are not aware that there is a recovery under way. They read about it in the newspapers and they hear it from the Minister of Finance. They hear various corporate leaders talking about recovery signs, that things are looking good, that the recovery is under way, perhaps not as much as anticipated by the Government, but very clearly that there is a recovery in place. The average man and woman in this country has not had a recovery in terms of their own lives. I think it is fair to ask, a recovery for whom? Has it been a fair recovery for all Canadians? It has not.

Who were the winners in this Budget? One of the best ways to determine that is to listen a few hours later, after people have had a chance to analyze the Budget, after the smoke has been blown away from all of the hoopla surrounding the Budget. You notice who is cheering today. You notice who the people are who perhaps celebrated last night with champagne because they really appreciated what this Government has done for them.

Unquestionably those in the boardrooms today are happy because more loopholes have been opened by that wonderful tax loophole man, the Minister of Finance. Again the corporate sector has a number of tax grants and concessions coming its way. There is another group of Canadians, the wealthy elite of Canada, who have had a number of loopholes opened for them as well. Whereas a few days ago we had 200 identifiable tax loopholes, we now have a few more added to make the tax system more unfair and, consequently, the recovery more unfair.

Do we hear any cheers this morning from the 1.5 million Canadians out of work? You notice absolute silence in the country coming from the unemployed because in this Budget there is not a single item that will assist those 1.5 million Canadians who are unemployed today to find meaningful work in the months ahead. Do we hear cheers and accolades coming from the poor of Canada? Do we hear cheers coming from the women of Canada? Do we hear cheers coming from the single women of this country, those involved in the fishery or the forest workers of Canada?

If you listen carefully, do you hear cheers coming from the small business sector? For a handful, yes, but the majority of small businesses in this country are not cheering this morning. After hearing the rhetoric of the Minister of Finance and having done their analysis of what is in the Budget for them, they find there is nothing to cheer about.

Aside from the corporate boardrooms today and aside from the cheering upper income earners, the lawyers, doctors, den-

tists, veterinarians and chiropractors, who are now able to pay income tax at a lower level than they did the night before, who is cheering? As if there were not already enough loopholes in the tax system to cater to the privileged few in society, the Minister of Finance has opened up a new set of loopholes. Where they paid 33⅓ per cent income tax, they now pay 25 per cent. In other words, the Minister of Finance has put thousands and thousands of dollars into the hands of the upper income people, the doctors and lawyers who are involved in incorporating their businesses and are involved in business ventures.

The question must be asked: Who is going to pay for all of these loopholes that have been provided? Who is going to make up the difference? Somebody has to pay the taxes in this country. Somebody has to pay for all the loopholes for the corporations that have been added and for the additional loopholes for the upper income earners of Canada. Did the Minister of Finance do what people across this country have asked him to do, namely rescind the tax increases that he brought in last April that touched every Canadian family? He did not. Therefore, $200 or $300 will be taken from the pockets of every Canadian family to pay for the additional loopholes provided in the Budget last night.

The Minister of Finance says that we helped young people in this country. The young people should be cheering, but do you hear the young people of this country, particularly those who are out of work, cheering today? When you look carefully at this $150 million that the Minister of Finance has provided for youth unemployment, you see it is the same amount as the little Liberal slush fund that we have been talking about for the last few days. When you analyse that and break it down, how much of the unemployed youth are going to be assisted?

• (1210)

Visualize the unemployed youth of Canada, Mr. Speaker, and apply this particular amount of money. It will provide a 12-month job for only 1.5 per cent of all those unemployed today. It is 1.5 per cent for a single year. What about the hundreds and thousands of young people in the next few weeks and months who will be coming on to the job market seeking employment, those coming out of our universities, colleges, technical, trade and secondary schools? That is the assistance this Government has provided for our unemployed youth. It is a pittance. I do not understand how the Minister of Finance has the courage to stand in his place and say as part of his Budget Speech that he and his Government are going to help the young people with this miserly, this miserable, this minute amount of money.

Mr. Lalonde: It is $1.3 billion.

Mr. Riis: Then the Minister of Finance said: "We are going to help the senior citizens of Canada; we are going to increase the contribution to the guaranteed income supplement". A few months ago the Minister of Finance assembled a task force to talk to people across the country to try to understand the needs of senior citizens and to make recommendations to the Government. The task force did that. It said the beginning step this Government should take was to increase the GIS immediately by $100 a month. Did the Minister do that? No, he did not do that. He provided half of that.

Let us break it down. The senior citizens of Canada on GIS will receive an increase on July 1 this year of 75 cents a day. My parents are senior citizens. I phoned them and said: "Great news, Mom and Dad; you are going to get 75 cents a day starting July 1 from the Minister of Finance". They were not particularly pleased. This means that still today as a result of this so-called improvement for the senior citizens of Canada, hundreds and thousands of them will still be living below the poverty line, the poverty line as described by the Government of Canada. Hundreds and thousands of our senior citizens will be in this situation. Is there anything in this Budget for the war vets, those who fought in Dieppe? No. there is not a thing. Is there any increase for our war vets, people we know who are struggling to survive? No, there is nothing.

Mr. Evans: They get the GIS.

Mr. Riis: There are hundreds and thousands of senior citizens living below the poverty line and the Minister of Finance and the Government says it is going to make a significant contribution to pensions. Then, of course, comes the RRSPs. This will be the real saviour for people's pension systems. When you look closely, Mr. Speaker, many Canadians can take advantage of the RRSPs. They can put in $1,000 or $2,000, and many people do. But the Minister of Finance did not assist so much the average Canadian taxpayer. He said: "We are going to lift the ceiling to $15,500 a year". If you have an extra $10,000 or $15,000 in loose cash at the end of the year, you can invest that in a pension plan. Those who will benefit to the maximum from this allowance are those people whose incomes are nearly $90,000 a year. Those are the ones who will be able to take advantage of the maximum benefit, those with nearly $90,000 a year.

I do not think there is any question of the hypocrisy of this Government. It brings in this Budget and, as my Hon. Leader suggests, it gives those people an $8,000 tax benefit. But the Government said it has changed its mind now and it is going to send out a signal to labour across the country. The Government is now going to ask labour to join in a co-operative venture in terms of getting the economy back on track. The Government said it has just given tax breaks to its friends in the corporate sector and tax breaks to upper income Canadians; but it is now going to ask labour to join in the recovery program. As a first gesture, the Government said it is going to restore free collective bargaining to the public sector. That is like putting a gun to somebody's head and saying: "Now we are going to start free collective bargaining". It is a Russian roulette approach to this whole business.

The Government said it is going to bargain collectively with labour, but it also said: "If you do not agree with us, if you do not do exactly what we say, we are going to legislate a settlement". Is that free collective bargaining? Is that the kind

of gesture that will encourage labour across Canada to be willing to co-operate fully? Is that the kind of signal that the Government wants to send out to labour, putting a gun to their head in so-called free collective bargaining? This budget fails to provide any real hope for middle and low-income Canadians in the months ahead, those Canadians who have not been part of the so-called recovery program to date.

I have to refer for a moment or two to my Progressive Conservative friends. They have gone on at some length about the deficit. They argue whether the deficit should be $27 billion, $29 billion, $31.5 billion and so on. That is their concern. They say they are very concerned about that. But the Leader of the Official Opposition (Mr. Mulroney) stood in his place the other day and said: "We need to increase defence spending by $300 million". Then the fishery critic said in Vancouver: "We have to help the fishing sector and add another $300 million." In agriculture the Tories say the same thing. The Hon. Member who is the critic for employment suggests that we spend more on job creation. The small business critic says we have to spend more on tax concessions to small business. The industry critic stands up daily in this House and says: "We have to provide more and more tax concessions to the corporate sector to encourage it to invest".

You cannot have it both ways, Mr. Speaker. You cannot have individual Members standing up day after day saying spend millions of more dollars here, hundreds of millions of dollars there and billions more in tax concessions, and then say that we have to reduce the deficit. If they were being honest and truthful to the people and were going to assist those sectors as they say they will, and if they are going to reduce the deficit, do you know, Mr. Speaker, who will suffer as a result of that? Do you know who will have their pensions cut? Do you know who will reduce unemployment insurance and reduce assistance to single parents? The Progressive Conservatives.

Mr. Taylor: Baloney!

Mr. Riis: You cannot have it both ways. You cannot have a reduced deficit and increased spending in virtually every sector. They have to come clean. That is why the Government is being told these days by Progressive Conservatives that they are not going to tell them what they are going to do.

I have to give credit to the Hon. Member who was the previous Minister of Finance in the Conservative Government, the Hon. Member for St. John's West (Mr. Crosbie). I have to give him credit for being honest with the people of Canada. He stood up and said: "We cannot tell you what we are going to do. We are unable to tell you what our policies are, because if we did, the people of Canada would never vote for us". He is an honest man; he is an honest John.

Some Hon. Members: Oh, oh!

Mr. Riis: I am pleased to share a spot on this side of the aisle with such an honest, straightforward Conservative.

Mr. Crosbie: You were there in 1979. Why did you vote against us?

Mr. Riis: I want to pause here in my comments to supplement the amendment provided by the Hon. Member for St. John's West. I move, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans):

That the amendment be amended by changing the period at the end of the last sentence to a comma, and by adding immediately thereafter the following words:

"and this House condemns the government for continuing the Liberal-Conservative policies that have produced record mumbers of unemployed, widespread poverty among our elderly, and burdensome taxation for middle and low income Canadians; and this House further condemns the government for failing to introduce in this budget a fair recovery programme that would end unproductive tax concessions to corporations, rescind the $1.4 billion in consumer tax increases announced in the last budget, provide for mechanisms to deal fairly with job displacement resulting from technological change, and increase productive investments in those sectors of the economy which will be the backbone of any future economic prosperity".

Having made the comments I did about my friends in the Conservative Party that they are not prepared to be honest with the people of Canada in terms of their policies, and while we in the New Democratic Party have criticized the Government and the Minister of Finance for not taking the action we felt was required at this time to ensure a fair recovery and have criticized the Conservatives for being vague, I feel obligated to put on the record some of the recommendations we would have put in this Budget. We hope that the Government will consider them in its next budget which it will bring in before another election.

● (1220)

The first thing we would do would be to rescind the increased taxes to consumers. On many occasions we have heard that we need to have a consumer-led recovery; that it is important for Canadians to be able to purchase the homes they need, the appliances they need and the vehicles they require in order to provide stimulus to the manufacturing sector that will enable plants to operate at more than the present 60 per cent or 70 per cent capacity. To that end people must have disposable income to afford these kinds of necessities.

The thing that must not be done, as was done by the Conservative Government during the depression, is to increase taxes. Yet the Minister of Finance is quite prepared to say that taxes on every Canadian household will be increased between $200 and $300 this year, as if that will assist in the recovery program. The first thing this Party would do would be to rescind this tax increase.

In an effort to deal with the deficit, we would then reform the personal income tax system so that everyone would pay their fair share. On many occasions we have pointed out that thousands and thousands of Canadians with incomes of $50,000 per year or $100,000 per year or $500,000 per year do not pay any income tax at all. Then who pays? The 16 million average Canadians who file tax returns each year whose tax is deducted at source pay. They pick up the shortfall and pay more than their fair share. The personal income tax system should be changed so that everyone pays a fair share of the tax burden.

The corporate tax system must also be revamped. In the past year many corporations have made hundreds of millions of dollars in profits. We have nothing against that; we like to see a healthy economy. But if a company is going to make hundreds of millions of dollars in profit, as the Bank of Montreal did last year, then we expect it to pay its fair share of income tax and not, as some firms have been able to do through tax loopholes, avoid paying a single red cent in income tax.

The Acting Speaker (Mr. Herbert): Order, please. I have to interrupt the Hon. Member because his time has expired. Of course, he could continue his remarks with the unanimous consent of the House. It is agreed?

Some Hon. Members: Agreed.

Mr. Fisher: Mr. Speaker, we would be delighted to agree. I know the Hon. Member is getting into the positive part of his speech and we would like to hear that. I would simply remind him that we have a speaker on this side who would like to talk before lunchtime.

Mr. Riis: Thank you, Mr. Speaker, and I want to thank my colleagues in the Progressive Conservative Party and the Liberal Party for their positive gesture. I will keep my remarks brief and finish my speech in the next few minutes.

As my Leader has suggested on many occasions, Mr. Speaker, one of the ways to deal with the deficit would be to reconsider some of the $10 billion presently handed out in tax concessions and grants to the corporate sector. I do not think it is unfair to say to the corporate sector that if it expects the taxpayers of Canada to assist it in certain ways through tax concessions or grants, some accountability is required. We are entitled to expect some kind of performance either through research and development initiatives, job creation, job training, or the purchase of new plant and equipment from Canadian suppliers. In other words, tax concessions should be tied to a meaningful contribution to the economy. I cannot imagine that anyone would seriously argue against that. I believe the corporate sector would welcome that initiative.

Mr. Broadbent: Instead of a free lunch.

Mr. Riis: We could do away with the free lunches. We are against the concept of simply giving out grants and expecting nothing in return.

Something that has been overlooked in the Budget and has not been commented upon as yet by the Official Opposition is interest rates. In this Party we feel that we cannot have real, sustained economic recovery with interest rates at their present level and with the potential for volatility that we have seen in the last months and years. It is now appropriate for the Minister of Finance, through the Bank of Canada, to take active, positive steps to reduce the interest rates and maintain them at lower levels. The spread between the inflation rate and the interest rate in this country is greater today than ever before in our history. It is time the difference was reduced and interest rates brought down so that people can afford mortgages and expand their small businesses, their farms, ranches and various economic endeavours. This is the kind of major and bold step that members of the New Democratic Party feel is absolutely necessary for a sustained recovery.

We would also like to expand the job development potential in key sectors of the economy by investing in the infrastructure of those sectors. In simpler terms, the forest industry, for example, is important all across the country. In five out of ten provinces it is a major industry and it is a significant industry in every province, yet it is in dire straits. It is suffering from lack of private and public investment. Is there a better time to invest public sector money in the development of reforestation or the development of salmonid enhancement programs of salmon habitat protection? We do not call this government spending but, rather, serious investment in the economy of Canada.

That is what is required and it must be done next year or within two or three years. We say now is the time to do it because such investment would put hundreds of thousands of Canadians to work immediately in jobs that would bring about a sustained recovery and economic development. In turn, this would generate an increase in tax revenues through corporate and personal income tax for federal coffers. That is the kind of investment we would like to see.

We would like the Government to do some planning. It should sit down with the private sector, with labour and with regional governments to plan what we want to accomplish in the next ten years. It should set out a strategy for the economy and regional strategies that everyone can support and identify with. In that way we could get on with developing the economy. This reeling and wheeling from crisis to crisis, this stumbling about, this ad hockery in terms of economic development, is not good enough. The Budget that was introduced a few hours ago is just one more step in the same direction. There is a lack of vision, a lack of concept or vision about what the country could and should be doing.

This Party feels that the Budget demonstrates that most Canadians have not been heard, Mr. Speaker. Their concerns must be taken into account in these difficult times, their plight must be unveiled and their interest must be represented in the House of Commons.

Today and in subsequent days during this debate the New Democratic Party will represent those voices. The people of Canada have been left out of this document.

Some Hon. Members: Hear, hear!

• (1230)

[*Translation*]

Mr. Pierre Deniger (La Prairie): Mr. Speaker, it is with great pleasure that I rise on the first day of the debate on the Budget for the 1984-1985 fiscal year. It is a pleasure, Mr. Speaker, because this fiscal year marks the beginning of a period of consolidating what the Government's economic policy has achieved.

Last year, real growth in this country reached 3 per cent, and 400,000 jobs were created. Inflation, that nightmare of developed economies, has at last been wrested to the floor, something not even my colleagues opposite can deny. These results were certainly not a coincidence, although some people are very reluctant to admit this. In fact, the results I just mentioned clearly illustrate the beneficial effects of last year's Budget on this country's economic state of health.

Mr. Speaker, the present Budget has renewed my faith in this Parliamentary institution, since most Members will have heard from their constituents about problems they were experiencing, due to situations which have now been corrected in yesterday's Budget.

Today, I would like to share with my colleagues a number of those achievements which prove that the Minister of Finance (Mr. Lalonde) has a quality, rare even among ministers, which is to act as well as listen.

I was listening earlier to the former Minister of Finance in the Progressive Conservative Government when he was talking about interest rates. He discussed the matter last night on the news and again this morning on *Canada AM*, and I would like to remind him of what he said on November 15, 1979, about interest rates, and I quote:

> We do not have high interest rates because this government wants high interest rates. That is not our policy. As politicians we do not want high interest rates. The people do not want high interest rates. Nobody wants high interest rates, so it is not a policy of the government to have high interest rates, it is a condition that the government cannot do anything about at the moment. It is not through choice.

Mr. Speaker, imagine the then Minister of Finance admitting that he was powerless to act! We, however, have taken steps to reduce inflation and bring down interest rates, which dropped more than 50 per cent over the last two years, and I think the Minister of Finance has something to be proud of here.

Mr. Speaker, the Budget the House is being asked to consider today is the end-result of a successful undertaking started ten months ago. The results, as I said, are there. The next step is to consolidate those results and to ensure continuity. However, according to our great Liberal tradition, we cannot stop here. We also must consider those who for a time were unable to benefit from this growth and those who had borne the brunt of the recession. That is why this Budget also tries to consider the normal aspirations of the average citizen, of the man and woman on the street. First of all, the Budget is continuing our efforts to restore the economy's momentum. A striking example among many others, Mr. Speaker, is the decision to defer the Incremental Oil Revenue Tax. Though this would be a source of considerable income for the Government, the Minister of Finance (Mr. Lalonde) did not hesitate to relinquish that income, for the benefit of the private sector. The message is clear: The Government will never set its own interests above those of the corporations that generate this country's wealth.

To stimulate the economy, we must also stimulate those who participate in that economy. That is the key to success, as far as productivity is concerned. In 1984, investment must no longer be restricted to equipment. It must also cover human resources. That is why the Government intends to help businesses make their employees aware of the realities of economics, by encouraging them to let their employees share in the profits generated by the activity of their economic unit. The subsequent increased co-operation between labour and management will surely enhance the quality and competitive position of Canadian products abroad.

Mr. Speaker, this is not a new concept. In fact, the Minister of State (Youth) (Mrs. Hervieux-Payette) previously tabled in this House a Private Member's Bill which referred to this positive attitude that would help increase productivity and wealth of both employers and employees. Furthermore, we must be efficient to maintain our position on international markets, and in this connection, the decision to create an international Aid-Trade Fund is more than welcome. In fact, this measure will not only help our companies to meet international commitments that are part of our country's policy, but it will also open new markets to competitive businesses. Mr. Speaker, most of us have spoken to businessmen who want to get a start on the international market. The Aid-Trade Fund will help our companies generate profits and generate employment, and in so doing, it will help boost the economic recovery that is now well underway, Mr. Speaker.

These are all important, necessary and even crucial measures, but it is not so easy to visualize how they could improve the lives of ordinary people.

I feel this Budget is dedicated to those nameless thousands who work hard to make this country what it is, a place where it is good to be. Above all else, the Budget has made job creation one of its top priorities. The previous Budget had already set aside nearly $3 billion for employment assistance. The present Budget has increased funding by more than 15 per cent, a total of over $3.5 billion. Youth will not be forgotten, Mr. Speaker. In addition to the $1 billion in the last Budget, there will be an additional $150 million in new funding that will be immediately available to help young Canadians in their future aspirations.

Another facet of the Government's present concern is its desire to resolve the problems of average Canadians in connection with tax measures affecting small and medium-sized businesses. These businesses are a major source of immediate job creation in this country, and clearly this is the first sector where we should start simplifying the tax system and stimulating the economy. From now on, the so-called cumulative deduction account will be eliminated, which will considerably reduce the number of hours spent by small businessmen on paperwork and recordkeeping. Administrative problems will be reduced even more as a result of eliminating the distinction between active business income and non-qualifying business

income. In all, small businessmen will have to cope with only one-third of the tax laws, compared to the previous situation, and they will now be able to spend their time on less frustrating and more productive activities.

Mr. Speaker, this is a direct response to the representations I received from the Société pour le progrès de la Rive-Sud, of the South Shore Chamber of Commerce, which had been complaining about paperwork, administrative red tape and endless tax forms. Once again, we are responding to these very genuine complaints in this Budget.

But when it comes to the average Canadian, Mr. Speaker, the budget contains quite a number of social measures whose common objective is to ensure greater financial security for people with fixed incomes. This assistance is intended primarily for those who have laid the foundations of Canada as we know it today. Naturally, I am talking about our elders, people of the golden age. The financial assistance for senior citizens as advocated in this budget will take various forms. First of all, it was imperative that a very special effort be made to help the most underprivileged among the elderly. In Quebec alone, for instance, more than 230,000 people will benefit from an increase in the guaranteed income supplement—$25 more a month beginning July 1 and another $25 beginning December 1. In the riding of La Prairie alone—I am talking about my riding—3,300 residents stand to gain immediately from this very popular measure which, I repeat, is the answer to the legitimate claims of the people of my riding.

An Hon. Member: Hear, hear!

Mr. Deniger: Those are concrete measures which members of golden age associations in my riding will appreciate indeed, for they will give them peace of mind and the opportunity to pamper themselves now and then, something which they could not even think of until now. We also had to consider a major overhaul of every aspect of the Canada Pension Plan to make it more equitable and guarantee a more promising future for people who will retire in coming years.

Let me deal with another aspect of the proposed pension reform. To come to grips with the serious predicament of older women who live alone, the Government intends to split the pension credits in case of marriage breakdown and to maintain survivor benefits should the recipient remarry. In addition, should death strike, the surviving spouse will be entitled to at least 60 per cent of benefits paid to the deceased. I say again, Mr. Speaker, that the budget meets the real needs of people who have made representations to us as Members of Parliament. The Minister listened to them and took action. A number of measures were needed so people would prepare for retirement, including fair and equitable access to some form of tax relief. Under the new RRSP proposal, Canadians who are self-employed or whose employer does not offer that plan will be entitled to the same fiscal assistance as more privileged Canadians. Thanks to this new proposal, tax deductions will be not only more equitable, but also more generous for all concerned. Who among us, Members of Parliament, have not heard these words from people of 45 or 55: "I find myself with nothing, I have no pension plan, what shall I do?"

• (1240)

Once again, Mr. Speaker, this Budget fulfills a real need among Canadians. What a relief it will be for taxpayers in the future upon filing their income tax returns at the end of April! No more headaches, because the rules of the game will now be simpler. They will also be fairer to those who receive new tax assessments.

All of us in the House are aware of the publicity made about tax audits these last few weeks. Once more, the demands of Opposition Members as well as Government supporters have been met by proposals contained in the Budget brought down by the Minister of Finance (Mr. Lalonde). The period for filing objections to tax assessments is being extended from 90 to 180 days after receipt of the assessment. Instead of having to pay the full amount, taxpayers will be able to provide adequate security, which will greatly simplify the administration of the Income Tax Act and satisfy, as I said, very actual and genuine needs of our constituents.

Again with respect to the proposed changes to the tax system, senior citizens needed a simplification of the system. The provisions concerning quarterly tax payments will prevent senior citizens from being penalized for not having assessed their income to the nearest cent.

Mr. Speaker, how many of us here have yet to receive requests dealing with this provision? We have made regular representations about this both in this House and in the caucus. The Minister has listened to us and he has done something.

To summarize, Mr. Speaker, this is the Budget that the people of the constituency of La Prairie expected, the budget that Canadians expected; in other words it is a Budget which tells every ordinary Canadian that the Government holds their concerns and their interests at heart. It is a Budget which strengthens economic recovery, an audacious Budget which does not hesitate to innovate in the social fields in order to provide Canadians with the material safeguards which they need and of which the Members of the Progressive Conservative Party rhetorically claim to be the defenders, even though they have never defended them in actual practice.

Mr. Speaker, it is not enough to speak about tenderness, to use the favorite expression of the Leader of the Official Opposition (Mr. Mulroney). We need action. The best thing in this Budget is that the increase in social expenditures will in no way prevent a decrease in the deficit. This is a Government whose fiscal responsibility will never be questioned, but it is also a Government which will never cause the Canadian people to get into debt to prevent the state from doing so. As for the deficit, let us talk about it, Mr. Speaker. The size of the deficit

has been criticized at length. But how can we maintain what has been gained? How can we help those who have been most severely affected by the recession, while injecting funds to create jobs and stimulate the economy, without increasing expenditures? In the worst of the recession, we could not reduce the deficit because that would have aggravated the impact of the recession. And if we cut government expenditures tomorrow, if we increase taxes to a considerable extent, what would that do? It would paralyze our present economy, which is starting to gain momentum and is in the midst of its recovery. And what do our Progressive Conservative friends opposite say? They want to reduce the deficit for a certain group, but they also want a bigger defence budget; they are talking about additional transfer payments to the provinces and they also want more tax relief for business. The Member representing the New Democratic Party pointed out earlier a number of similar contradictions in what the Opposition Members were saying, for instance when they told people in the forest industry that the Budget had to do more for forestry, the people in the fisheries industry that it had to do more for fisheries and people on welfare that benefits had to be increased, and yet they want to reduce the deficit! Mr. Speaker, perhaps this debate on the Budget will at last give Opposition Members a chance to tell the House exactly what they intend to do. The Member for St. John's West (Mr. Crosbie) failed to do so earlier, Mr. Speaker. He put on a show and it was a very good one. He is the best showman we ever had in the House. He is good for a laugh a minute! But that is not what government is about. Mr. Speaker, to govern means to decide to help the poor and the needy, those who come to see us, both Opposition Members and Government Members, to talk about real problems. That is what the Budget is about, Mr. Speaker. It is a recovery Budget, a Budget with momentum, that will reassure the Canadian people.

My constituents in the riding of La Prairie are mostly homeowners. Many of them came to see me, and many other Canadians went to see their Members, to complain about mortgages they were unable to pay off in advance because of the penalty involved. I am referring to mortgages they had to put up with for five years because they had renewed them for five years, at very high rates.

Mr. Speaker, these complaints were brought to the attention of the Minister of Finance. He looked into the matter and he took action. I think the real estate sector which provides employment for many Canadians will respond in a positive way to the Government's generosity, which will make mortgage holders heave a sigh of relief and also enable many young people who are looking for a house to purchase their first home.

Mr. Speaker, there is a great deal to say about this Budget. I realize my time has expired. However, I just want to tell the people in the riding of La Prairie who often bother to complete the surveys I send them, that today, they have authentic proof that their complaints and requests and desires have not fallen on deaf ears. The Minister of Finance has brought down a Budget that is humane, a Budget for the average person, for the man in the street, for ordinary people, for the people who elect us as Members of Parliament, both Opposition Members and Government Members.

Mr. Speaker, I have the following message for my colleagues in the Opposition who will be voting on the Budget in a few days. Are you going to vote for the future and endorse this Budget or are you finally going to admit that generosity is confined to one Party and that Party is certainly not the Progressive Conservative Party?

The Acting Speaker (Mr. Herbert): Ten-minute period allowed for questions, answers and comments.

[*English*]

Mr. Taylor: Mr. Speaker, if the Hon. Member wanted a few more minutes we would certainly have no objection. However, if he is finished, I would like to ask a question or two.

• (1250)

Mr. Speaker, I enjoyed the Hon. Member's address and particularly what he said about helping the people who need it the most. I agree with that philosophy. I realize there is a limit to which any Government may go. I am wondering why the Government has left the tremendous void in the present social services program. We have something for the aged, we are doing more for the single pensioners who are below the poverty line, and we have helped some spouses. There are still spouses whose husbands died before the change came who are presently getting nothing and must wait till they are 65. There is a tremendous void, particularly among women between the ages of 50 and 65. That can be broken down as 55 to 65 or 60 to 65. There is a large body of women who are getting absolutely nothing. Some of these women have spent their lives looking after an aged parent, crippled brother or others who needed help. They have saved the Government a tremendous amount of money because they were prepared to stay home. They have no Canada Pension. It is difficult for a woman to compete in the marketplace when she is 50 or 55. Many of them have brought a family into the world. Now their only resource is welfare. Personally I do not think it is any blight on a person to accept welfare, but many people feel that welfare is not really a pension. They feel they are getting something they do not deserve.

Does the Hon. Member feel there is a void here? I am wondering why the Government did not at least start to fill that void so that these women would be able to get something and live somewhat of a dignified life during their last years.

[*Translation*]

Mr. Deniger: Mr. Speaker, I have fully appreciated the remarks made by my hon. friend opposite. I must say I have enjoyed hearing him speak and ever since I have known him, it

was the first time today that I heard him speak like a true Liberal, and not as a Conservative.

Mr. Speaker, I suggest that he is right when he says that the government must provide assistance to those who need it the most, and that is precisely what the government has done in this budget. It is all a matter of degree. A choice had to be made and we have made it. Obviously if money was no object, if we had no deficit and a healthy margin of operation, we would certainly have helped everybody. However, I want to remind my hon. friend that we are going to provide assistance to those who need it most; for instance, we are going to increase the Guaranteed Income Supplement for needy senior citizens, and to help older single women who are destitute. As for those between the ages of 55 and 65, they will have to wait until the next budget.

[*English*]

Mr. Riis: Mr. Speaker, I listened with interest to the Hon. Member's presentation. I quite enjoyed what he had to say and found it to be a very thoughtful speech. He may consider my question to be unrelated. If he does, I would understand why he would not want to respond. He mentioned time and again the need for a strong and sustained recovery and outlined a number of initiatives he felt the Government had taken to encourage and ensure that that take place.

Can the Member explain why, at a time when recovery is so dearly sought by us all, the Government would consider 1984 to be a year when there would be a reasonably serious increase in taxation of consumers? I refer specifically to sales tax, gasoline extra charges and the increase in income tax rates which calculate out to about $200 to $300 on average for each Canadian family. Does the Hon. Member have some observation? Some of us have a difficult time understanding how increasing taxes at this time could do anything but hinder a recovery, generally speaking.

[*Translation*]

Mr. Deniger: Mr. Speaker, my hon. friend is clearly referring to tax measures which were included in the previous budget and not in this one, because this last budget does not provide for any immediate tax increase.

The Hon. Member is certainly aware that the Government is eager to encourage a strong and sustained recovery such as that we are witnessing now. A period of expansion will provide new revenues, which will make it possible for the Government to invest more in small and medium-size businesses and therefore create more jobs. Consumer spending will in turn increase, which will allow the Government to reduce the deficit, something Hon. Members opposite are anxious to see.

[*English*]

Mr. Fisher: Mr. Speaker, I am anxious to get the Hon. Member's views on the housing industry in his riding, in Montreal and generally across Quebec. We have had some very good reactions from Ontario spokesmen. Mr. Henry Stolp of HUDAC has said:

These moves will create additional consumer confidence which is definitely needed before we can have a big improvement in sales.

Bill Dixon from the Canadian Real Estate Association has said that it should stimulate the sale of houses. The Hon. Member comes from a riding where there are a lot of new homes and a lot of people interested in home owner issues. Perhaps he would like to reflect generally on the way this mortgage assistance is going to help his riding.

[*Translation*]

Mr. Deniger: Mr. Speaker, I am particularly pleased with the measures on mortgages and the incentives to the housing industry.

It is obvious, Mr. Speaker, that in a riding like mine, somewhat like yours, there is a large number of houses built every year and there is enough space to build more. Some are built near Montreal where people go to work. Such measures will provide security to young homeowners who will now be assured that they will not lose their home because of a sudden rise in interest rates such as the one experienced at the end of the 1970s. Such measures will allow the construction of thousands of units in the constituency of La Prairie which has already entered a period of rapid growth. Such a budget, Mr. Speaker, will promote in my riding the creation of a large number of jobs and bring wealth and security to people who need it most.

[*English*]

Mr. Kempling: Mr. Speaker, I wonder if I could have the agreement of Members of the House to call it one o'clock?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

MEDICAL CARE

SYSTEM OF FEES PAYABLE TO PHYSICIANS IN NOVA SCOTIA

Mr. Howard Crosby (Halifax West): Mr. Speaker, public statements by the Minister of National Health and Welfare (Miss Bégin) concerning the new Canada Health Act have caused confusion among Canadians with respect to the health services plan in their respective provinces. At the centre of the controversy is the term "extra billing". Unfortunately, refer-

ences to extra billing cast unfair shadows over physicians in some provinces, particularly Nova Scotia.

In the late 1960s, when health care only covered hospital services, the federal Government and the Government of Nova Scotia negotiated the extension of the existing plan to physician services. Quite understandably, the negotiation extended to the physicians who were represented by the Medical Society of Nova Scotia.

With limited resources, Nova Scotia could not afford extension of health care services even with federal assistance. The compromise reached was that physicians agreed to accept 85 per cent of the approved fees for services rendered. Physicians were granted the option of charging the patient for the remainder of the fee.

To characterize this process as extra billing is misleading to the public, and unfair to Nova Scotia physicians. The Medical Society of Nova Scotia must have the opportunity to present their case and their position to the parliamentary committee reviewing the Canada Health Act. The real issue in health services is the quality of patient care. Let us not allow the Minister of National Health and Welfare to confuse this issue with empty rhetoric.

* * *

AIR SAFETY

BAN ON SMOKING IN AIRCRAFT ADVOCATED

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I rise on a subject of urgent and pressing necessity. It concerns the Canadian travelling public. While I commend and congratulate the Minister of Transport (Mr. Axworthy) for setting up the Canadian Aviation Safety Board, with the appointment of Lieutenant-General Thorneycroft to be Inspector General of Transportation Safety for Transport Canada, I do not believe that this goes far enough. When we see recent events, such as the fire in a cockpit of an Air Canada flight when a member of the crew lit his briefcase with a cigarette, they focus once again the urgency of having the Minister take a serious view at least at recommending to airlines that employees such as pilots, co-pilots, and other crew, be prohibited from smoking in the cockpits of aircraft.

I recommended to the House that Members support me in this endeavour to protect the travelling public in Canada by having the Minister of Transport seriously consider banning all smoking on aircraft in this country.

* * *

BANKS AND BANKING

LACK OF INSURANCE PROTECTION FOR LONG-TERM DEPOSITS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it has come to my attention that there was a very serious omission when the Canada Deposit Insurance Corporation Act was amended and passed into law on April 27, 1983.

All of us are aware that the amendments, among other things, raised the amount from $20,000 to $60,000 that one could have on deposit in an account that would be insured against the possibility of a bank, or trust company, or other lending institutions in which the funds are deposited, going bankrupt.

However, the guarantee is only for funds on fixed deposit for five years or less. In other words, funds on deposit that are locked in for a period of more than five years are not included and are not protected by the Canada Deposit Insurance Act.

I believe the vast majority of Canadians are unaware of this and think that their funds are perfectly safe and protected if the term of fixed deposit is more than five years. Therefore I call upon the Government either to make this information readily available to Canadians or to change the Canada Deposit Insurance Act so that it applies to all deposits regardless of the number of years such deposits are in place.

* * *

[*Translation*]

THE BUDGET

ATTITUDE OF QUEBEC GOVERNMENT TO SENIOR CITIZENS

Mr. Raymond Savard (Verdun-Saint-Paul): Mr. Speaker, there are in Canada some 750,000 senior citizens, three quarters of whom are women who live at the poverty level. The Minister wanted to help them by providing for a minimum monthly pension of $600, or $7,200 a year. To that end, a Bill will be introduced shortly by the Minister of National Health and Welfare (Miss Bégin) to provide persons living alone with an increase of $50 a month, in two stages, $25 a month starting July 1st, 1984, and $25 more a month starting December 1st, 1984. This means the extra help paid by this Government will total $460 million on a yearly basis.

The main reason why I rise in this House, Mr. Speaker, is that the Quebec Government does not seem to be greatly concerned with senior citizens, judging from the remarks of its Premier. It is my hope that this increase, so eagerly awaited by senior citizens, particularly those living in retirement centers, will not be pocketed by the Quebec Government, that it will be passed on to those people who built this country and who deserve a healthy, decent standard of living.

* * *

[*English*]

PENSIONS

BUDGET MEASURES CONDEMNED

Mr. Neil Young (Beaches): Mr. Speaker, the Budget of the Minister of Finance (Mr. Lalonde) leaves current pensioners out in the cold. One quarter of Canadians over 65 live on incomes below the poverty line. But the Government seems to be content. It has again refused to recognize the eradication of

poverty as a priority. The Minister refused to meet with anti-poverty organizations during the pre-Budget consultations and his callousness shows.

Eighty-three cents a day on July 1, and 83 cents a day on December 1, will take a single elderly pensioner in Toronto less than one quarter of the way from the current level of benefits up to the poverty line. It is meagre and unjust. Pensioners need substantial increases now, not next July when the Liberals have their leadership convention, or next fall when an election campaign may be in high gear.

Not only has the Government turned its back on current pensioners, but it has also abandoned future pensioners by refusing to expand the universal Canada-Quebec Pension Plans. Hundreds of Canadians participated in good faith in the deliberations in the Task Force on Pension Reform. But it was just a ruse. The gurus in the Department of Finance already decided that tax subsidized savings which benefit the rich disproportionately should be implemented, and universal coverage should be forgotten.

There is no fairness or equity in the Budget. In fact it does a great disservice to the pensioner, and the government should be totally ashamed of itself.

* * *

EXTERNAL AFFAIRS

LITHUANIA—INDEPENDENCE ANNIVERSARY

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, 66 years ago today, the restoration of the independence of Lithuania was proclaimed. The establishment of Lithuanian independence in 1918 is widely observed by Lithuanians in Canada, the United States, and many European countries.

Lithuania succeeded in re-establishing its independence in 1918, at the end of World War I, but was occupied again in 1940 when Soviet armed forces invaded the independent countries of Lithuania, Latvia, and Estonia. The peaceful, western-oriented Baltic nations were crushed by the force of arms of their hostile neighbour. Under the cynical arrangements of the Ribbentrop-Molotov Agreement, the Soviet Union forcibly and ruthlessly incorporated the three Baltic republics into its empire.

Today, the Baltic peoples continue to struggle to attain the freedoms that we enjoy. The Baltic peoples suffer harsh imprisonment, banishment, and persecution for their political and religious beliefs. Brave Lithuanian men and women still seek to exercise their human right to think, speak, and believe as their conscience directs them.

One of the hopes for Lithuania's future lies in the fact that a new generation now stands in the forefront of resistance against the Soviet drive to destroy the Lithuanian nationality.

I urge the Government of Canada to continue not to recognize the forced incorporation of the Baltic States into the Soviet Union. I also take this occasion to pay a warm tribute to the many human rights activists in Lithuania, and the Lithuanian people who are continuing their struggle for freedom and democracy.

* * *

[*Translation*]

OLYMPIC GAMES

TRIBUTE TO TRIPLE MEDAL WINNER, GAÉTAN BOUCHER

Hon. Roch La Salle (Joliette): First of all, Mr. Speaker, I should like to refer to last week's visit by the Minister of State (Fitness and Amateur Sport) (Mr. Olivier) to Sarajevo where he made certain statements concerning the structure of the Olympic Games and amateur sport. He took that opportunity to chastise the Canadian Olympic Association officials and their International Olympic Committee pals who have remained aloof in their ivory tower, as the Minister said. Given those circumstances, I sincerely hope the Minister will follow up on those statements here in the House. Naturally, he would have liked to see more Quebecers take active part in those Olympic Games. Mr. Speaker, you will be as happy as I am to learn that our hockey team did very well in the Olympic Games.

Moreover, how could anyone refrain from being enthusiastic about the accomplishment of a Quebecer who became one of the greatest Canadians this morning, and I am referring of course to Gaétan Boucher who has won three olympic medals.

With that in mind, Mr. Speaker, on behalf of all Canadians and all Quebecers who are justifiably proud of that performance, I would like to say quite simply—as you and Hon. Members feel the need to do—Well done, Gaétan!

* * *

● (1410)

THE ECONOMY

REQUEST FOR DESIGNATION OF GROWTH ZONES ON NORTH SHORE

Mr. André Maltais (Manicouagan): Mr. Speaker, this morning, I met with Mr. Angelo Forte, chairman of the Schefferville Employee Reclassification Committee, whom I can now see in the gallery, and we looked at the situation with respect to the reclassification of Schefferville workers. I wanted to ask if it would be proper at this point to re-evaluate the designated zone of Port-Cartier/Sept-Îles/Schefferville in the light of certain new developments. We have learned that, since this zone has lost its designation more people have been laid-off by the Iron Ore company than during the two years when it was designated.

I therefore believe, Mr. Speaker, that to be fair to all the North Shore people, it is important for the Ministers respon-

sible for the designated zones to meet with Mr. Forte and his team and look at what else could be done in addition to the action which has already been taken by the Federal Government and the company, as well as other people.

It is very important, Mr. Speaker, that this meeting be held because the situation is extremely bad on the North Shore. We are having problems in meeting certain departmental officials, which could eliminate the present delays.

I believe, Mr. Speaker, that everything that has been done by the Federal Government was done equitably and extraordinary well. Mr. Forte and his team have worked very well, but much remains to be done. The chairman of another group, Mrs. Paradis, would like all the people who have been laid off to be integrated under the same formula and all those involved to be treated fairly. The cases relating to Schefferville, Labrador City, Wabush and Sept-Iles should be re-examined and the people involved should receive at least the same federal assistance as before.

* * *

[*English*]

FINANCE

TAX DEDUCTION CEILING FOR DAYCARE COSTS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, it has long been accepted that businesses can write off certain expenses, and generally there is no deduction ceiling on these eligible expenses. That is not the case with daycare costs. Even though the basic minimum daycare deduction has been increased for the 1983 tax year, a ceiling nevertheless remains. Among its many other omissions, yesterday's Budget did not deal with this matter.

There are two fundamental reasons for objecting to the ceiling. First, single parents, who more often than not are single women, are discouraged from entering the work force by prohibitive daycare costs. Even though most provincial Governments provide subsidies for daycare costs, these subsidies are generally small or non-existent for women in the middle-income bracket and, since annual full-time daycare costs far exceed the maximum allowable deduction, many single parents must pay non-deductible daycare costs out of their own pockets. The second argument against the ceiling is based on the more general principle of ensuring equal opportunities for women.

Obviously the burden of paying for children's daycare puts the single working mother at a distinct economic disadvantage. Child care is a necessary expense for single parents entering the work force, so denying them the right to deduct any portion of this legitimate employment expense is highly unfair. Clearly the ceiling on the allowable deduction for daycare expenses should be removed.

[*Translation*]

HEALTH

REQUEST FOR ASSISTANCE FOR CANCER PATIENTS

Mr. Henri Tousignant (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, based on the principle that health care should be made available to all Canadians everywhere in Canada, I wonder about a situation which exists unfortunately much too often and which apparently is not covered by this principle. I am referring to those people who are suffering from cancer and who must travel very long distances to obtain adequate treatments and who, as in the case of children, must be accompanied.

Mr. Speaker, you surely know that such treatments run into thousands of dollars. I have raised this issue with my colleague the Hon. Minister of National Health and Welfare (Mrs. Bégin) who apparently agrees with the principle. I have written to the Quebec health minister and urged him to try and remedy this situation. I suggest that these patients and their close relatives have enough to deal with the severe traumas resulting from their illness without having to depend on the generosity and contributions of charitable individuals or organizations to cover their traveling expenses. I urge, therefore, the Quebec government to pay these costs entirely.

* * *

[*English*]

FINANCE

REGISTERED EMPLOYEE PROFIT PARTICIPATION PLAN

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, yesterday's Budget, like that of 1983, stacks the deck against low and middle-income Canadians but gives a very sweet deal to those in upper income brackets. We find a particularly blatant example in the profit-sharing proposals.

Participating employees would be able to claim a 6 per cent tax credit on their share of profits. However, the maximum amount of shared profit which can be used as the basis for the tax credit is 25 per cent of yearly income up to a maximum income of $60,000. This means that a person with a $60,000 income could base his or her tax credit on a maximum of $15,000 shared profit. On the other hand, an employee with a $20,000 income would have to claim his or her tax credit on a maximum of $5,000 shared profit. It follows that the $60,000 employee can claim a maximum tax credit of $900, but the $20,000 employee has a maximum tax credit of $300.

Obviously the theme of the Budget is: the rich get rich, and the poor get taxes. The unfairness of this proposal should be so obvious that the Minister should have been ashamed to suggest it. If the profit-sharing proposal cannot be made fair to all employees, it should be dropped.

ORAL QUESTION PERIOD

[*English*]

PRIME MINISTER'S OFFICE

INVESTIGATION OF LEADER OF THE OPPOSITION—ACTIVITIES OF OFFICIALS—PRIME MINISTER'S KNOWLEDGE

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Acting Prime Minister. It concerns the daily revelations of the investigations by the Prime Minister's Office into the personal affairs of the Leader of the Opposition as a private individual, the latest being into his private home. I have been associated with the offices of two Conservative Prime Ministers and neither of these gentlemen would have engaged, or ever did engage in such disgraceful tactics—

Some Hon. Members: Hear, hear!

Miss MacDonald: —and neither would the Prime Minister's predecessors, the late Right Hon. Mr. St. Laurent, and the late Right Hon. Mr. Pearson.

My questions to the Acting Prime Minister are: did the Prime Minister know that his principal secretary and others associated with his office were engaged in this kind of nefarious practice, and did the Prime Minister condone those activities?

An Hon. Member: Here he is now.

Mr. Chrétien: Mr. Speaker, I was about to say that the Prime Minister was on his way, but he is already here.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I think that under the circumstances I should repeat the question.

Mr. Speaker, the Prime Minister having arrived, I will repeat my question. It concerns the daily revelations of the investigation by the Prime Minister's Office into the personal affairs of the Leader of the Opposition as a private citizen, the latest concerning his private home. As I said, I have been associated with the offices of two Conservative Prime Ministers and neither of those gentlemen ever did or ever would have indulged in such disgraceful tactics, and neither would the Prime Minister's predecessors, the late Right Hon. Mr. St. Laurent and the late Right Hon. Mr. Pearson.

An Hon. Member: That bears repeating.

Miss MacDonald: Did the Prime Minister know that his principal secretary and people associated with his Office were engaged in these nefarious practices, and did he condone that operation?

• (1420)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if there had been investigation into personal and private affairs, I think the Hon. Member would be justified in describing them as nefarious practices. I know of no such nefarious practices. I know of no investigation into private affairs. I have begun to read the public record in the last hour, and I have seen the exchange which took place yesterday in the House, and have read some of the clippings. It seems to me it has been established quite clearly by the Deputy Prime Minister that there has been no investigation into private affairs. There has been the use of a clipping service. There has been access made to public records. Everything that has been done has been made public.

I understand that my personal secretary has offered access to the media, which have spent quite a bit of time looking at all of our clipping services and other files. There is nothing personal in them. It is all matters culled from newspapers on the public record.

The Hon. Member suggests there were no such practices in the times of previous Prime Ministers. I understand that there is such a practice occurring in the office of the Leader of the Opposition, that he has a couple of boxes on myself that he will not show to the press. Perhaps the hon. lady should dissociate herself from her present Leader since he is so far below the standards established by the other gentlemen that she mentions.

Some Hon. Members: Hear, hear!

REQUEST THAT PRIME MINISTER SEEK OFFICIALS' RESIGNATIONS

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I am going to tell the Prime Minister that I have files on the Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Miss MacDonald: What the Prime Minister fails to realize is that every time an office of a Cabinet Minister sends out any kind of press release, it goes into a file in the Member's office. What he does not seem to understand is that there is a distinction between the Prime Minister of Canada using the power of the state to search a title of a private individual and that which is put into the files of any Member of Parliament in this House. That is the distinction. The problem is that the Prime Minister and his colleagues have been wallowing around in the sewers for so long that they no longer know the difference between right and wrong.

Some Hon. Members: Hear, hear!

Miss MacDonald: Since his return, has the Prime Minister questioned the people on his staff about this betrayal of trust in the highest office of the land, and has he asked for their resignations? If not, will he do so immediately?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. lady asks about a betrayal of trust, and she alleges use of the power of the state. These are serious allegations. They are not founded on fact. They are pure inventions. I have stated quite clearly, and our office has stated quite clearly, that we have a clipping file. The hon. lady herself says she has a file on me personally. I hope she will make that public, except perhaps the personal correspondence that we might have had together.

Some Hon. Members: Hear, hear!

Mr. Trudeau: Where is the betrayal of trust? The hon. lady has done this with public moneys. She has done it with people who are paid by the public purse. The files of the Leader of the Opposition, which he will not show to the press, contrary to ours which we have, are accumulated with what money? Some multinational corporations gave him money to do that? No, Sir, Mr. Speaker. The Leader of the Opposition has a research bureau which receives more than half a million dollars a year. As Party Leader, he receives more than $1 million a year just for his staff. Is this using the power of the state because it is taxpayers' money? If it is, then the accusation stands against both of us; we both stand condemned.

Mr. Deans: Out! Out!

Some Hon. Members: Hear, hear!

Mr. Trudeau: Let them applaud when I say the three of us stand condemned. The Leader of the New Democratic Party, as Party Leader, receives over half a million dollars a year, and the NDP research bureau receives more than a quarter of a million dollars a year.

Some Hon. Members: Oh, oh!

An Hon. Member: What do you receive?

Mr. Trudeau: They ask what I receive. The two Opposition parties' research bureaux put together receive more than the Liberal caucus research bureau.

More than ten years ago, in order to improve the quality of questioning in this House—

Some Hon. Members: Hear, hear!

Mr. Trudeau: —in order to permit the Opposition to do its job and to counter the advantage the Government has because it has the Public Service of Canada working for the Government of Canada—that is the way the system operates—we took the innovative step of funding the research bureaux for the Opposition Leaders' offices. If they have used these moneys to colligate files on myself which are unshowable they are so base in their content, then that is their responsibility, not ours.

Some Hon. Members: Hear, hear!

REQUEST FOR NAMES OF PERSONS INVOLVED IN OPERATION

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, the Prime Minister will sink to any depths.

Some Hon. Members: Hear, hear!

Miss MacDonald: What is at issue here is that the Prime Minister and his staff were out to dredge up material that they hoped would discredit the Leader of the Opposition, and their scheme failed. The Minister of Finance is the living proof that their scheme failed.

We now learn that there were ten people involved in this operation, at public expense. Will the Prime Minister say who they were, who authorized them, and will he, in the name of all that is decent, assure this House and the country that the Office of the Prime Minister will no longer be used in this shameful way? If he won't give that assurance, then he should resign.

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member wants me to give the assurance that it will not be used again in this way. I cannot give that assurance. It has never been used in this way. We have not looked into private lives. We have a clipping service. That is what we have.

● (1430)

Mr. Crosbie: Searching titles?

Mr. Trudeau: The Hon. Member mentioned searching titles. The Deputy Prime Minister yesterday dealt with that.

An Hon. Member: No, he did not.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Who owns your house?

Mr. Trudeau: The Hon. Member wants to know who owns my house. He just has to read *The Gazette* and many other papers. They have researched the public records in Canada about my house in Montreal.

Mr. Clark (Yellowhead): At whose expense?

Mr. Trudeau: At whose expense? At their own expense, of course. That is what happened in the case of the Leader of the Opposition's house. I understand that somebody in my office read in *The Gazette*, a Montreal paper, that the Leader of the Opposition had bought his house for $1, and that he had sold it back for $1.

An Hon. Member: To whom?

Mr. Trudeau: I do not know.

Some Hon. Members: Oh, oh!

Mr. Trudeau: The story was in the Montreal *Gazette*.

An Hon. Member: We want to know how it was done.

Mr. Trudeau: Presumably *The Gazette* obtained it from the public record. I know that somebody in my office, I think impressed by the Leader of the Opposition when he makes these speeches about "and I know what it is to pay a mortgage"—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Trudeau: So somebody in my office wanted to know how much he was paying on his mortgage.

Some Hon. Members: Oh, oh!

Mr. Trudeau: And they went to the public registry.

Mr. Blackburn: How would you know what it is like to pay a mortgage?

Mr. Trudeau: —which the press is doing all the time on my own house in Montreal. So what?

Mr. Clark (Yellowhead): Who sent *The Gazette*?

Mr. Trudeau: Who sent *The Gazette*, the Hon. Member for Yellowhead says.

Some Hon. Members: Oh, oh!

Mr. Trudeau: We have another question here, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Trudeau: The Hon. Member for Kingston says they have suspicions because of a certain letter which the Minister of Finance talked about. What research bureau permitted the Hon. Member for Yukon to refer to a letter that the president of Iron Ore had received from the then Minister of this Government? Who gave him that?

Mr. Chrétien: Who gave the permission?

Mr. Trudeau: Was it Mr. Mulroney, or was it his research bureau, who looked into the files and found the correspondence, not with the Leader of the Opposition but with the president of Iron Ore, the great administrator of Iron Ore?

Mr. Chrétien: Who closed the mine?

Mr. Trudeau: And who closed the mine?

Some Hon. Members: Hear, hear!

DISPATCH OF OFFICIAL TO WASHINGTON

Hon. James A. McGrath (St. John's East): Mr. Speaker, keeping a clipping file is one thing, but using the powerful instruments of the state to pry into the lives of private individuals is quite another.

Some Hon. Members: Hear, hear!

Mr. McGrath: And the Prime Minister does not distinguish between the role of the research offices of Members of Parliament and his role as the head of the Government and chief adviser to the Crown, and the instruments, the powerful instruments, that he has at his disposal in that capacity.

Mr. Clark (Yellowhead): Has and uses.

Mr. McGrath: What really is involved here, Mr. Speaker, is an abuse of those powers. I want to ask the Prime Minister, if there is nothing wrong with this operation, can he tell the House why it was necessary to send David Crenna to Washington, as was indicated yesterday by the Acting Prime Minister, to obtain from the U.S. Securities and Exchange Commission the annual report of the Iron Ore Company of Canada and other information in the public domain, all of which, by the way, is readily available from the Library of Parliament? And I got it this morning.

Some Hon. Members: Oh, oh!

Mr. McGrath: And anything else in the public domain in the U.S. Securities and Exchange Commission could have been obtained through the office of our embassy. Why then was it necessary to send Mr. David Crenna to Washington?

Right Hon. P. E. Trudeau (Prime Minister): First, I must return to the preamble of the question where the Hon. Member suggests that we use the powerful instruments of the state to compile secret information. Those facts are not right, Mr. Speaker. The powerful instruments of the state do not exist in this particular case. It is the research bureau of the Liberal caucus. It is the exempt staff of the Prime Minister's Office. Just as the Leader of the Opposition has an exempt staff, which has compiled two drawers full of files on myself, in addition to the files which the Member from Kingston has.

Some Hon. Members: Oh, oh!

Mr. Trudeau: Are they using the powerful instruments of the state? No, Mr. Speaker.

Mr. Crombie: No, you are.

Mr. Trudeau: Let the Hon. Member substantiate his allegations. If it is the exempt staff of the Prime Minister, is this not a distinction between the state and the exempt staff of the Prime Minister? I had this argument with the Leader of the Opposition the other day who seems to believe—and I thought the Hon. Member was more informed—that there is no distinction between the public service, hired under the Public Service Act, which is different from the Prime Minister's Office. The Prime Minister's Office is political by nature, just as the Leader of the Opposition's office is political by nature. I cannot believe the Hon. Member is ignorant. He must be a hypocrite to believe the two are the same. He knows the distinction. You all know the difference over there. I think you are all indulging in hypocrisy.

Some Hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, when it comes to hypocrisy, the Prime Minister takes second place to no one.

Some Hon. Members: Hear, hear!

Mr. McGrath: Obviously, the Prime Minister has not read the code prepared by the late Right Hon. Lester Pearson which set out the responsibilities and the moral responsibilities of the exempt staff of Ministers. There is the distinction—of Ministers, members of the Government.

REQUEST FOR PUBLIC INQUIRY

Hon. James A. McGrath (St. John's East): Mr. Speaker, there have been serious allegations made in the press concerning operations of the Office of the Prime Minister. I say to the Prime Minister he has an opportunity to put these allegations to rest by agreeing to a public, independent inquiry.

Some Hon. Members: Oh, oh!

Mr. McGrath: I will say this to you. The Leader of the Opposition is prepared to open every office under his supervision to any such public inquiry.

Right Hon. P. E. Trudeau (Prime Minister): That seems like a pretty gratuitous assumption, Mr. Speaker. The Leader of the Opposition is prepared to open everything. Why did he not open it this morning to the press? Why did he not show these files? What kind of an offer is the Hon. Member making when he makes such a statement? He is making a purely rhetorical statement. We have let the press look at our files. Why does his Leader not let the press look at his files? Because the mentality of those people over there is the mentality they have shown before, hiring gumshoes, hiring private detectives, pretending that their telephones are bugged, when in reality they are doing the bugging, and this happened under the leader—

Mr. McGrath: Ask Goyer.

Mr. Epp: Ask the extra-parliamentary group.

Mr. Hees: You are running down.

Mr. Trudeau: I guess you are running down over there because if you can only come up with this kind of invention—

Mr. Hees: That was certainly a killing crack.

Mr. Trudeau: This Party which is constantly using confidential documents received in brown envelopes, reading from confidential documents, that have been obtained illegally—they use illegal documents, and then they blame us for using the public records and newspaper files. What a bunch of hypocrites!

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

• (1440)

THE BUDGET

EFFECT ON DIFFERENT INCOME FAMILIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. In his Budget last night, as well as in the Budget he brought down before, the Minister talked about fairness and recovery. I have an invitation for the Minister. I should like him to come to Oshawa. Would he agree to meet with two families? The first family is a middle-income family which lives in one part of town. As a result of the Minister's last Budget, in the next two years it will experience an increase in taxes of no less than $500.

The other family lives in another part of town. It is headed by a lawyer who earns $90,000 per year. As a result of last night's Budget, because of the changes the Minister introduced he will save $7,500 in taxes.

Will the Minister agree to meet with both families and explain why he had to increase taxes on middle-income Canadians before, in order to provide subsidies for the rich now?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, let me first of all congratulate the Leader of the New Democratic Party for addressing the issue of the Budget, contrary to members of the Official Opposition who seem to ignore the situation of the economy and what should be done about it.

I have to tell the Hon. Member that in my own constituency there is a large number of constituents, some with very low incomes, some with middle incomes, and some with high incomes. I meet with them regularly, as I hope my friend is meeting with his constituents.

I want to draw to the Hon. Member's attention a number of features in the Budget that he seems to ignore. The only increase in expenditure this year, for instance, will go to those most in need. There will be $50 per month going to single people on GIS, the Guaranteed Income Supplement and we will allocate over $1.3 billion to unemployed youth.

The changes that have been made in addition, in terms of profit sharing, will allow low-income workers, middle-income workers and high-income workers to share in the profits of their corporations. The changes that are going to be made to the pension schemes will benefit all workers coming under federal authority and all workers covered by the Canada Pension Plan. They will also ensure that those who are not employees, those who are running or are employed by small businesses who do not have pension plans, those independent operators like farmers, fishermen and professionals, have the same benefits that are available at the present time to those who are working in a plant and who are benefiting under defined benefit plans. The proposal in the Budget is to give equal access to all Canadians to pension benefits in this country. I invite my friend to go back to the Budget.

Mr. Broadbent: Mr. Speaker, just a few minutes ago the Prime Minister referred to hypocrisy. I want to tell the Minister of Finance that when it comes to the sharing of income and

the tax policies of the Government, the people of Canada are getting tired of the kind of hypocrisy we just heard from him.

AMOUNT OF BENEFIT INCREASE FOR PENSIONERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my supplementary question follows immediately from what the Minister just said. He said he increased the pension benefits for those who are getting the GIS. The Minister knows that there are 750,000 poor pensioners in Canada. He is giving them a $1.66 per day increase. Considering this, and in terms of the private pension change available primarily to the rich, why did he provide a benefit scheme that would give the rich $20 and something per day, compared to $1.66 per day for the poor? Why is it that the poor get so little and the rich so much? Is the rich vote worth 20 times the amount that a poor vote is worth?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I should like to remind my friend that what we are doing in support of the senior citizens is the implementation of recommendations coming from all kinds of groups interested in social services and in welfare, as well as other organizations, that is, ensuring that those who are single recipients of Old Age Security and the Guaranteed Income Supplement will receive 60 per cent of the amount of money available to couples. In effect, as the Hon. Member knows, what we propose is going to bring these people over 60 per cent of what is available to couples. This is going to take effect immediately.

As far as the other measures are concerned, as I have indicated to the Hon. Member, what we are proposing under the Tax Assistance Plan for pension reform is to make access to the pension scheme equivalent, whether you are an independent professional, farmer, businessman, or whether you happen to work for a firm. That access is given equally to all, and that is fair between people in similar situations.

Mr. Broadbent: Mr. Speaker, once again the Minister talked about fairness. He talked about it last night, and he talked about it before. He goes on about recovery and fairness.

TAX LOOPHOLES AVAILABLE TO RICH

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering that even after this Budget people at the poverty level will continue to pay taxes, and that after this Budget pensioners will continue to pay taxes, why is it that we have a tax system so riddled with more than 200 loopholes that a man or a woman earning $200,000 can get away without paying one penny in tax? When are we going to have a fair kind of recovery in which all Canadians share the benefit?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I want to—

[*English*]

Mr. Broadbent: Oh, you switched to French.

Mr. Lalonde: What have you got against French? I thought French was the official language of this country as well as English. What have you got against French?

[*Translation*]

—I will speak French when I feel like it!

Some Hon. Members: Hear, hear!

Mr. Lalonde: I know the Hon. Member and I am aware of his interest in and dedication for bilingualism. I should like to think that it was just his angry reaction on the spur of the moment. I will answer the question.

Now then, with respect to the question raised by the Hon. Member, I would like to remind him that Canadian pensioners benefit from a plan which compares favourably with that of any other industrialized country—more generous in fact than those of most industrialized countries.

In addition, the tax benefits granted to the elderly are considerably higher than those of people under 65. The Hon. Member is aware of that as well. Of course, some pensioners do pay income tax, but that is because they earn a fairly good income. Similarly, people under 65 who declare good incomes have to pay taxes.

Concerning the specific cases to which the Hon. Member might want to refer, they have been mentioned in previous question periods. He knows the tax regulations, people have to pay taxes on the income they earn, in accordance with well known regulations of the Income Tax Act which has been adopted by Parliament.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF FOREIGN AFFAIRS COMMITTEE CHAIRMAN OF REPUBLIC OF KOREA NATIONAL ASSEMBLY

Mr. Speaker: May I call the attention of the House to the presence in the Speaker's Gallery of the Hon. Du-wan Pong, Chairman of the Foreign Affairs Committee, National Assembly of the Republic of Korea.

Some Hon. Members: Hear, hear!

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PRIME MINISTER'S OFFICE

AUTHOR OF REQUEST FOR TITLE SEARCH OF OPPOSITION LEADER'S RESIDENCE

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, my question is addressed to the Prime Minister. He will know that an employee of his Office—the Office which, without ques-

tion, is the most powerful in the land, because a call from the Office is a call from the head of the Government, with all that entails—he knows that an official of his Office, Mr. Crenna, has been quoted as saying that the request was made for a title search of the residence of the now Leader of the Opposition. Is the Prime Minister denying that a request was made? If he is not, will he tell us who made that request?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know who in name made that request. I would be prepared to say without any hesitation that, if Mr. Crenna made the search, it was probably requested by someone in my Office who was his superior, if not by one of his colleagues. So there is no denying that the request would have issued from my Office, if Mr. Crenna made—I believe the Hon. Member for Yellowhead is talking of the research at the Security Commission—

• (1450)

An Hon. Member: No, the mortgage.

Mr. Chrétien: The mortgage.

Mr. Trudeau: Then, so far as I know it is not Mr. Crenna who made that research. But someone in my office, I am informed, asked someone involved in real estate in Montreal to look at the public record to see if the story in *The Gazette* was correct, that Mr. Mulroney had bought his house for $1. And I am told that I am incorrect in saying that he had sold it back for the same amount. I am sorry—

Mr. Chrétien: $500,000.

Mr. Trudeau: —if I misled the House. It was unintentional. So what, Mr. Speaker? There was a verification on the public record as to whether the story in *The Gazette* was correct.

I wish the Leader of the Opposition, and all his supporters, would also make verification before they make the kind of unfounded allegations which very often they cull from the press. I mean, that is the story of the past two days. They took allegations out of the press which were patently incorrect and false, and they repeated them in this House without verifying whether they were true or not.

Apparently my Office has more conscience than the members of the Opposition. It verifies the public records before repeating nonsense.

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Right Hon. Joe Clark (Yellowhead): Well, Mr. Speaker, we are getting somewhere.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The Prime Minister has now confirmed that his Office requested verification of that information, that it received verification of that information. Presumably there is a record of that verification. Will the Prime Minister tell us if the record of that verification was in the Mulroney file which is being kept at public expense in the Prime Minister's Office? If not, why is it not there? And what else was removed from the Mulroney file before it was opened to the press?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the second part of the question devours the first. The Hon. Member presumes that something has been removed from the file. I do not even know if it was in the file, Mr. Speaker. We do know there was a story in *The Gazette* that somebody in my office had verified whether it was true or not. So presumably all that is in the file is a *Gazette* story, probably with a handwritten note, "This is correct. We verified it." I don't know, Mr. Speaker. I am certainly not interested in these files.

Mr. Coates: Why do you have them?

Mr. Jarvis: Somebody thinks you are interested.

An Hon. Member: Somebody is interested in it.

Mr. Trudeau: Well, someone over there obviously is very interested in knowing what we know about what is on the public record. It seems to me that the whole Iron Ore question has not been put forward by this Party. It has been part of the public record put forward by the Leader of the Opposition who gives himself great, great credit as to being a very able administrator—and he shows Iron Ore as the proof of that—and a man who knows how it is to carry a heavy mortgage, when he only paid a dollar for his house. These are public matters and it is incorrect, particularly for the former Prime Minister, to allege somehow that, because I am Prime Minister I am not also Leader of the Liberal Party, and that as Leader of the Liberal Party I do not have a political partisan function to perform. Once again, the Leader of the Opposition had exempt staff. I remember answering in front of a parliamentary committee that he had more people—

Some Hon. Members: Order.

Mr. Trudeau: —on his exempt staff than I did.

An Hon. Member: Shame!

Mr. Crosbie: The ramblings of a wreck. Order, Mr. Speaker.

Mr. Trudeau: What were they doing, Mr. Speaker? Were they putting things in files and then removing them surreptiously so that the press would not see them? Do we go around making this kind of accusation—

Mr. Crosbie: Order.

Mr. Jarvis: Check with your Minister of Finance.

Mr. Trudeau: —about the former Prime Minister? What about his own files? Did he destroy—why did he destroy files when he became Leader of the Opposition?

PROCEDURE FOLLOWED IN APPOINTING FORMER MINISTER TO CABINET

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, I have a supplementary question for the Prime Minister. Having asked him questions about an investigation carried out by a public official of the highest office in the land, at public expense, into a matter that, if carried out at all, should have been carried out by the Party; having asked him a question about a public investigation which we believe was most improper for him to carry out, let me ask the Prime Minister of Canada why there was not similar interest shown in carrying out an investigation into the background of the Member of Parliament for Burin-St. George's before he was named to the Cabinet of Canada for 10 days?

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the Hon. Member for Yellowhead has just spilled the beans. He equates a public record in a registry office in Montreal with private tax information which is held private under the income tax laws of Canada. He is now suggesting that we should have had some of our exempt staff look into the files of the tax office of Canada. This is something I suppose he would have done.

An Hon. Member: Shame!

Mr. Trudeau: And maybe he did that with his Ministers before naming them. I did not. I presumed they were honest people. That presumption is not—

Mr. Hnatyshyn: With your record, that is hard to believe.

Mr. Trudeau: —that presumption is not destroyed because exempt members of my staff, who are hired as Liberals to perform a partisan function—not a function of the state, but a partisan function—let us not be hypocrites, Mr. Speaker. The Leader of the Opposition is also Leader of the Tory Party. The Leader of the Government is also Leader of the Liberal Party. They perform partisan functions as well; both offices do. But looking into the tax files of any private Member is something we would not do, but something which I guess the Hon. Member for Yellowhead would do, if I can judge his question.

Some Hon. Members: More.

* * *

[*Translation*]

AMATEUR SPORT

REQUEST FOR ERECTION OF INFRASTRUCTURES IN STE-FOY, P.Q.

Mr. Dennis Dawson (Louis-Hébert): Mr. Speaker, I can see that the Hon. Members are rather excited today. My questions will be somewhat more gracious than the previous ones, Mr. Speaker. They are for the Minister of State for Fitness and Amateur Sport (Mr. Olivier). The Minister is probably aware that Gaétan Boucher won his third medal this morning, a gold medal in speedskating, in addition to the other two he won this week. Will the Minister consider the request made by the Fédération de patinage de vitesse du Québec, which has seven members on the Canadian speedskating team? Will he consider the request of the Federation to give the City of Sainte-Foy an artificial speedskating ring so that the Canadian speedskating team will not have to go abroad, namely in Europe or Lake Placid, to train?

Mr. Speaker, it is extremely important that we should encourage the recipients of gold medals which were won at an extremely reduced cost. It would be encouraging if, in 1988, we could have not only Gaétan Boucher, but other competitors named Daigle, Grenier, Thibault and Pichette—

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I would like to take this opportunity, on behalf of the Canadian Government and all Canadians, to congragulate Mr. Gaétan Boucher who has become the first Canadian amateur athlete to win three medals at the Winter Olympics. Gaétan Boucher becomes the first Canadian amateur to win two gold medals in the same Winter Olympics.

In reply to the Hon. Member's question, I can say that the Canadian Government and my Department are considering the possibility, first, of building an Olympic speed skating oval in Calgary at a cost of $35 million, and also of building facilities in Eastern Canada so that Eastern Canadians can practice this form of sport.

In closing, I should also point out that Mr. Gaétan Boucher will receive the Order of Canada on April 11 for his achievements and the honour his achievements are giving Canada throughout the world.

• (1500)

[*English*]

Mr. Speaker: The Hon. Member for St. John's West for one question.

* * *

THE ECONOMY

LEVEL OF UNEMPLOYMENT—GOVERNMENT POSITION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance of the Schickelgruber government.

Some Hon. Members: Oh, oh!

An Hon. Member: Oh, there he is; there is John.

Mr. Crosbie: That is what happened to the Reichstag in 1933.

In the Budget of April 19, 1983, he said:

—my dominant concern in preparing this Budget has been to help the more than one and a half million Canadians who want to work but cannot find jobs.

Ten months later the number of unemployed is 1,473,000 and the Minister forecasts it will be over 1,400,000 this year and next, and it will be over 1,100,000 in 1988. What has happened to his dominant concern to help Canadians find jobs? When is he going to act to carry out that magnificent statement of April, 1983?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the problem with the Hon. Member and with the Conservative Party is that they have never gone past 1983. We are in 1984, in case the Hon. Member did not realize it. We had a Budget yesterday which came out with a number of measures aimed at helping the economy and Canadians in a lot of areas, whether they are senior citizens, young people, workers, farmers, small businesses, or home owners. I invite my friend to look at it.

As far as the figures he has quoted are concerned, I have to remind him that last year we created 400,000 jobs. The job creation forecasts for 1984 compare very favourably with any other industrial country. As I indicated, we are going to create close to 1.6 million new jobs over the next five years. Obviously we are not going to be able to eliminate unemployment during that period for the very simple reason that we have the fastest growing labour force of any industrial country. My friend knows that, too.

We are going to create jobs as fast as can be done without creating impossible situations in terms of the general performance of the economy. We are very concerned about the situation; we are allocating public funds to a degree and at a level well over what has ever been allocated in this country by any Government to fight unemployment. But we are also counting on the activities of the private sector to come in and be the main engine of growth. This what we expect in the coming year.

Mr. Crosbie: A short supplementary, Mr. Speaker.

Mr. Speaker: With all due respect to the Hon. Member, it is past the hour and there is a Budget debate ensuing. This appears to involve matters anticipated in the Budget debate. The Chair would like to call on the Hon. Member for—

Mr. Crosbie: Mr. Speaker, a supplementary? Is there anything more important than unemployment, Mr. Speaker? This is of some urgency.

Mr. Speaker: The Chair recognized the Hon. Member when it was already past three o'clock, and the Chair—

Mr. Crosbie: Mr. Speaker, a short supplementary.

Some Hon. Members: Sit down!

Mr. Crosbie: Well, Mr. Speaker, we know it is 1984 when we have Big Brother over there answering. Heil Schickelgruber!

Mr. Trudeau: The Reichstag was burned down by guys like you.

Mr. Crosbie: What about unemployment? You are a disgrace to your office.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on a matter of privilege.

Mr. Crosbie: We are not permitted to ask you questions. You are afraid of your unemployment record.

Mr. Trudeau: Stand up.

Mr. Ouellet: What a joker.

Mr. Crosbie: From Russia with love.

Mr. Trudeau: If you are concerned about unemployment, why did they spend half an hour asking questions about clippings?

Mr. Crosbie: Supplementary, Mr. Speaker.

Some Hon. Members: Sit down.

Mr. Deans: Mr. Speaker, I—

Mr. Speaker: The Chair has indicated grave concern about anticipating a Budget debate according to the rules of the House. The Chair at this point has recognized the Hon. Member for Hamilton Mountain on a matter of privilege.

* * *

PRIVILEGE

MR. NIELSEN—REPORTED INVESTIGATION OF LEADER OF THE OPPOSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I do regret the fact that so much time was taken early in Question Period which has denied other Members a chance to raise legitimate questions.

As you know, I was making some comments yesterday with regard to the question of privilege raised by the House Leader for the Official Opposition and responded to by the President of the Privy Council (Mr. Pinard). I can see there is very little interest in the matter given that most of the Members are paying attention to other than what is taking place. I listened with interest to the exchanges between the Hon. Member for Kingston and the Islands (Miss MacDonald), the Hon. Member for St. John's East (Mr. McGrath) and the Prime Minister (Mr. Trudeau) today and I must say the whole thing sickens me. It sickens me to the point that I cannot be bothered talking about it; make your own decision.

Mr. Speaker: The Chair may have misinterepreted—

Mr. McKinnon: He is sick.

Mr. Speaker: The Hon. Member was recognized to add to a question of privilege. Is the Hon. Member directing a criticism at the Chair or is it—

Mr. Nielsen: He is just informing the Chair he is sick.

Mr. McKenzie: We knew that.

Mr. Speaker: Are there any other Hon. Members seeking to intervene at this point?

Hon. David Crombie (Rosedale): Mr. Speaker, I wish to intervene with respect to the question of privilege raised by the Opposition House Leader yesterday. I had expected to hear, for a moment at least, some views from the Hon. Member for Hamilton Mountain.

Mr. Deans: What is the point?

Mr. Crombie: I do not want to go over the ground covered by my House Leader, but I want to add a dimension which I think is important to the matter you have to deal with. It arises from the debate yesterday in Question Period, and I might add, now that I have heard the Prime Minister (Mr. Trudeau) speak on the matter, that the thoughts I have for you as you make your decision are perhaps more in order than I even thought myself.

It seems to me that the root of our difficulty, not only on the matter specifically before you but those which have arisen in the last number of months, Mr. Speaker, relates to our understanding of what the Prime Minister's Office is, what it does, its relationships with Government and with us. I heard the Deputy Prime Minister the other day, Mr. Speaker, simply say there was no basic difference between public funds in a Member's office or in the office of the Leader of the Opposition (Mr. Mulroney), and public funds being used in the Prime Minister's Office. That suggestion is sustained in an article in *The Globe and Mail* today where the principal secretary to the Prime Minister again tries to draw an analogy by saying that the Leader of the Opposition has public funds for research, as does every Member, as well as the PMO.

When I heard the Prime Minister himself say that he saw his "exempt staff" as not being governed by the same rules of conduct as members of the Public Service, I say to you that I hope I will have your attention on this matter because I have not heard anything which has quite so disturbed me in a long, long time. The Prime Minister is absolutely wrong. The danger of his assumption is quite stunning. The Prime Minister's Office stands in an entirely different constitutional position from that of a Member's office or the office of the Leader of the Opposition, indeed almost any other office you can think of.

In 1979 an excellent book was written called *The Super Bureaucrats*. That book is an exposition of the central agencies of Government. Central to that was its discussion of the Prime Minister's Office. This is the shortest definition you will find of what the Prime Minister's Office does. I commend it to you, Mr. Speaker, because it is very important. It states that the Prime Minister's Office is to serve the Prime Minister in the exercise of his power, in the pursuit of his duties, and in the discharge of his responsibilities as head of Government and as head of the administration.

● (1510)

That is the job of the Prime Minister's Office. It advises the Prime Minister as head of the Government and head of the administration. That is the qualitative, fundamentally important difference, Mr. Speaker, between the Prime Minister's Office and the Leader of the Opposition's office, or indeed any other research office. The fundamental difference is that when the Prime Minister's Office speaks, asks a question, writes a letter, asks people to investigate or telephones, the Prime Minister's Office is speaking with the authority and power of the Government and the state.

Today the Prime Minister said something which I never thought I would hear in the House. He said that when the exempt staff in his office operates they are not part of the Government and controlled by the mode of conduct required for all public servants. If there was any doubt about the power of the Prime Minister's Office, it has surely increased in the past 15 years. We have centralized more and more power in the office of the Prime Minister. That is why there has been grave concern.

When the Prime Minister spoke about research of a political nature, he totally confused the role of his Party with his job as head of the Government. It gives me concern, Mr. Speaker, and should give you concern when you make your decision.

I would like to quote from an article about a topic which was recently debated in a city in this country. It reads as follows:

> The growth of central agencies (notably the Prime Minister's office . . .) has had a dramatic effect on the role of the Liberal Party in Government. The development of powerful resources around the leader has meant that many functions that are "political"—and political in a partisan sense—have devolved to publicly-paid officials. Much of what might otherwise have been the party's role has been subsumed . . . by the developments.
>
> In light of this, it has become progressively easier for the party to slip into the role of simply an election machine, cranked up every four years, but largely dormant and ineffective in inter-election periods. Even in elections, much of the planning and related activity that one might expect to see reside in the realm of the party has become centered in government or parliamentary institutions, reliant on government or parliamentary resources.

I did not make that up, Mr. Speaker. That is from a discussion paper on the reform of the Liberal Party. That is a report from the Committee for Reform of the Liberal Party in Canada. It is under the auspices of the president of the Liberal Party.

There is danger in confusing the activities of those who work in the Prime Minister's Office with those who work in the Leader of the Official Opposition's office or members' offices. It is a matter which is important to us and also to the Liberal Party; at least, their own people who want to reform them say so. It has occupied the minds of people in other countries. How do you control the power of the Prime Minister's Office in relation to the privileges of the House and the privileges of the Members in it? The question is what power the Government,

the Prime Minister and the Prime Minister's Office have to reach into the House and intimidate its Members. That is the issue. That is why the question of privilege is no frivolous one.

The oldest battle in the history of Parliament has always been how to control the power of the Government and the power of the state. It is as old as Parliament itself. Mr. Speaker, the rights and privileges which you administer for us and your own rights and privileges as Speaker come as a result of the need 400 years ago in England for the Parliament of that day to make sure that the Crown, the state and the government of the day could not reach in and intimidate either the House or its members. In response to the questions of privilege raised in the 1540s when the King commanded that the Speaker do such and so, the Speaker said: "Eyes I have and ears I have only that Parliament will give me".

Mr. Evans: The King is a Member of Parliament.

Mr. Crombie: Mr. Speaker, the Member across the aisle—

Mr. Speaker: Order, please. Order.

Mr. Blenkarn: Get in your seat.

Mr. Speaker: Order. The Hon. Member for Rosedale has the floor.

Mr. Crombie: Mr. Speaker, there was an intervention by the Member for Ottawa Centre (Mr. Evans). He indicated that the Prime Minister was acting as a Member of Parliament. We are not talking about the role of the Prime Minister as a Member of Parliament, but about the role of the Prime Minister's Office as a function of government.

Mr. Fisher: Your office does not do anything, David?

Mr. Crombie: It is the power of the state to intimidate the House and its Members that we are talking about. That kind of executive power—

Mr. Fisher: You are only using your office for the same thing. You are doing the same thing all the time.

Mr. Crombie: Mr. Speaker, could I have order, please? I would like order, Mr. Speaker.

Mr. Speaker: It has been a difficult enough day. I appeal to Hon. Members for order. The Hon. Member for Rosedale has the floor.

Mr. Crombie: Thank you very much, Mr. Speaker. I do not need any instructions from Members opposite who do not understand how this House is supposed to function. The Member for Mississauga North (Mr. Fisher) knows no better than to shout at other people. He makes no contribution of his own.

The matter we are talking about has not only been important here but has been important in other countries. The control of executive state power has grown immeasurably in most countries. In democratic countries the way in which we have done that is to make sure we can contain that power. In the 1970s in the United States that same kind of executive power had internal revenue investigating files of members of Congress and opponents of the government.

A few weeks ago in the House the Minister of Finance (Mr. Lalonde) made allegations that through the Prime Minister's Office, through people who are supposed to be public servants, he obtained information alleging certain actions by the Leader of the Opposition. That, Mr. Speaker, is why we worry. We have to nip it in the bud. Any government which thinks that the Prime Minister's Office is a function of politics rather than of political Party, and is not a function of serving the head of government, is a government that you cannot trust with power. That is why Parliament and its privileges has always been the shore against the water that came from those who wished to abuse power.

The second way we contain it, Mr. Speaker, is through the privileges of individual Members. I have been in public life for almost 15 years. I have held positions of power to make decisions affecting other people. I am well aware of the kinds of blandishments, intimidations, threats and muffled threats that come to people in a decision-making process. It is easy to be intimidated. It takes courage not to be intimidated by those who would distort the exercise of responsibilities. That is why it needs something else. The privileges of the House and of each Member of the House are the one factor that allows Members to withstand the pressures from those who would intimidate them. Privileges and rights of Members are not some esoteric, above the ground or misunderstood reality. They are the essential requirement for carrying out our public responsibility.

• (1520)

If Members are going to be intimidated by the government of the day through the use of files to which only the Prime Minister's Office has access and not other research houses, that becomes the small trickle that grows into a flood and we can no longer depend on Members to carry out their responsibilities.

The day that privileges of the Members of the House and the privileges of the House generally are usurped by the assumption that the Prime Minister's Office is concerned more with politics than with government is the day when your rights, Mr. Speaker, and my rights, and therefore the rights of the people of this country, are in jeopardy.

It is not only through the rights of Parliament and the rights of individual Members that we protect the freedom of this institution and can defend it from the abuse of power by government through the Prime Minister's Office. It is also done through morality. All of the rules of the House, the philosophy that sustains them and all of the freedoms that we enjoy are rooted in a common understanding of how one conducts politics. There is a moral basis to politics. That is why all members of the staff of Ministers and the Prime Minister's Office have the same code of conduct. The Prime Minister indicated otherwise today.

I want to give the following quote because it came from a great Liberal Prime Minister. After the scandals of the 1960s, Prime Minister Pearson was concerned about the conduct of the Prime Minister's Office and the conduct of Minister's offices. He said that it is essential to establish a code of conduct applicable to today and went on to say:

> It is by no means sufficient for a person in the office of a Minister—or in any other position of responsibility in the public service—to act within the law. That goes without saying. Much more is required. There is an obligation not simply to observe the law but to act in a manner so scrupulous that it will bear the closest public scrutiny. The conduct of public business must be beyond question in terms of moral standards, objectivity and equality of treatment.

I note that at the beginning he said "all staff members". When we read *Hansard* tomorrow we will see that the Prime Minister of this day does not understand the fundamental point that his staff in the Prime Minister's Office, exempt or otherwise, must carry out the same degree and level of moral conduct that everyone else is expected to carry out. That was the essence of Watergate. The essence of Watergate was not the break-in; it was the abuse of executive power. That was the point.

This abuse of power can only be contained by a code of moral conduct. That is why Lester Pearson made that statement in the mid-1960s. It is time that the Government read it again.

I relied heavily on the Liberal discussion paper prepared by those who want to reform the Liberal Party and on a Liberal past that at least understood that there was a moral basis to politics. I did so because at the root of the question of privilege for you to consider today, Mr. Speaker, is the question whether the Prime Minister's Office, with the power it has, is required to act within a moral code so that it does not impinge upon the rights and privileges of the House and its Members.

Interestingly enough, there is no dispute about the facts because it is clear from yesterday's *Hansard* that the Deputy Prime Minister (Mr. MacEachen) indicated there was no question of the facts. What was in question was the interpretation. You may want to check *Hansard*, Mr. Speaker, but that is what I read.

I am saying that my interpretation is that, on the basis of those facts, the principal secretary to the Prime Minister and those who work in the Prime Minister's Office did not act in a way that would "bear the closest public scrutiny".

Finally, let me say that when we deal with this matter it is my judgment and that of the reform group in the Liberal Party, the judgment of Lester Pearson and the judgment of any honest, thinking person, that the actions of the Prime Minister's Office give us the suspicion—and do not forget that intimidation works best by suspicion—that they are a threat to the rights and privileges of the House, of its Members and have certainly taken us down a long, dark road to any further understanding by the Government of the moral basis of politics.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would suggest to you that what we have just heard is not a question of privilege but a matter of debate. That is my first point.

My second point is that it is rather biased and strangely worded debate from a man who has been practising exactly what he has accused the Liberal Party of doing. Let me point out that the Member for Rosedale (Mr. Crombie) is the political leader in his Party for Metro Toronto. It is an informal post that was given to him in trust by his Party and does not really have any bearing on his formal duties as a Member of Parliament. But you know, Mr. Speaker, and so do I, that in the course of that duty he will at least be tempted, if he does not actually do so, to use the resources and the funds of his office here in Ottawa and in his constituency to carry out these duties. Those are at least the temptations.

He is rising in the House to tell us that the Prime Minister (Mr. Trudeau) should not succumb to such temptations; that the Prime Minister should not act as a politician, as a Member of Parliament. He is arguing that the Prime Minister may be given a political staff but should not use it for that purpose. Yet the Member for Rosedale acts like a politician, as does every other Member in the House.

I must say that the Member for Rosedale should pay less attention to my riding and more attention to his riding. He would then be able to get some of the grants he has been complaining about.

Today the Member for Rosedale raised a red herring as an opportunity to invent stories and present misinterpretations about the activities of the Liberal Party. As the Deputy Prime Minister (Mr. MacEachen) pointed out yesterday, what is wrong with preparing a file of newspaper clippings? It is not a covert action. He invited members of the Press Gallery and Members of the Opposition to look at it. He made it very open. Are we to say that Members on other side have not done the same about us? That is a normal political activity. We want to know where we all stand on various public issues, so we go and do some research. A public issue is any issue which we are ready to bring into this arena ourselves, if others do not force it on us.

● (1530)

As was pointed out today in Question Period, the Hon. Member for Central Nova (Mr. Mulroney) has himself raised many of these issues, so there is no abuse of political power; there is simply research to see whether the things he said hold water. That is normal politics. That is what we do in this arena.

When the Hon. Member for Rosedale (Mr. Crombie) rises and spends long minutes in the House using a question of privilege simply to score those sorts of partisan points, I think that is an abuse. I think that is a waste of Members' time. The people who want to speak on important issues like the Budget are throttled. It is a kind of Tory closure. They do not want to let us get on to the real issues of the day and they are going to waste time in the House.

I say first that the issues raised by the Hon. Member for Rosedale are issues which apply to him and to every other

Member in the House. They are partisan. They are the use of our offices as partisan politicians, and that is what the public thinks we should do. The public does not object when we use our own offices and our own role to reinforce what we are, namely partisan politicians. Second, the public knows that there is nothing wrong with politicians investigating the claims which we make ourselves, as the Hon. Member for Central Nova has done. Third, I personally object to the use which the Hon. Member for Rosedale has made of a question of privilege simply to take a matter of debate, drag it out and waste the time of ordinary Members when we have a list of people who want to speak on the Budget.

Mr. Albert Cooper (Peace River): Mr. Speaker, I would like to enter into the debate on this point of privilege because I think it is fundamental and has a very significant impact upon the democratic principles of our country.

At page 49 of Beauchesne's Fifth Edition, Citation 157 reads:

> The Leader of the Opposition and some of his principal colleagues form a group, each member of which is given a particular range of activities on which it is his task to direct criticism of the Government's policy and administration.

Clearly that is the role or the responsibility of the Leader of the Opposition (Mr. Mulroney). It is one which comes to us from a long parliamentary tradition, a tradition that must be respected. Anything which would attempt in any way to undermine that role is an abuse of privilege and an abuse of the House.

At page 143 of Erskine May's Twentieth Edition, it reads:

> It may be stated generally that any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly, to produce such results may be treated as a contempt even though there is no precedent of the offence—

Clearly this action taken by the office of the Prime Minister (Mr. Trudeau) was designed to impact directly upon the performance of the Leader of the Opposition in this Chamber. I suggest that type of action is a clear breach of privilege.

I would like to quote from an article which appeared in today's edition of *The Globe and Mail*. In part it reads:

> Mr. Crenna also confirmed yesterday that the Opwatch operation, which he co-ordinated, has involved up to about ten Government officials in and outside the PMO since it began last summer.

Further the article reads:

> The PMO also put out requests to have Government officials with special expertise in the area of political research seconded to the PMO to work on the Mulroney file.

The significance of that is that we have public servants attached to performing political functions, which is clearly a breach of their purposes.

The question that is outstanding is just what was to be done with this information. Obviously it was not simply information gathered for no purpose, but it was to be used in the House to affect the performance of the Leader of the Opposition. We just have to look back at the recent actions of the Minister of Finance (Mr. Lalonde) to see the significance of that type of action.

Mr. Cadieux, in yesterday's edition of *The Globe and Mail*, indicated that this material they were collecting was going to be fired at the Leader of the Opposition in the House of Commons.

Page 158 of Erskine May's Twentieth Edition makes the indirect attempt to influence a Member as much a breach of privilege as the direct attempt when it indicates the following, under the headline "Acts Tending Indirectly to Obstruct Members in the Discharge of Their Duty":

> Conduct not amounting to a direct attempt to influence a Member in the discharge of his duties, but having a tendency to impair his independence in the future performance of his duty, will also be treated as a breach of privilege.

This action on the part of the Prime Minister's Office was in fact designed to impede the Leader of the Opposition in his duties in the House. Only the most naive of Canadians would not believe that to be true.

At page 22 of Beauchesne's Fifth Edition, under "Influencing Members", it reads:

> It is generally accepted that any threat to a Member, attempting to influence his vote or his actions as a Member, is a breach of privilege.

It is very clear that these actions were designed to be a threat to the Leader of the Opposition, and therefore were clearly a breach of his privileges.

On October 17, 1973, as reported on page 6942 of *Hansard*, we find that David Lewis, MP, rose on a point of privilege regarding the bugging of an NDP caucus meeting. The Speaker found that to be a *prima facie* case of privilege. The point here is that it is important that the privacy of the NDP caucus be protected; the same must apply to the privacy of the Leader of the Opposition.

On Tuesday, September 4, 1973, as reported on page 6179 of *Hansard*, we find that the Hon. Member for Kingston and the Islands (Miss MacDonald) rose on a point of privilege regarding the RCMP making inquiries at her office. She specifically noted in her arguments the need to protect the privacy of Members of Parliament. Again the Speaker ruled that she had a *prima facie* case of privilege.

What we have here is clearly an attempt by the Government to undermine the performance of the Leader of the Opposition in the House. Second, we have the partisan involvement of Government officials. Mr. Mitchell Sharp, a well-known past Member of the House, had some comments about the use of the Public Service and this type of attitude. He said:

> I believe that there is a responsibility upon politicians and those public servants now at the top to ensure that the ideals of disinterested, non-partisan public service are upheld and maintained.

This action was clearly meant to have an influence upon the performance of the duties of the Leader of the Opposition in the House. Clearly, as is evident from quotations from Beauchesne and Erskine May, those types of actions are nothing more than a breach of privilege. I encourage the Speaker to find here a *prima facie* case of privilege so that the House can act and go on to investigate the seriousness of these allegations.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I would like to intervene for just a short time on this matter. The Hon. Member opposite who just spoke indicated that the role—and I think he quoted from Beauchesne's but I did not get the citation—of the Leader of the Opposition (Mr. Mulroney) was to criticize policy put forward by the Government. That, to me, makes imminent sense. That is precisely what the Leader of the Opposition, the shadow cabinet ministers and members of the Opposition are meant to do. What could not be found in that citation of Beauchesne was that that criticism of policy should involve the compiling of records and information on individual Cabinet Ministers for the express purpose of undermining the ability of Cabinet Ministers to conduct their functions or for carrying out a campaign in the House of personal persecution of individual Cabinet Ministers with information which has been gleaned through brown envelopes, secret memoranda and any other sources of information that the Opposition can collect. That seems to be the kind of thing the Opposition is trying to accuse the Office of the Prime Minister (Mr. Trudeau) of doing. It is something which we have witnessed in the House for years by members of the Opposition, and they do not find that to be a matter of immorality. It is clear that that has been done by members of the Opposition.

• (1540)

I would like to quote the Right Hon. Member for Yellowhead (Mr. Clark) when he was Leader of the Government in 1979. He appeared before the Miscellaneous Estimates Committee. This can be found at page 9:22 of the Miscellaneous Estimates Committee for November 15, 1979. It is a discussion between the members of that committee and the right hon. gentleman. The passage I wish to read is one where the Hon. Member for Madawaska-Victoria (Mr. Corbin), now Deputy Speaker, was questioning the Right Hon. Member. I quote:

MR. CORBIN: —I could go so far as to say that the Prime Minister's Office has a partisan political perspective, since it is difficult to separate partisan feelings from politics.

MR. CLARK (YELLOWHEAD): It is difficult to do so now, it has been difficult to do so in the past and it will continue to be a hard thing to do.

MR. CORBIN: You therefore intend to uphold the usual practices which have thus far been followed with respect to your Cabinet and the political role played by a number of people in your office?

MR. CLARK (YELLOWHEAD): Yes, since that is an essential part of the political role of a Prime Minister under our system. I am both Prime Minister and head of the Party, as was my predecessor and as are all Prime Ministers.

MR. CORBIN: Does your Party have separate offices here in Ottawa?

MR. CLARK (YELLOWHEAD): Yes.

MR. CORBIN: Do you have an office at your Party headquarters?

MR. CLARK (YELLOWHEAD): No, I do not.

MR. CORBIN: This means that you take care of partisan political matters in the actual office of the Prime Minister, here on the Hill or in the Langevin Building.

MR. CLARK (YELLOWHEAD): Yes, just as I did when I was Leader of the Opposition. I assume the present Leader of the Opposition does the same thing.

The Prime Minister's Office, according to the words of the former Prime Minister, carries out partisan political activities by members of the exempt staff of the Prime Minister in the Prime Minister's Office in the Langevin Block and here on Parliament Hill. Those are precisely the words that were uttered today by the current Prime Minister (Mr. Trudeau) with regard to his exempt staff.

Mr. Crombie: Still wrong.

Mr. Evans: The Hon. Member says "still wrong". He is condemning the Right Hon. Member for Yellowhead who stood today in righteous indignation and condemned the Prime Minister for doing precisely what he says he was doing in 1979.

I know that offices of Members of Parliament on this Hill, the staff of Members of Parliament on this Hill, watch the newspapers daily, cut articles out of newspapers that have to do with other Members of Parliament, positions they have taken, statements they have made, and keep these on file. They do investigative research, I can say quite frankly and openly, on the past history of other Members of Parliament.

I have been the subject of such an investigation by Members of the Opposition. That is past history, a period before I was a Member of Parliament. That information was not available from newspaper clippings. It was not available from the public record in the Library of Parliament. It was obtained somewhere else. That has gone on in offices of Opposition Members of Parliament.

The Hon. Member for Peace River (Mr. Cooper) quoted from Erskine May and from Mr. Sharp about the role of public servants. The fundamental confusion that he is making is the same fundamental confusion that was made by the Leader of the Opposition the other day. There is a fundamental difference between people who are under the Public Service Employment Act, who are permanent full-time public servants, and members of the exempt staff of Ministers and members of the staff of Members of Parliament. They are not public servants as defined by the Hon. Member in his citations from Beauchesne's, Erskine May and his quotes from former Ministers of this place. It is absolutely true and absolutely essential that the public service, as defined by the Public Service Employment Act, be impartial, that it serve the Government of the day and that it be apolitical. That is not the same thing. Indeed, that is why the staff we are talking about here today is called the exempt staff. They are partisan. They are hired on a partisan basis.

I know for sure that the Leader of the Opposition would not hire a Liberal or a Member of the NDP in his office. He hires Tories—partisan hiring practices. That is why they are exempt staff. They are supposed to do partisan things. That is why they cannot be public servants. The Public Service Employment Act expressly forbids that kind of behaviour.

We are talking here about the exempt staff. I do not draw a distinction, as the Hon. Member for Rosedale (Mr. Crombie) did, between the Office of the Prime Minister and the Office of the Leader of the Opposition because, under our parliamentary system, the Leader of the Opposition is the Prime Minister in waiting. If the Hon. Member for Rosedale is saying that it is all right for the Office of the Leader of the Opposition to

be partisan and collect political and background information on Members of this side when he is Leader of the Opposition, but that that somehow will stop if he ever becomes Prime Minister, then the Hon. Member is dreaming in technicolour.

The Right Hon. Member for Yellowhead, by his own admission in front of the Miscellaneous Estimates Committee, has absolutely confirmed that his practices as Leader of the Opposition were precisely the same as his practice as Prime Minister. The quotes are here in the report of the committee. I have put them on record. The words of the Right Hon. Member for Yellowhead speak for themselves.

There is no question of privilege involved here. There was no intimidation involved here. There was a collection of documents from the public record to determine where it was that the Leader of the Opposition stood on issues, just as those kinds of documents and that kind of information is collected by the Opposition on Ministers, and certainly the Prime Minister, as he indicated in Question Period earlier today. It is a specious question of privilege that is being raised here. I agree with my colleague, the Hon. Member for Mississauga North (Mr. Fisher) that this has been done today to waste the time of the House so that we could not get on with other matters such as dealing with budgetary issues.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I listened with some interest to what the Hon. Member for Ottawa Centre (Mr. Evans) had to say because there is one area here that neither he nor any other Member on that side of the House has dared to deal with. The question comes up as a result of what has taken place and what has been revealed in the last few days. It is a question that perhaps the Hon. Member for Ottawa Centre does not understand. It is a question of morality. That is exactly what is involved here.

I want to say, as a person who worked in the Office of a former Prime Minister, that we knew what the rules and regulations were. We knew what it was that staff were able to do. We knew the code of behaviour and ethics that were expected. That is something which the present Prime Minister (Mr. Trudeau), his staff and the people who sit behind him, have lost sight of. That is the difference.

Yesterday there was an interesting response to a question from a member of the press. An official in the Prime Minister's Office, David Crenna, said:

● (1550)

I don't know what you consider legitimate PMO behaviour.

That, Mr. Speaker, is really at the heart of all of this. Those people do not know and do not understand what is legitimate behaviour in the Prime Minister's Office. The Deputy Prime Minister (Mr. MacEachen) does not understand what legitimate behaviour is any more; the Prime Minister does not understand that there is such a thing as legitimate behaviour—the things that people can straightforwardly question about and information that can be gathered. But that does not include going into the private personal lives of individuals in this country.

Mr. Evans: You have done it to me.

Miss MacDonald: As you have done. That is exactly what is at stake here, Mr. Speaker.

Mr. Speaker: The Chair has done very little indeed, with all due respect to the Hon. Member.

Miss MacDonald: I am sorry, Mr. Speaker. When I said "you", I made a mistake. I meant through you, Mr. Speaker, to the Members on the Liberal benches. I do apologize to you, Sir.

I also want to mention that there is a very real difference between the kinds of materials which I as an individual Member of Parliament have in files being sent around by Cabinet Ministers, stacks of material, and the matter we are discussing. I sometimes wish the stacks were a lot less. It is the paper burden, overburden. But it is there in files. People also write to us. You would be surprised how many people write to me about the Prime Minister. What they have to say about him is not very flattering.

Mr. Fisher: People write to me about you.

Miss MacDonald: Indeed they may. The Hon. Member for Mississauga North (Mr. Fisher) says they may write about me. I agree. That happens to be what people want to do. I do not argue that. That is a very different thing from having that kind of material in a file and going out and making an underhanded search for material that people in the Prime Minister's Office thought they could find in the files in Washington or files about a house in Montreal so they could discredit the Leader of the Opposition (Mr. Mulroney). That is exactly what they were doing, Mr. Speaker.

Mr. Evans: Where was the covert action? What is covert about that?

Miss MacDonald: The question is, why were they out looking for this information? How much more do they have which is hidden somewhere? Not just about the Leader of the Opposition, but about anybody whom they may happen to think they want to get. That is really what this is all about and what the question of privilege is about. There is not a single Member in the House of Commons who has dared to stand and raise a question about the operations of this Government. There is not a single Member now who is outside the thrust of the kinds of operations we have seen emanating from the Prime Minister's Office in the last number of weeks and months, not one. That is what you have to judge, Sir. How far is this kind of operation allowed to go? How far is the abuse of the Prime Minister's Office allowed to extend?

Mr. Fisher: As far as the Library? Tell us about the libraries, Flora.

Miss MacDonald: Let me tell you. Why was Mr. Cadieux told by people in the Prime Minister's Office not to go to the Library of Parliament, where he could have found that information? Because they did not want people within this purview

to know that that individual was associated with the Prime Minister's Office. Why this underhanded approach to what was going on?

Mr. Nickerson: It is an underhanded government.

Miss MacDonald: Where are the explanations? That is at the heart of this question of privilege. As long as that sort of operation is able to continue, there is absolutely no guarantee for any Member of Parliament in this House who opposes the Government, or for any individual citizen across the land who is critical of the operations of this Government, that his or her rights and his other personal lives will not be investigated and will not be exposed for nefarious reasons by this Government. It is so bankrupt, Sir, that it will stoop to anything to try to hold on. Every day it digs its grave deeper.

Mr. Speaker: The Chair would like to state that it has heard fairly extensive argument at this point. The matter of privilege is a narrow one that has to be decided by the Chair. The Chair would like to proceed to other business of the House.

ROUTINE PROCEEDINGS

[*Translation*]

AGRICULTURE

PRESENTATION OF SECOND REPORT OF STANDING COMMITTEE

Second report of Standing Committee on Agriculture—Mrs. Côté.

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

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[*English*]

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

MEASURE TO AMEND

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-218, an Act to amend the Prairie Grain Advance Payments Act (spouses).

Some Hon. Members: Explain.

Mr. Taylor: Mr. Speaker, Section 7(3.2) of this Act discriminates against a productive farm woman who is legally married to a productive farm man. A farm woman who owns land and who has a permit book from the Canadian Wheat Board may, if she is single or living common law, receive prairie grain advance payments provided she has the grain in her bins to cover same. A farm woman in exactly the same category but who is married to a farmer who also has a permit book from the Canadian Wheat Board is denied advance payments. In all cases the bill is paid when the grain is taken to an elevator. This Bill will remove this discrimination against married women in this group. Our legislation should not encourage common law arrangements by granting benefits to a common law spouse which is denied to a legally married spouse when all other factors are the same.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 191, 330 to 335 inclusive, 361, 402 and 491.

[*Text*]

CONSULTANTS EMPLOYED BY TREASURY BOARD

Question No. 191—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Treasury Board and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Mr. Peter Lang (Parliamentary Secretary to President of the Treasury Board): In so far as the following are concerned:

Treasury Board of Canada Secretariat:

1. (a) 1981-82 (b) 1982-83
   (i) 37 (i) 44
   (ii) $516,587 (ii) $383,184.04

2. 1981-82

(a)	(b)	(c)
Eric A. Milligan	$ 62,900	To study and report on matters related to the Government's program on regulatory reform.
Margot Priest	$ 55,200	To study and report on matters related to the Government's program on regulatory reform.
Hay Associates Canada Ltd.	$193,105.59	To develop a method of evaluating air traffic controller positions and for the development of appropriate salary levels, premiums and insured benefits.
Towers, Perrin, Forster and Crosby	$ 22,000	To conduct a Preference Audit & Climate Review of Federal Public Service managers allocated or likely to be allocated to the Management Category, etc.
Systemhouse Ltd.	$ 25,000	To conduct an audit of the input aspects of the Official Languages Information System (OLIS).

Order Paper Questions

1982-83

Margot Priest	$ 15,400	To study and report on matters related to the Government's program on regulatory reform.
Eric A. Milligan	$ 68,821.41	To study and report on matters related to the Government's program on regulatory reform.
Vicor Spassov Editorial Services Ltd.	$ 25,200	To edit, format, indexing of manuscript for Access Register publication.
Words Associated	$ 25,200	To edit, format verification and indexing of French manuscript for Access Register publication.
McGill University	$ 30,129.73	To carry out on behalf of Treasury Board and the Public Service Alliance an investigation of employee health complaints at Les Terrasses de la Chaudière.
Management Research Consulting	$ 22,976.21	To develop Phase II and IV of training programs for Human Resources.

Office of the Comptroller General:

1. (a) 1981-82 (b) 1982-83
   (i) 37 (i) 36
   (ii) $384,913 (ii) $246,709

2. 1981-82

(a)	(b)	(c)
Abt Associates of Canada	$ 25,000	To undertake an evaluation of the financial officer recruitment development program and to prepare a written report.
Coopers and Lybrand	$ 66,484.50	To review and make recommendations regarding internal auditing of computer systems.
Peat, Marwick, Mitchell and Company	$ 31,548.55	To assist in the preparation of a discussion paper for review by Cabinet which would identify the need for a comprehensive review of the Financial Administration Act.
Price Waterhouse	$ 43,500	To review and report on the present financing of each Crown corporation and to propose action where necessary to adjust their financing to ensure consistency with current policy and also revised scheduling for such Crown corporations.
Touche Ross & Co.	$ 29,025.75	To develop a practical set of guidelines on cost determination for use by government departments.
Peat, Marwick and Partners	$ 20,000	To prepare a written discussion paper on program evaluation methodologies and their appropriateness.

1982-83

Ernst & Whinney	$ 23,200	To conduct an evaluation of the implementation assistance program and to produce a final report on the study on or before September 1, 1982.
Allan Bennett & Associates	$ 32,262.50	To provide editorial services to 20 program expenditure plans as well as to provide advice and assistance to departmental editors in the preparation of their plans.
Peat, Marwick, Mitchell and Company	$ 24,500	To assist in assessing the need for a review of the Financial Administration Act.
Woods Gordon	$ 24,250	Development of professional development program for Management Practices Branch.

CANADIAN HIGH COMMISSION IN LONDON

Question No. 330—**Mr. Stevens:**

During 1983, what was the (a) total number of employees (both locally engaged and Canadian personnel) (b) total cost of operating the Canadian High Commission in London?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): During 1983, the total number of employees in the Canadian High Commission in London was 344 (214 locally engaged employees and 130 who were Canada based). The total cost of operating the High Commission was $15,836,695.

CANADIAN EMBASSY IN PARIS

Question No. 331—**Mr. Stevens:**

During 1983, what was the (a) total number of employees (both locally engaged and Canadian personnel) at (b) total cost of operating the Canadian Embassy in Paris?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): During 1983, the total number of employees in the Canadian Embassy in Paris was 246 (156 locally engaged employees and 90 who were Canada based). The total cost of operating the Embassy was $15,644,780.

CANADIAN EMBASSY IN WASHINGTON

Question No. 332—**Mr. Stevens:**

During 1983, what was the (a) total number of employees (both locally engaged and Canadian personnel) at (b) total cost of operating the Canadian Embassy in Washington?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): During 1983, the total number of employees in the Canadian Embassy in Washington was 299 (98 locally engaged and 201 who were Canada based). The total cost of operating the Embassy was $14,169,287.

CANADIAN EMBASSY IN BONN

Question No. 333—**Mr. Stevens:**

During 1983, what was the (a) total number of employees (both locally engaged and Canadian personnel) at (b) total cost of operating the Canadian Embassy in Bonn?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): During 1983, the total number of employees in the Canadian Embassy in Bonn was 112 (60 locally engaged employees and 52 who were Canada based). The total cost of operating the Embassy was $5,970,248.

CANADIAN EMBASSY IN TOKYO

Question No. 334—**Mr. Stevens:**

During 1983, what was the (a) total number of employees (both locally engaged and Canadian personnel) at (b) total cost of operating the Canadian Embassy in Tokyo?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): During 1983, the total number of employees in the Canadian Embassy in Tokyo was 154 (94 locally engaged employees and 60 who were Canada based). The total cost of operating the Embassy was $10,573,395.

CANADIAN EMBASSY IN ROME

Question No. 335—**Mr. Stevens:**

During 1983, what was the (a) total number of employees (both locally engaged and Canadian personnel) at (b) total cost of operating the Canadian Embassy in Rome?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): During 1983, the total number of employees in the Canadian Embassy in Rome was 84 (52 locally engaged employees and 32 who were Canada based). The total cost of operating the Embassy was $5,023,092.

SOURCE DEVELOPMENT FUND

Question No. 361—**Mr. St. Germain:**

Is there a Source Development Fund administered by Supply and Services Canada and, if so, since April 1, 1981, what amount was spent on (a) product innovation (b) increasing Canadian content (c) front-end development costs?

Mr. Paul-André Massé (Parliamentary Secretary to Minister of Supply and Services): The Source Development Fund was established in 1981 to help finance incremental costs on government contracts related to the establishment or maintenance of Canadian sources of supply.

(a), (b) and (c) The SDF can assume certain front-end development, product innovation, and increased Canadian content costs. These cost categories are not mutually exclusive since, for example, assisting a firm with front-end or product development also contributes to a higher level of Canadian content. $18 million has been expended from the SDF to date and these moneys are expected to yield $324 million in increased sales, $180 million in exports and the creation of almost 2,900 person years of employment in Canada over the next 10 years.

NUCLEAR NON-PROLIFERATION POLICY

Question No. 402—**Mr. Howie:**

Does the Government require any country receiving nuclear material from Canada to guarantee that it will not be processed, enriched or otherwise altered in form or content without the prior approval of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): In our bilateral nuclear co-operation agreements with our nuclear partners, agreements that are required by Canada's 1974 policy, there are provisions that nuclear material transferred from one party to the other shall be enriched beyond 20 per cent U235 or reprocessed only as agreed in writing between the parties. Thus, there is a requirement that any country receiving nuclear material from Canada seek the prior approval of Canada before reprocessing or enriching beyond 20 per cent U235 all Canadian origin nuclear material.

PARTICIPATION IN EXPO 84 IN NEW ORLEANS

Question No. 491—**Mr. Howie:**

Did the Government allocate any amount for Canadian participation in Expo 84 in New Orleans and, if so, what amount?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Yes, the Government has allocated $5.5 million for Canadian participation at Expo 84 in New Orleans.

[*English*]

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

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

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

Some Hon. Members: Agreed.

● (1600)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government, and the amendment of Mr. Crosbie (page 1445) and the amendment to the amendment of Mr. Riis (page 1448).

Mr. Bill Kempling (Burlington): Mr. Speaker, budget speeches and Throne Speeches are opportunities for government to reset the course and the direction in which we are

travelling. Many of us have felt for some time that we are on the wrong course, travelling in the wrong direction, down a slippery road, and that there is no return.

We have seen the results of philosophical and academic tinkering with our economy. Our national debt has climbed to unacceptable levels. As my colleague, the Hon. Member for St. John's West (Mr. Crosbie), pointed out, the interest burden that the average Canadian will pay will be with us for many years. In fact, the Government will have to go to the same money market that the private sector has to tap and that will make things more difficult for private sector financing.

We have seen inflation and recession, and we have seen crippling interest rates ruin hundreds of thousands of business enterprises and shatter the hopes and dreams of millions of Canadians.

I always approach the period leading up to budget day with anticipation. It is a chance for change, a chance to redress, a chance to restructure. So it was with this Budget. I saw opportunities for the Government to make some changes that could attempt to solve the difficulties facing the 1.5 million unemployed in the country. All those hopes and anticipations were tempered somewhat with information we received from Statistics Canada on January 31 which showed that the recovery appeared to lose some of its vitality in the fourth quarter and that this slowdown would continue early in 1984. The Conference Board of Canada forecast that there were worrisome signs that the recovery may not be as robust as might be expected. The gross domestic product fell by .2 per cent in November and the final demand actually fell by .2 per cent in the third quarter.

From comments reported in newspapers and speeches made by business leaders and others, we see that consumer confidence seems to have fallen in the last quarter. In fact, the survey of the Department of Regional Industrial Expansion, released in December, shows a further reduction in the levels of capital investment by larger firms for 1984.

I read with great interest of the wide consultation the Minister of Finance (Mr. Lalonde) had with the business community in the past several months. The Canadian Manufacturers' Association, the Canadian Chamber of Commerce, the Canadian Federation of Independent Business, the Canadian Organization of Small Business Inc. and numerous other business and commercial associations presented briefs and had conversations with the Minister of Finance and his officials.

I know it is easy to look at the headlines in the financial papers and see that this corporation and that corporation posted record profits. But that is not common throughout industry in general, Mr. Speaker. The business community faces many difficulties. While interest rates have modified to some extent, bank rates are still 6.5 percentage points above the level of inflation. When you compare that to where they were prior to the recession, you find that at that time the prime rate was 3.4 per cent above the level of inflation. While inflation has subsided, the spread between inflation and the prime rate has increased. In fact, when we look at real interest rates we see they are double what they really should be. Many of our financial institutions are very liquid. They have lots of money to lend, but that money is not going to commercial operations. In fact, commercial loans are down substantially.

The real competition for that money is in the residential mortgage field. I think we are all thankful for that. Residential mortgage rates dropped dramatically in the past year. There is no evidence of any increase in commercial loans as far as we can see at this time. There is a reason for this condition, Mr. Speaker. Most of our small and medium-sized businesses are debt financed today, rather than equity financed. They are reluctant to take on any additional long-term debt because of the disastrous interest rate experience they had during the recession. Many companies barely survived.

I know that those who are familiar with the balance sheets and financial statements of business will appreciate that when you look at the balance sheets of these companies you find that they are in a very precarious state. Most companies stripped their earned surplus accounts in order to stay alive during the recession. Many have eaten into their capital accounts and are operating today with very reduced working capital. I believe that is an accurate assessment of the large number of small and medium-sized businesses in the country. That is why commercial loans are down, Mr. Speaker. They are in a delicate condition. They are afraid that if there is a slight bump up in the interest rates, a lot of those companies which survived the recession will not survive a second round. They are hanging on by their fingernails hoping that interest rates will continue to subside. That is one of the things they were looking for and I was looking for in the Budget.

If small and medium-sized businesses are to survive and invigorate themselves and put most of the 1.5 million unemployed to work—the Minister of Finance has said again and again that he is looking to the private sector to help reduce unemployment—that cannot be done if companies have weak balance sheets. It cannot be done if they do not have a working capital with which to go forward, and it cannot be done if there is the slightest chance that interest rates will rise and that the very precarious recovery they have survived is any way in doubt. With the depleted capital account and reduced working capital and debt financing, firms just cannot pick up the slack and hire the unemployed people that the Minister expects.

While the initiatives taken for small business in the Budget will be welcome when they are in place, the structural problem will remain and will discourage the expansion we need to take up the unemployment challenge.

I am most discouraged that the Minister did not move in the matter of capital cost allowance. I think that was a major mistake. I know that the Canadian Manufacturers' Association lobbied very hard for this, and I know from comments I have had from business people across the country that they were all looking for some redress in this matter. The fact that it was not done is of great concern to many people. Those who do not understand how a capital cost allowance works will not understand how badly it has hurt the cash flow of most of the businesses that utilize it. The decision not to redress the capital

cost allowance has damaged the cash flow of thousands of businesses. It is the main deterrent to capital investment and is hobbling the expansion of industry.

In the Budget the Minister recognized the importance of productivity and noted the high cost of new productive machinery. Our industries must modernize and they require new productive machinery in order to be competitive in world markets. It is frustrating that although the problem was recognized, nothing really was done. Indeed, the forecast for unemployment shows that it will stay in the double digits for the foreseeable future.

An examination of the Budget documents reveals that the Government's forecast of productivity is that it will decline in the next few years. Everyone knows that we are almost at the bottom of the list on the productivity scale of the OECD.

The other thing that we noticed in the Budget was that there was no plan to reduce the deficit beyond the pious words of the Minister. Those of us who have been here a few years have all heard the Minister stand in his place and say that the deficit is going to go down and that, indeed, the Estimates will be tabled in another couple of weeks. Those Estimates may in fact show that government spending is off, but those are the Main Estimates. As we go down the road, we receive Supplementary Estimates (A), (B), (C) and (D), and by the end of this fiscal year, I can tell you, Mr. Speaker, that our spending will probably be as high or higher than it is right now. Therefore, I get the feeling from the performance of the Minister that he sort of casts himself in the role of a Minister of Finance holding back the hordes of irresponsible spenders who would spend untold billions in order to buy favour from the electorate.

• (1610)

We have seen in the House recently some rather sleazy tactics used by an arrogant Government which is trying to raise its profile with the voting public. And I made reference to those special projects which were apparently privy to Liberal Members of Parliament but not to all Hon. Members of Parliament.

I must say, Sir, that I was dismayed and angered by the officials in the Department of Finance who attended the lock-up preceding the Budget address to answer questions which arose as a result of our examination of the Budget document. I will not name the individuals. I would not do that. We agreed not to do that. However, I found, Sir, when they were asked tough, precise questions, they sidestepped them by saying, "Well, that is a policy matter and you will have to discuss that with the Minister". When asked for an explanation of some of the numbers we had just seen in the documents, they waffled on those answers as well. In fact, I asked them how much it would cost to repair and put the capital cost allowance provision back to what it was before it was cut in the previous Finance Minister's Budget. The official just put his hand up in the air and pulled down a figure of $1.2 billion. For months I had asked the former Minister of Finance to supply me with that figure. I did not even receive an acknowledgement of my letters. It was always going to come when I spoke to him, but it never did. When I pursued, with the official of the Department of Finance, the question of where he got that $1.2 billion, what was the back-up data for that, could he verify it in some way, he finally admitted it was just a guess on his part and he had no real date to back it up at all.

I find that quite a disgusting performance under the circumstances. I had the feeling that those officials were there just to slough us off and not really to answer questions at all but just to give us whatever answer they thought we would accept. They knew that we had to leave at a specified time, so it was just an exercise of the clock as far as they were concerned.

The Budget announced a variety of new studies, consultations, and promises of action down the road, and we quite agree with some of them. we think the intitiatives as far as pensions are concerned are good. I wish they could come forward faster than has been promised. However, I believe they are quite good. I was not too impressed with the $50 a month extra which is going to come to senior citizens in two stages, although I know those senior citizens will be glad of it. One can look at that amount in different ways. I heard someone say it was the equivalent of $1 a week. Someone said it was the equivalent of two doughnuts and a coffee. It is not very generous, but I believe, when it is added to the other moneys which those senior citizens receive, it will help some people who really need some assistance.

The Budget announced that we were going to have some assistance for home owners. I would like to spend the last moments of my time in this debate to talk on that particular subject because I did press the matter very hard in the House with the Minister of Finance, the Minister of Consumer and Corporate Affairs (Mrs. Erola) and others. I must say that I welcome what is being done, but I do not feel that the real problem has really been addressed. The Hon. Member for Sarnia-Lambton (Mr. Cullen) and other Hon. Members in the House have pursued that problem very vigorously. We are thankful for what has been done. I am sure that many home owners will be thankful as well. However, there are approximately 750,000 Canadians who are trapped with high interest rate mortgages. That problem has not been addressed in this Budget. Some of those individuals—I know because I have had correspondence with them—have had the ability to renegotiate those mortgages. Some of the mortgage companies have bent the rules and helped them. However, I hope that the Minister, in his negotiations with the mortgage companies, will insist that they address the matter of the individuals who are trapped in those high interest rate mortgages. He should insist, before he gives any concessions whatsoever to them, that this matter be addressed. I believe what was done to many Canadians was disgusting and degrading. I was angered when I saw some of the mortgage documents which were put forth by these companies where, in the mortgage renewal, they wiped aside the actions of the Parliament of Canada and the actions of a provincial legislature, by causing people to waive their rights under the Interest Act of Canada, under the Mortgage Act of Ontario, and under the Mortgage Act of Manitoba. I thought

that was a disgusting display of corporate and monetary power.

I hope that when the Minister deals with the mortgage companies, he will say, "Never again are you guys going to act like this and hold people to ransom." Never again should corporate power be used to set aside the decisions of the elected Members of this Parliament or the elected members of a legislature. That was a disgusting display of power and they got away with it. I hope the Minister will take these words to heart and will deal with these companies, and deal with them severely, because there is no way we should give them anything until they agree that they will never take that course of action again.

I say this in particular because in discussing the matter with the officials at the briefing yesterday, I asked them in particular what they meant in their comments about amendments to the Interest Act. One of them told me that the proposal is that the Government is going to amend the Interest Act to remove Section 10 which allows an individual who has had a mortgage for five years to renegotiate that mortgage on the payment of three months' interest. The officials claim that this is the reason why we have short-term mortgages, this is the reason why we do not have 10-year mortgages. I do not know what world they are living in. All they have to do is to travel across the border and see what happened in the United States which has had the same provision for years. There are still 25-year and 30-year mortgages there, and that country still has that provision.

I disagree that we should remove this right from the mortgagors. However, if we are going to remove it, then there has to be a quid pro quo as far as the mortgage companies are concerned. I hope, Sir, that never again will we see in this country the raw corporate power displayed by some of the mortgage and trust companies whereby they ravaged and gutted mortgagors in this country and caused them to lose their homes.

I commend the Government for the action it is taking. However, I believe it should be stronger. But this is a first step and perhaps when the legislation is introduced, we will have an opportunity to speak to it and perhaps we can improve it.

Mr. Fisher: Mr. Speaker, I have a very short comment. The Hon. Member, as usual, has made some strong and careful representations on behalf of people like mortgage holders, and I congratulate him for that. I do not want to take away from that. I would just like to add a single point in correction of something the Hon. Member said. He referred to the Opposition and critics' lock-up yesterday afternoon. I would remind the Hon. Member of two things. First, when he went in there and the public officials arrived, they talked to him under the assumption of confidence. They did not talk to him under the assumption that they would be quoted here in the House of Commons. Just the little trick of not mentioning the individual's name does not quite overcome that. Second, he has drawn the inference that the same officials were political creatures. I would like to correct him. We were dealing with impartial public servants, not people from the Liberal Party or from the Government but impartial public servants who do have to draw a line in their responsibilities between the things they do as public servants and the things he would like to know as an Opposition critic. They have to draw that line and leave it up to the Minister to decide whether to reveal certain information. That is their duty. They have no choice in the matter. The Hon. Member has risen today and left the impression, first, that he was being manipulated for political reasons and, second, that these people are not impartial. I would like to make it clear that both of those points are not correct. Not only that, but I think he damages the general spirit of co-operation by revealing these sorts of things, true or false, from the lock-up, when it is supposed to be confidential.

● (1620)

Mr. Kempling: Mr. Speaker, if the Hon. Member will read the record he will find that he is quite wrong. I did not mention the word "political" or "political decisions" or make reference to that in any way, shape or form. I did not mention the officials' names; that was part of the confidence that we agreed to. I did not specifically quote directly things that they had said. I said, Mr. Speaker, I was disappointed in the quality of the information they supplied to us, and that they did not answer questions directly. They pulled figures out of the air and they generally sloughed off hard questions that were put to them. I think that is a fair comment. This is not the first lock-up I have been in, there have been several over the years, and in the past we have had more direct and hard information from the people of the Department of Finance than we had yesterday. I was most disappointed and I was drawing a comparison between previous years and this particular year. I say again that I was disappointed in the quality of information that they passed on to us. They may as well not have been there as far as I was concerned. I do not think anyone who was there really got very much out of it at all.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly)—Housing—Residential Rehabilitation Assistance Program—Request for expansion. (b) Distribution of funding; the Hon. Member for Burlington (Mr. Kempling)—National Revenue—Denial of deduction for leg braces. (b) Request for broader definition of "disability"; the Hon. Member for Burnaby (Mr. Robinson)—National Revenue—Request for inquiry into Vancouver office practices. (b) Job description reference to work quotas.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government, and the amendment of Mr. Crosbie (page 1445) and the amendment to the amendment of Mr. Riis (page 1448).

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I would like at the outset to thank the Minister of Finance (Mr. Lalonde) for presenting this House yesterday with what I believe to be a very optimistic Budget. I call it an optimistic Budget because, first of all, of its evaluation of the Canadian spirit. I call it an optimistic Budget because of the open consultative process that took place in its development, and because it reaffirms the role of this Government in helping those who need help the most. I would also like to thank the Minister of Finance for asking me to be one of the first speakers in this debate. I think he has done that because, quite frankly, my responsibilities as Minister for Small Business are made easier because of this Budget. This Budget, Mr. Speaker, is a good Budget for small business. It recognizes the vital role played by the small business sector in the economic recovery taking place throughout this country.

Small business, Mr. Speaker, is really the lifeblood of the Canadian economy. There are 750,000 small businesses in Canada. They make up 97 per cent of the business firms in this country. They represent 30 per cent of the business sector of the Gross National Product. They represent 42 per cent of the private sector jobs in this country. The people of Canada who own and run small businesses believe in this country. They believe in the economic future of this country because they have invested in it. They believe in the free enterprise system. They believe in initiative, the work ethic, in taking risk, and they believe in enjoying the rewards of hard work. Those are the people who make up the small business sector of this country, and this Government believes in them. Our confidence in that small business sector is well placed because at the moment they are creating about two thirds of the new jobs being created in this country. One of the major objectives of the Minister of Finance's Budget was to create jobs through partnership with the private sector.

I submit that this Budget represents a balanced Budget, balanced in the sense that it represents sound economic planning on the one hand and is socially responsible on the other hand. That is understandable because that is the philosophy of this Government. This is a Government which believes in the free enterprise system and also believes in social justice within it.

Before going into some of the areas which I think benefit the small business sector, I would like to state that, contrary to what some cynics may think, this is not an election Budget, not a Budget based on opinion polls, not an attempt to score political points against an Opposition which is bereft of any ideas of its own. It is a balanced Budget, a reflective Budget, a thoughtful Budget and a responsible Budget. It represents sound economics with a social conscience.

How does that philosophy contrast with the philosophy of the Conservative Party? We look at their critic, the Hon. Member for St. John's West (Mr. Crosbie). What did he say? He said, "You have to be tough, mean, nasty and do all kinds of unpleasant things. That is why I am not going to outline what these things would be now". Do you believe it? He actually said that. We all know that he believes it, but that he would actually say it is a bit unthinkable. He went on to say that a Conservative Budget at this time would scare Canadians. That is what the official critic for the Conservative Party said. Well, Mr. Speaker, this Government is not out to scare Canadians. It is out to build confidence in the economic recovery we have seen taking place in this country. That is the difference between us and the Official Opposition. Listen to the Hon. Member's words: "You have to be tough, mean and nasty". Well, there is no doubt in my mind that if they were ever in office they would be tough, mean and nasty. They were before, and God help Canadians if they are in there again because that is exactly what they can expect.

Before reviewing some of the provisions of this Budget that I think are of particular benefit to the small business sector, I would like to say a word about the process. The basic theme this Budget process represents is consultation with the private sector, consultation with all elements of the small business sector, business organizations and numerous submissions from private individuals. These submissions have been reviewed, considered by officials and the Minister of Finance, and in some cases they have been accepted. One of the issues on which the Government has received many representations in recent years, and in recent months in particular, has to do with the whole question of the complexity of the tax system. A complex tax system can be time consuming and expensive to deal with. The Minister of Finance responded to that concern. There are specific changes to the tax system which simplify it. I will not go into all the proposals, such as the elimination of the accumulative deduction account, but in addition we have a very thorough paper which has been released called *Simplifying Taxes for Small Business* which will permit the maximum amount of discussion and consultation with all elements of the Canadian business community. I think it is possible that some fine-tuning may occur and some further changes may take place as a result of that consultative process.

• (1630)

The Canadian Tax Foundation and L'Association Québécoise de Planification Fiscale et Succéssorale played important roles in consultations. They organized a couple of symposiums and conducted an ongoing dialogue with officials of the Minister of Finance. On the whole question of the specific changes with regard to tax simplification, over two-thirds of the amount of legislation relating to the tax rules for small business have been eliminated. That is real progress, Mr. Speaker,

which everyone in the House should be pleased with and quite proud of.

The purpose of the further discussions is really twofold. It is, first of all, to solicit non-expert input and to assure a continuity to these changes so that taxpayers themselves can live with them. It is also to allow the Government through this process to discuss these proposals in greater depth before they are implemented. As I said, it is possible that some further changes may take place as a result of those consultations.

There are other general Budget changes which dramatically benefit the small business sector. This Budget is great for small business. These changes include the easing of the tax installment payments. There are 50,000 small businesses and family farm corporations in the country which will benefit from that change. There are the auto standby charge, the administrative improvements in the sales tax, the longer appeal period for tax appeals, the provisions which permit the awarding of costs for legal fees in successful tax litigation cases and still more benefits, and the opportunity for many small businesses in the country which want to take advantage of Third World business opportunities to receive assistance from the $1.3 billion aid trade fund. Another aspect of the Budget which benefits the small business sector is the continuation of the fight against inflation, and the 4 per cent price guideline ceiling.

There are other areas of interest in the Budget which relate to my Cabinet duties. I would like to say a word about tourism. This Budget is good for tourism. The Budget reaffirms the Government's commitment to the Special Recovery Capital Projects Program. More than $1 billion is being spent on these projects. A number of them do relate to the tourist industry and improvements to the tourist industry in the country. A large proportion of businesses in the tourist industry are small businesses. What is good for small business is good for tourism. In the recent Throne Speech, the Government clearly recognized this and announced that a tourism strategy was being developed and would be introduced before too long. The Government recently announced some television campaigns, one to encourage Canadians to vacation in this country, and another one, which will be starting in a couple of months, to encourage Americans to visit Canada. The tourism industry will also be enhanced by these various programs. We also have access in the tourism industry to the new Industrial Regional Development Program which is operated by our Department.

An exciting area of the Budget, Mr. Speaker, is the proposal to encourage employees to participate actively in the economic recovery of the country through stock options and profit sharing. The rationale of this proposal is quite sound. First of all, it provides an incentive for greater productivity. In other words, it gives both management and labour an incentive to increase productivity and profits. It will also improve employer and employee relationships and go a long way to encouraging an entrepreneurial attitude among Canadians.

In my opening remarks I mentioned that this Budget represents a balance. It is balanced, on the one hand, by sound economic planning and, on the other hand, by a commitment to our social responsibilities. The latter is evidenced by the improvements to pensions and the raising of the Guaranteed Income Supplement payments. Both of these policies reaffirm the Government's traditional commitment to living up to our social responsibility.

Another provision which relates to the question of pension security, and is of great interest to the small business sector, has to do with the lifting of the ceilings on the RRSPs. This is very important to many small businessmen who are not part of big pension schemes that are often available to people in large companies or in the public sector. These ceilings have been lifted to $10,000 in 1985 and they will be rising to $15,500 in 1988. This is clearly something from which small business will benefit considerably.

I would like to make a few comments about the improvements to the Government's policies with regard to pensions. Proposed improvements include the splitting of pension benefits upon marriage breakdown, the continuation of survivor benefits on remarriage, and the ensuring of equal pensions for men and women retiring under the same circumstances. I understand that the Minister of National Health and Welfare (Miss Bégin) will be introducing the appropriate amendments shortly after consultations with the provinces.

Another topic which I welcome is the discussion of a homemaker's pension. It is a priority of the Government that women receive adequate retirement income. These measures will be one way of ensuring that. The proposed changes to improved RRSPs will also greatly increase the flexibility and access to tax assistance for small business persons saving for retirement.

Complementing this focus on women in the home are studies done by the small business secretariat on women's role in the labour force. While the trend of women entering the business world is a relatively recent one, small businesses owned and operated by women are quite large employers, especially of other women. I recently saw statistics which suggested that about 30 per cent of the small businesses in the country are controlled by women, a lot of them in the retail trade. About two-thirds of the women surveyed by the secretariat felt that female business owners do not face problems which are any different from businesses in general. Women wish to be treated as equal members of the business community, and equality of treatment is something which I can assure you is my goal and the goal of the Government.

I am optimistic, Mr. Speaker, that the Finance Minister's emphasis on small business will have the desired spin-off effect and stimulate the overall economy. When you talk of small business, you are talking about all kinds of different enterprise. You are talking about small manufacturers and processors and the construction sub-trades. Of course, the whole home construction industry will greatly benefit from the Mortgage Rate Protection Program which was introduced. We are also talking about tourism operators. There are lots of small hotel operators and restaurateurs who certainly will find many of these provisions relating to small business of great benefit to them. I

am optimistic that the great Canadian resource, which we call small business, is receiving the encouragement appropriate to its role in the economy.

In conclusion, Mr. Speaker, I would like to reiterate what I perceive to be the three major themes of the new Budget of the Minister of Finance. They are, first of all, a Budget process which is based on a consultative process with all the sectors of the community, and in particular the private sector, big business, small business and everyone in the business community. Second, there is a thrust to increase productivity and our ability to compete. Third, there is the recognition of the small business sector as the main source of entrepreneurship, risk-taking and job creation. I might also add, Mr. Speaker, that I, other Ministers, and particularly the Minister of State for Finance (Mr. MacLaren), will be continuing an ongoing process of consultation with the business sector, including the small business sector, to further the goals of this Budget.

In closing, Mr. Speaker, I would like to congratulate the Minister of Finance for presenting what I consider to be a sound, responsible, upbeat Budget. It is an optimistic Budget which represents sound economic planning on the one hand with a social conscience on the other hand. It includes programs and initiatives that display in the finest way the role that the Government can play in supporting the economic recovery that we see under way throughout Canada at this time. I might say that I would also like to thank the Minister of Finance for the opportunity to participate in this debate at its outset.

• (1640)

Mr. Riis: Mr. Speaker, I listened with interest to the speech of the Minister of State for Small Business Mr. Smith in which he pointed out the virtues of small business. I think he indicated accurately that a great deal of the job creation that we hope will occur in this country in the next few years will in fact come from that small business sector. Perhaps it would be even more accurate to say that all of the new jobs created in Canada in the next decade will come through the medium and small business sector.

Mr. John Bullock is President of perhaps the largest small business organization in Canada and the most effective lobbyist on the important issues of the small business community. He is someone who has gained respect from the Minister and the respect of the small business community in general because of his grasp of the reality of that particular sector. How does the Minister interpret a comment Mr. Bullock made last night in his response to the Budget when he indicated that this Budget will not result in any new job creation in the small business sector? He indicated that he was pleased with a number of housekeeping changes that had been made for which the small business community had been lobbying for a number of years. The Minister went to some length to explain what some of these improvements were.

In terms of job creation, the most powerful small business lobby in Canada has stated that the Budget will result in no new jobs being created in the small business sector. How does the Minister respond to that comment?

Mr. Smith: Mr. Speaker, sometimes I agree with Mr. Bullock and sometimes I do not. Mr. Bullock made a number of comments last night, not all of which were recorded. Some of them were supportive of the measures in the Budget and some were not.

I happen to have a different opinion. I believe the Budget is responsible. By making it easier for the small business community to operate in a number of ways, it will inevitably result in jobs being created.

If one looks at the reaction to the Budget by business leaders as a whole, it is quite positive. As a matter of fact, there are a number of officials in Mr. Bullock's organization, the Federation of Independent Business, who commented on the Budget. If I might use a word that is sometimes used by the other side of the House, if one looks at the totality of their comments, on balance they are quite positive and supportive.

Mr. Riis: Would the Minister comment on the $1,000 that the Government will now refund to a small business that successfully appeals a tax decision as a way of compensating the cost? He knows that the average cost incurred by a small business in this country when it appeals a tax decision averages between $2,000 and $4,000. Why would the Government not refund the legitimate costs of small businesses when the small businesses in these cases have been proven to be honest and straightforward but it was the Government that had erred? Rather than the $1,000, why not reimburse what we know is a more realistic cost?

Mr. Smith: Mr. Speaker, there are many things we would like to do that I suppose would be popular, but we must look at all these matters from the perspective of the Government's ability to afford them. I suggest that changing the rules to permit the courts to award costs of up to $1,000 is a good start. I think it is one that should be applauded and welcomed.

Mr. Skelly: Mr. Speaker, I have a question for the Minister with respect to small business. In the area that I represent, the Federal Business Development Bank has taken on the name among all the small businesses in that community of the "Federal Business Destruction Bank".

There are some extremely serious problems with respect to small business getting involved in recovery. The bank has refused to refinance loans which would bring them down from interest rates that are as high as 21 per cent. It is only talking about bringing refinancing down to 14 per cent or 16 per cent, and it is only willing to do so by imposing a substantial penalty, even though it is prepared to add it on to the interest rate. This is causing some extremely serious problems for small businesses in the area that I represent, and I assume right across the country.

There is a group of small businessmen in that community who are forming a committee to become involved in a fight against the Federal Business Development Bank. Can the

Minister tell me and others what action he will take to make that Federal Business Development Bank more responsive to the needs of small businesses over a period of time in order to help them back on the road to recovery? Is he prepared to fight for the same results that the Minister of Finance talked about in aiding home owners to refinance? What will he do about the Government's bank that is harming business so badly?

Mr. Smith: Mr. Speaker, I think the bank is doing exactly that. There are 85 branches of the bank throughout Canada. To a large extent they represent a lender of last resort.

However, the bank is still dealing with public funds and must do so in a responsible manner. It cannot give out loans on the basis of political considerations. It has to give them on the basis of banking considerations.

No one is forced to take a loan from the Federal Business Development Bank. When someone takes a loan from any bank, it is a contract. At the time the bank issues those funds, it must secure those funds and it does so at a certain interest rate. It seems to me to be an unreasonable request to the bank to say that it would then have to suffer the loss for refinancing.

I might say that the FBDB had losses in the last fiscal year of approximately $80 million. I do not think anyone could suggest for one second that the FBDB has not been taking its part of the responsibility in providing financing to a number of firms that are unable to go anywhere else in the country. That does not mean that we just abandon all banking principles and give money away.

Mr. Taylor: Mr. Speaker, first I would like to congratulate the Hon. Member on his elevation to the Cabinet. I have felt for some time that the federal Department of Tourism has not had a sufficiently high profile. Tourism is a tremendous industry in this country and many people do not realize its importance.

Does the Hon. Minister have any funds with which he can help build unique attractions that will bring people to the country? These funds could be given either on a loan or a grant basis. I am not talking about ordinary projects but about something that is unique in the country. Is there such a federal fund for that and, if not, what is the primary function of the federal Department of Tourism?

Mr. Smith: Mr. Speaker, the primary function of Tourism Canada is to encourage tourism in this country. Of course, we do not try to favour one area of the country over another. We encourage Canadians to vacation in Canada and try to give equal coverage to all areas of the country that represent tourist destinations.

We also do a lot of advertising outside of Canada. In April we will launch a major television campaign in the northern tier of the United States, aimed at encouraging tourists to this country.

I welcome the Hon. Member's interest in tourism. I might say that the Industrial Regional Development Program, which is administered by the Minister for Regional Industrial Expansion (Mr. Lumley), does provide some assistance to the establishment of what may be tourist related proposals. If the Hon. Member wants me to provide him with more information or to set up a meeting with interested parties who have some ideas, I would be happy to do that with the appropriate officials.

Mr. Malone: Mr. Speaker, I would like to ask a question of the new young Cabinet Minister. It concerns small business. It is a question about a group of people whom I consider to be some of the most important small business people we have, those in the business of food production. I am aware that the Government has made some provision in the area of capital gains, but I consider its efforts to be rather insignificant.

• (1650)

Bearing in mind that valuation day was established in 1971, how can this Government or any government continue to take the view that in fact it has the legitimate right to calculate gain as gain when in fact it takes inflation from 1971 to whenever the calculation is made and calls it gain? Any child in grade five knows that the Government is really causing double taxation and therefore putting small business persons, be they farmers or otherwise, into a very difficult and unfair situation.

Mr. Deputy Speaker: Order. The question having been put, the House may agree to allow the Hon. Minister to respond.

Some Hon. Members: Agreed.

Mr. Smith: Thank you, Mr. Speaker. I think the question is essentially rhetorical in nature and more in the form of debate. I take it as a representation. However, the one point with which I would disagree is that I do not happen to think that a provision which allows a farmer to put $120,000 into an RRSP on the sale of his farm is insignificant. I do not think most average Canadians would think it is insignificant. It is a very thoughtful and positive response to what has been a legitimate problem. Certainly it is a move in the right direction and a responsible one.

Mr. Skelly: Mr. Speaker, I rise on a point of order. Would it be possible to seek unanimous consent of the House to extend the questioning for a period which the Chair might deem appropriate, since there is much interest in the Minister's answers? Is it possible to seek the consent of the House to extend this question period slightly?

Mr. Deputy Speaker: Of course the Chair abides by the rules. I will put that question to the House. Is it agreed?

Mr. Fisher: Mr. Speaker, I rise on the same point of order. Regrettably, as the Hon. Member knows, there is no way of turning this off once it gets turned on. We have a list of people who would like to speak. Although I know the Minister would like to answer some more questions, I cannot give that consent.

Mr. Mayer: Just another ten minutes.

Mr. Deputy Speaker: As there is not unanimous consent, the House will now proceed with debate.

Mr. Manly: Mr. Speaker, I rise on a point of order. I ask the House to seek unanimous consent for ten further minutes in which to ask questions.

Mr. Malone: Mr. Speaker, I would just like to note that the Government Member is quite correct that once we get them turned on, we cannot get them turned off. I want to support the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) in his very reasonable request for a further ten minutes. Government Members should not have any fear of that reasonable request.

Mr. Fisher: Mr. Speaker, on the surface of it, it appears to be a reasonable request. However, I would suggest to Hon. Members that if they really are sincere about this sort of thing, they would be well advised to tell their colleagues, the Hon. Member for Rosedale (Mr. Crombie) and the Hon. Member for Kingston and the Islands (Miss MacDonald), not to waste so much time right after Question Period with specious questions of privilege. I think we need to get on with the list of speakers. I have several people on my side who would like to speak, if they do not.

Mr. Deputy Speaker: I gather there is not unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Fisher: No.

Mr. Deputy Speaker: There is not unanimous consent.

[*Translation*]

Debate. The Hon. Member for Joliette.

Hon. Roch La Salle (Joliette): Mr. Speaker, I certainly had no objection to allowing ten minutes more. I realize that a number of Members would have liked to put some pertinent questions to the Minister of State (Small Businesses and Tourism). Well, Standing Orders are Standing Orders!

Mr. Speaker, I have some comments on the Budget. In fact, this morning, in the newspapers, the Budget was hardly as popular as the news that Gaétan Boucher won this major international event. You will understand that Canadians were very interested in this major win and were more excited about a Canadian winning than about the Budget, considering the bill we got yesterday from the Minister of Finance (Mr. Lalonde). Mr. Speaker, I was listening earlier to the Minister of State (Small Businesses and Tourism) and I do not doubt his good faith and his plans to increase co-operation with the private sector. He was expressing his Government's faith in the private sector in this respect. Even the provinces, perhaps! However, Mr. Speaker, I am astounded that the Minister of State (Small Businesses and Tourism) should fail to realize that the Minister of Finance, who produced this pile of information, measures and proposals in the House yesterday, has been behaving for at least ten years with incredible arrogance. Considering his forecasts for the energy and financial sectors, I would say not only arrogance but also unprecedented incompetence. And now they are talking about restoring a climate of confidence! I wonder they even dare to talk about restoring a climate of confidence, when over the last eighteen months, and I am positive about this and I have the polls to prove it, Mr. Speaker, this Government has lost the confidence of the general public. Just over 30 per cent, on average, over the last 18 months! This proves Canadians no longer have confidence in this Government. Of course this Government will always say it won a majority in 1980, but during the last eighteen months, the Government knows it lost the confidence of the general public, and it is trying to act as though it had the public's support, and the Minister of Finance is talking with a kind of optimism that reeks of hypocrisy, since he knows perfectly well he no longer has the confidence of the general public and will be unable to restore that confidence with the Budget he brought down yesterday afternoon. Mr. Speaker, for your information, just to prove to what extent the Minister of Finance has lost the confidence of the general public, there are certain people in the business world who told me as a joke: Listen here, La Salle, when you form the Government in a few months, remember to give the Minister of Finance the post he would like to have, which is President of the Canada Post Corporation. Then he could read the mail of all Canadians without any problems. Mr. Speaker, you see the kind of joke the credibility of the Minister of Finance has become, a credibility that has hit its lowest level. Mr. Speaker, it is clear that in this Budget, some measures are more significant than others. There is some good news, since the Government finally decided to increase benefits for the elderly and single persons, so they can meet their financial obligations. Well, Mr. Speaker, on this side of the House we have realized for a long time that this need existed. The Government seems to be willing to do something about it. Considering the measures the Government proposed yesterday, and unless I am mistaken there are only one or two that could be put into effect before January 1, 1985. Mr. Speaker, as you and I are aware, the likelihood that there will be a general election before January 1, 1985 is considerable. So, in his hypocrisy, the Prime Minister goes on and gives us a scenario he will probably not be responsible for putting into effect. Mr. Speaker, I suppose there is also reason to rejoice that they finally realized what a problem the Revenue Canada tax forms were for small and medium-sized businesses. It seems the Government has finally decided to change and improve the tax forms for small and medium-sized businesses, but I hope nobody will assume, Mr. Speaker, that this is going to create thousands of jobs. It will help small and medium-sized businesses in that the forms will be easier to understand and much easier to complete. So, of course, we are pleased with this change.

There is also a reference to assistance to farmers. It is perfectly obvious, Mr. Speaker, that before even considering legislation that would help farmers give up for and benefit from a pension, they would first have to start making money and have some kind of security. Perhaps they should have considered appropriate measures for stimulating recovery in the agricultural sector. The survival of agriculture is a very important issue, and it is one the Minister of Finance (Mr. Lalonde) has failed to address. It is therefore clear that the Budget's proposals with respect to farmers are quite inadequate, and it is also clear that the Minister has decided against considering a single aspect of a major problem today, which is financing. Many farmers are still faced with the exorbitant mortgage rates that prevailed a few years ago, and unemployment is also a problem. I see no specific measures in the Budget aimed at helping those farmers—and every Member of this House is aware of the situation—at saving them from bankruptcy and giving them the security they need to improve their circumstances, and at improving the state of the agricultural sector in this country.

• (1700)

Mr. Speaker, the Budget also proposes to provide some kind of insurance for mortgage rates. Details are not available yet, and the Minister indicated that program criteria will be announced within a month. There is indeed a pressing need, Mr. Speaker, for a measure of security and stability, and the Minister of Finance was not saying anything new when he mentioned this in the Budget yesterday. For many years and many months we have been urging the Government to take action in this particular area and to strengthen the construction industry, which is a vital part of our economy.

And then, Mr. Speaker, the Minister of Finance spoke very eloquently about helping unemployed young people. The new Minister of State for Youth did admit recently that young Canadians are driven to despair, that we are in the process of wasting a whole generation, and she said that quite simply as she was assuming her new responsibilities as Minister. Well now, Mr. Speaker, for the past 15 years this Government was supposed to look after youth, it was supposed to create jobs, something which would have given those young people a much brighter outlook on life than the one they have now.

It would seem that the Government has just realized that between 400,000 and 500,000 young Canadians are now seeking employment and going through a desperate crisis, so the Minister, of course, starts throwing millions of dollars at the problem, $150 million more! But, Mr. Speaker, suppose all that money is spent or earmarked for programs such as we had before, programs which at best would mean jobs for 15 to 20 per cent of young people for periods ranging from 20 to 26 weeks. Perhaps the lucky ones will indeed work for 52 weeks. But at the end of the programs those young people will have to draw unemployment insurance benefits, just as they have been doing now for the past four or five years. Let us be honest, Mr. Speaker, those programs are practically just another name for social welfare. Young people are hired to work on projects which hopefully are worthwhile—but not necessarily so, as you know—and then they go back to unemployment insurance. How can such an attitude on the part of the Government build up the confidence of Canadians? How can the country possibly get back on the road to prosperity with temporary programs offering temporary employment? And the Minister proudly claims that the Canadian Government created 400,000 new jobs last year. Never did he say how many of those jobs were temporary. Thousands of those 400,000 jobs lasted for 20 or 26 weeks, then it was the unemployment line again. A good many people do not even figure in the statistics because they have no jobs and their unemployment benefits are exhausted. The answer to that, of course, is provincial social welfare. How easy it is to fool young people by telling them that we now have a Minister of State for Youth who will look after them. It would seem that there was no need for that over the past 15 years, but now we do have a Department of Youth and we will solve the problem which has been there all along. No way, Mr. Speaker! Young people are not that stupid! They should not be likened to children who have no idea about the responsibilities of Government. This budget fails to meet the aspirations of young Canadians and will do nothing to create jobs.

Mr. Speaker, I wish to underline the fact that the Minister admitted recently that he had been unable to spend the millions of dollars set aside to create jobs in his 1983 budget and that there still remained between $300 million and $400 million to be spent. Naturally, he has to reallocate this money in his new Budget. However, how can he explain the fact that, with respect to the exercise in co-operation or co-ordination with the provinces which he so often mentions, the Government has not yet succeeded in coming to the necessary agreement, not even with my own Province of Quebec? Mr. Speaker, you are aware of the incredible number of jobs lost in Quebec, and I am also aware of the fact that no agreement has been reached yet, and that the necessary efforts have not been made to fulfill the needs of the 1,250 Quebec municipalities which are hoping that an agreement will be signed by the federal and the Quebec Governments. According to my information, and it comes from a good source, this question has now been before the Cabinet for the past few weeks. Yet, the Ministers are themselves from Quebec and there are also well over six dozens of Members of Parliament. All these ministers from Quebec have not seen fit to settle this matter once and for all so that municipal projects which would generate employment may go ahead.

Mr. Speaker, there is one point on which the Minister of Finance is not saying the whole truth, not to say that he is lying to the House. He is not saying the whole truth when he talks about his efforts to create jobs. An agreement could have been signed many months ago; this would have satisfied the municipalities and prevented the Quebec Government from

threatening municipalities with penalties because the federal Government wanted to give them grants directly. Co-ordination, co-operation and true respect for federalism imply the respect of provincial jurisdictions. What the Minister of Finance is not saying is that he does not believe in this concept and that the Government does not want to believe in it either, Mr. Speaker! During this Budget debate, I urge the Minister of Finance to realize the importance of signing this agreement on behalf of the 1,250 municipalities which are waiting and hoping that the federal Government will finally set aside its partisan motives and accept to sign an agreement with Quebec, so that these municipalities may receive the federal funds to which they are entitled. The Liberal Members from Quebec, and I as a Conservative Member from Quebec, would applaud such an agreement and we would be able to tell the people of Quebec that the taxes that they pay to Ottawa are being redistributed fairly.

On this issue, Mr. Speaker, I must say that the Government has shown a lack of good faith and has not done what was necessary to come to an agreement on a matter as urgent and as important as this one for Quebec. Of course, the Government would rather do what it has been doing these last few months. It would rather use these $250 million allocated to Quebec for something else and launch various projects without providing sufficient information to the Opposition! Mr. Speaker, such a method comes close to corruption. It is unacceptable! The Government would have done better to sign an agreement with Quebec. Of course, the Liberal Members from Quebec were embarrassed when they heard the mayors of certain municipalities and people in Quebec tell them: "Why is it that we cannot benefit from the amounts allocated by the federal Government?" This is why this Government has decided to implement a program which allowed them to allocate certain amounts to Quebec for projects which were most often submitted by party supporters, and at the same time to increase their popularity in Quebec! Indeed, in Quebec like elsewhere in the country, this Government is running short of popular support.

Mr. Speaker, these are some of the comments that we must make in this House.

I pray and urge the Quebec Liberal ministers and caucus members to conclude this agreement without delay; should they refuse next Tuesday—I know they have to deal with this issue at their next Cabinet meeting—there are a number of Quebec Liberal members who are quite unhappy about this absence of agreement, and my information comes from very reliable sources, Mr. Speaker.

Also, the Minister of Finance referred to the coherent stability of his economic policies! How can he expect the business community to take him seriously when he does not seriously raise in his budget the possibility of increasing the amounts allocated to research and development. Mr. Speaker, businessmen and ordinary citizens in Canada are aware that high technology is the key to streamlining our industry, increasing our productivity, reshaping our industry to protect our traditional jobs and create new ones. No increase in the funds allocated to research and development, Mr. Speaker! This is quite revealing! This should be the essential element of any economic policy. How can the Government expect to convince Canadians to devote more money to advanced research, something we need if we want to plan rationally our development on the basis of our needs.

That the Minister of Finance should present this document without first of all using research as the foundation and providing funds for advanced technology is unthinkable. We are well aware that our industries could benefit from export markets if they had the advanced technology they need. In addition, more research could enable union members to understand better the importance of productivity if they want their industry to compete on world markets. Witholding the funds needed for increased research and development is tantamount to ruling out the economic recovery, however urgent it may be.

We talk about better co-operation with the private sector. The Minister of Finance lost all credibility when as Minister of Energy he fought fiercely against the private sector and yet today he is making a desperate appeal to businessmen begging them to take part in that economic recovery. With a rare sense of optimism, he is now referring to economic growth. Mr. Speaker, we are aware of the present conditions. We know that the economic recession was quite painful and I do not agree with the Minister of Finance that we are now on the road to recovery. The Minister cannot obtain the co-operation of the private sector as a result of his recent beahaviour. Mr. Speaker, I heard a while ago and I am now coming to the end of my comments, I heard the Minister of Industry, Trade and Commerce suggest that a Conservative budget would frighten Canadians. I can tell him right now that thousands of Canadians are asking for a general election to condemn, and rightly so, a government which has so badly failed in all areas.

The Acting Speaker (Mr. Guilbault): A ten-minute period is allowed for questions and comments. The Hon. Member for Comox-Powell River (Mr. Skelly).

• (1710)

[*English*]

Mr. Skelly: I have a comment on the previous Member's speech. I know how reluctant his Party is to put forward any position on any subject affecting Canadians. On the question of small business, the Budget contained a statement that competition legislation is going to be introduced. Why is the Conservative Party opposed to legislation that would protect small businesses from the predatory activities of large businesses? I will give just one example so he can develop it further. The multinational oil companies, the foreign-owned conglomerates, friends of the Conservative Party, have targeted and conducted some fairly serious activities against small independent oil companies in Canada which are providing

competition, a choice for Canadians and, holding prices in line—

Mr. Malone: Have the guts to lay the charge.

Mr. Skelly: Yet what we have is a Party which has gone on record as opposing the kind of legislation that would protect small businesses. Could the Hon. Member explain why this Party is against small business from the point of view of competition legislation?

The Acting Speaker (Mr. Guilbault): The Hon. Member for Joliette (Mr. LaSalle). Order, please. Could we hear what the Hon. Member has to say in reply?

Mr. Skelly: Mr. Speaker, I rise on a point of order. I heard someone make a reference to the horse's ass. Would the Chair accept the comment that the horse's ass in this Parliament is the Conservative Party because it has failed to put forward positions to protect small business?

The Acting Speaker (Mr. Guilbault): Order, please. I am sure the Hon. Member realizes this is not the type of language that should be used in this House.

[*Translation*]

Mr. La Salle: Mr. Speaker, I suggest the Hon. Member who put the question was absolutely wrong in implying we were not ready to help small and medium businesses. We would give them the same advantages as to all other Canadian businesses. And while small and medium businessmen will appreciate the improved income tax forms, I think this is a good thing but it is not enough. There are tax measures in favour of small and medium businesses we already supported, but what is needed to assist them is finding new markets, conducting better market research abroad, and providing services to increase productivity. For a long time, we have relied on official, theoretical studies done by consultants. I feel the time has come to provide small and medium businesses with in-depth studies to increase their productivity, and competitiveness and lessen their dependence on government grants for survival.

Briefly, we would help the small and medium business sector by showing them how to catch their own fish instead of giving them any.

So much for research. As I said, research subsidies are inadequate. There is no reference to that in the budget, but with additional subsidies, invaluable services could be afforded to the small and medium business sector. We do not want our small and medium businesses run by the State. We want to help them identify markets through the provision of services and even foreign market research. And this is not aimed at multinational corporations only. We are committed to a kind of regional development involving an increasing number of small and medium businesses, Mr. Speaker.

[*English*]

Mr. Skelly: Mr. Speaker, although the Hon. Member did not deal with the question which involves the protection of small business in the country, I would like to raise another question. On the matter of the multinational friends of the Conservative Party, I would refer the Hon. Member to his Leader's own speeches in which he said that the Conservative Party will facilitate the entry into Canada of foreign companies and foreign investment. Let me use another example to show where his Party is right off track with small business. Into this country have come a number of waste disposal companies, welcomed in with the foreign investment crowd. What they have done is driven the small Canadian companies out of business with their practices.

Mr. Malone: Name one.

Mr. Skelly: I will. There is no competition legislation that is effective in Canada to protect Canadian small businesses from the deep pockets and the predatory practices of those foreign companies. Greater Vancouver is riddled with this problem. People are crying for assistance. The Conservative Party is quite willing to see those small Canadian businesses go down the drain as a result of the unfortunate practices of the foreign-owned corporations in the country. What is that Party prepared to do to control foreign investment so that small Canadian businesses are not driven out?

• (1720)

[*Translation*]

Mr. La Salle: Mr. Speaker, let me say in all humility that I have never claimed to be able to answer all questions that are put to me in this House. Contrary, to others, I know my limits, thank God!

However, when the Hon. Member implies that the Progressive Conservative Party is against small and medium size businesses, I regret to tell him, with all due respect, that it is obviously incorrect. We want to protect them. We want to give them every opportunity to survive. Of course, my colleague and myself do not share the same philosophy. I would never want to support businesses which are unprofitable for all practical purposes. However, I want our party and the government, any government, to provide such businesses every possible opportunity to survive and expand, and our party completely agrees with that. That is our position. I would add that if we succeed in providing these opportunities to our small and medium size businesses, to Canadian businesses, we will have greatly reduced the impact of foreign products. Because we must be competitive. And I don't want to hear about locking us up into full-scale protectionism. We must keep some ties with the outside world. On the other hand, I admit and I realize that it is important as well to provide a minimum of protection for Canadian trade, but within reasonable limits. The question is to determine what is reasonable and unreasonable.

[*English*]

Mr. Taylor: Mr. Speaker, I always find it amusing to hear the socialist from Powell River talk about competition. Nationalism and competition do not go together.

I have a question for the Hon. Member for Joliette (Mr. La Salle). I enjoyed what he said about research and development. It reminded me of an excellent engineer, the Dean of Engineering at the University of Alberta, Dr. Bob Hardy. When I was with the Department of Highways in Alberta, he suggested that if we spent 1 per cent of our budget on research, it would bring back tremendous dividends. We adopted his suggestion and over a ten-year period found that we not only got better value for every dollar but also had better structures and better public works. I agree with what the Hon. Member said about research and development.

Are there areas in his particular riding where research and development might bring in more jobs or give better value for every public dollar spent? That is also important.

[*Translation*]

Mr. La Salle: Indeed, Mr. Speaker, each and every region of Canada would stand to gain a lot more than is the case now if we were getting a better value for our dollars by investing more in research and development. In my riding—and this goes for any riding in Canada—it is obvious that we have to spend more money on research and development, because that will eventually enable us to carry out projects which meet the specific needs of the region.

[*English*]

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, it is always a pleasure for me to join in the debate on the Budget. After a good deal of examination of the documents yesterday when I was privileged to attend the lock-up with Hon. Members from both sides of the House, I became quite enthused about the policies it set out.

We all realize that the federal deficit is very large and is constraining the Government's ability to move. There was no room for the Government to expand expenditures in a major way. Neither was there the option of greatly reducing the deficit at this time because of the fragility of the recovery and the need to move into an expansion phase that would ensure that we do not damage the recovery that is under way and which promises to increase employment and put Canada back on the rails again.

I was very interested to hear the Minister's speech and to hear about these programs. I will deal with them later. I was also interested to know how the Opposition would attack the Budget. It contained measures for small business, for pension reform, a program for mortgage insurance, programs that made sense, tax simplification for small business—all of those made sense and were done with consultation and with the provision for further consultation. It seemed to me that it was going to be difficult for the Opposition to attack these measures.

When the Opposition finance critic entered the debate last night and again this morning, we did not hear any discussion of the substance of the provisions in the Budget. For 90 minutes the Hon. Member for St. John's West (Mr. Crosbie) talked about one thing—the deficit. He talked about the deficit from every angle that the mind could imagine. It was the subject of a 90-minute discourse by the Hon. Member for St. John's West. There was nothing in his speech about the provisions of the Budget or on the factors which gave rise to the deficit; there was simply a diatribe about all the ills that would befall Canada if the deficit were not dealt with.

There was nothing about what the Conservative Party would do if it were in power or would have done had it been in power during the same period. We should recall—and the Hon. Member for St. John's West raised this in his speech because he knew that we would raise it—that last year when he spoke about the April Budget of the Minister of Finance (Mr. Lalonde), he was asked what he would do in the circumstances that faced the country then. His response at that time, which he admitted this morning, was that the Minister had taken a responsible position, that it was the right Budget for the time and that basically he would do the same thing. That is what he said last April. What dramatic changes have occurred since then? Last night the Minister of Finance brought forward an extremely responsible Budget, given the conditions that face the country.

In the last year and a half we have been in the midst of a major world recession. This recession hit every industrialized country in the world and hit the less developed countries the hardest. It was the worst world-wide recession since the 1930s. That is the reason for the deficit that we face now. That is the logic of it.

The question then arises, if the deficit is far beyond what a Conservative government would have allowed, how would it have achieved that? I expected to hear the Hon. Member for St. John's West deal with that issue. For example, would the Conservatives have cut unemployment insurance benefits? Would they have cut pensions like Old Age Security, the Guaranteed Income Supplement and the Canada Pension Plan? Would they have cut other social expenditures?

I remember that when we brought in the six and five program, the Opposition did not support us. They claimed that it was unfair to make the cuts or impose the restraints, yet now they tell us that they would have reduced the deficit dramatically.

That does not wash, Mr. Speaker. Would they have cut defence expenditures? Would they have cut economic development expenditures during a recession when industry was on its knees and needed the assistance the federal Government could provide? Would that Party have cut job creation? I know it did in 1979 when it came to power. But during the middle of a recession when jobs were being lost by the thousands, would that Party have cut federal assistance for job creation? I do not think so, Mr. Speaker. Faced with the reality of power, of being the managers in a time of serious economic recession, I do not believe that any responsible Party would have made

those kinds of moves, which would have led to a much larger deficit than the one we are seeing right now. I certainly hope no Party in this Canadian federal scene would have done that.

• (1730)

However, the question does come up as to what that Party would have done differently, and what would it do that is different from what we are doing? I believe the people of Canada are starting to ask that question more and more. They are not very happy with the answer which keeps coming back because, Mr. Speaker, of what we are hearing. The Hon. Member for St. John's West (Mr. Crosbie) told us last year that if he were faced with the same situation as the Minister of Finance, he would do basically the same thing. Yet here in the House he says, "We would reduce that deficit." That was all he talked about during his whole criticism—ninety minutes on the deficit.

What about the future? The Hon. Member for St. John's West has told us a great deal. First, a few months ago he was asked what the Conservative Party would do. He said in essence, "If I told you, we would never be elected". In other words, if the Conservatives told the people of Canada what they would do, they would never be elected. And, Mr. Speaker, the Hon. Member for St. John's West did it again last night. I quote the following from the Ottawa *Citizen* of February 16:

> Mulroney said the $31.5-billion deficit indicates the Liberal government is on the verge of bankruptcy and what Canadians really need is a new government.
>
> However, Tory finance critic John Crosbie conceded that the government action needed to slash the deficit would scare most Canadians.

The article goes on to say:

> "You have to be mean, nasty and do all sorts of unpleasant things," Crosbie said outside the Commons when asked what a Conservative government would do. "That's why I'm not going to outline what they would be now."

In other words, the Tories have a little plan. I mentioned in this House before that these Tories have a little list. They admit to a list of 3,500 names of individuals in the bureaucracy whom they are going to sack, so to speak, and I suggest to you, Mr. Speaker, that that list is probably a lot longer. Not only do they have a little list, they have a little plan, and that little plan, to quote the Hon. Member for St. John's West, would be, "mean, nasty and do all sorts of unpleasant things". That is the little plan, Mr. Speaker. I believe all we have to do is to go through the expenditures put forward in the Budget, the expenditure envelopes, and we would find out what that little plan entails. We have heard a few things which the Opposition Members said they would do. They would increase defence spending. They would increase transfers to the provinces for medicare. They would reduce taxes, which would reduce revenues, of course.

If one looks through the economic envelopes, Mr. Speaker, what are the Government's expenditures? Next year, $11.2 billion will be expended by this federal Government for economic development; $4 billion for energy development, new energy resources; $2 billion for legal affairs and justice in the country; $4.2 billion for servicing of roads and harbours and all of the things which come under the rubric of service to Government, buildings, national monuments, national parks, all these things which are the responsibility of the federal Government in the form of infrastructure. There will be $192 million for Parliament. If you eliminated Parliament, it would not get you very much. On defence, $8.7 billion, will be expended. External Affairs and aid, $2.7 billion. Would there be a cut in external affairs and aid? Fiscal arrangements, $5.9 billion, that is equalization. I do not believe a Conservative Government would cut equalization to the provinces, but perhaps it would. Public debt charges, $20.4 billion. All of those areas, Mr. Speaker, could possibly be reduced by a government which was intending to be "mean, nasty and do all sorts of unpleasant things". The big one, however, in here, Mr. Speaker, is Social Affairs, $39.7 billion. I have the little thought in my mind, Mr. Speaker, and other Hon. Members are beginning to come to the same conclusion, that that is where the little plan is to be found, in the social affairs envelope. If the deficit is going to be reduced, social affairs is what that Party would go after. We proved, Mr. Speaker, during the recession, and we are proving in the Budget which came down, that that is not something which this Government will do. This Government will fight against reducing the money for social affairs.

We have heard a great deal about the deficit. I quote from the Montreal *Gazette* of February 16 where the Leader of the Opposition (Mr. Mulroney) is quoted as saying:

> "There's nothing in this budget that deals with the fundamentals, namely an overwhelming deficit that is going to inhibit economic recovery," Mulroney told reports.
>
> The Tory leader said there was "a degree of profligancy in government spending that is without precedent in any western industrialized nation."

Those are direct quotes from the Leader of the Opposition last night. Let us take a good look at this deficit, Mr. Speaker, a good hard look, because the fear is being put into the minds and hearts of Canadians that this deficit is going to destroy the nation, that it is going to bring us down. If we take the deficit in perspective, it seems to me, and I believe to most Canadians, that there used to be a time—and I suppose I show my age by remembering that time—when you could buy an automobile for $2,500. In fact, if I go back to my very early years, I can remember the days when you could buy an automobile for about $1,200. Today it costs $12,000. A person who bought a $1,200 car perhaps had to borrow $800. A person who buys a $12,000 car today might have to borrow $10,000 or $11,000. That is a huge increase in the notion of debt. However, at the same time incomes have gone up, Mr. Speaker. People can afford to service a larger debt. It seems to me that the notion of income, how rich we are, should have some bearing on how much debt we can afford to carry.

Let us look at the net public debt—that is the figure of which the Hon. Member for St. John's West was talking—as it relates to total personal income, the income of all Canadians in the country. In the 1983-84 period when we hit the worst of the recession, that ratio was 45.1 per cent. In other words, net public debt was 45 per cent of total personal income. That is the entire debt, not the deficit. The deficit is what you run up in one year. The debt is the cumulative total of all the previous deficits in history. That is a big number, 45 per cent, because

in the period from 1971 to 1982, the ratio ranged between 19 per cent and 33 per cent, basically. Now it is up to 45 per cent, and that is because of the big recession and the run-up of the current years' deficit and the effect it has had.

Let us go back historically, Mr. Speaker. This is supposed to be, according to the Leader of the Opposition, the worst situation which has ever existed. In 1946-47, the net public debt as a percentage of personal income was 132 per cent. In other words, the debt was a third larger than the total personal income. We should look through the period of time which we could call the Conservative halcyon days. I am talking about the time of the Diefenbaker Government, the period from 1957 to 1963. Let us look at the net public debt as a percentage of personal income during these halcyon days of conservatism when wealth and jobs were being created. We all agree the country was booming. We all agree the 1960s was a boom period for Canada. What were those figures? Remember, Mr. Speaker, that this year it is 45 per cent. Well, I'll be darned. In 1957-58 the ratio was 48.7 per cent; in 1958-59 it was 49.5 per cent; then 48.6 per cent, 47.2 per cent, 49.1 per cent, 47.3 per cent, and 47.8 per cent. This was all during the Diefenbaker period, the halcyon days of the Conservatives. The ratio of net public debt to personal income was higher during that entire period than it is right now when we are coming out of the worst recession the western world has known in the last 50 years. Those were the halcyon days. We were making great strides in personal income. But what happened to the debt, Mr. Speaker? Amazing, is it not? All during the 1960s the net public debt as a percentage of personal income was higher for every year than it is right now. The Hon. Member for St. John's West rails at the Government: "Oh, my gosh, we are going down the sewer". Well, we did not go down the sewer in the 1960s. The country did quite nicely.

• (1740)

I suggest the reason this net debt position is where it is right now is that this Government took the action necessary to protect Canadians during the worst recession we have seen in 50 years. Can you imagine what would have happened to Canadians, what it would have been like in this country over the last year and a half, or what it would be like right now if we had not taken the action we have? There would be chaos in the streets, Mr. Speaker. This Government supported the social programs it put in place over the years, and we continue to do so in this Budget.

We are now making structural changes to those programs to improve pensions, improve the environment for small business, because we believe that is where the jobs will be created in the future. We are making it easier for people to form and run small businesses and be successful. That will generate the jobs, Mr. Speaker, and this Budget moved very strongly in that direction. It is going to reduce the tax statutes applying to small business by two thirds. If you have three inches of tax statutes now, you are going to wind up, with these measures in place, with one inch.

Mr. Mayer: I will believe it when I see it.

Mr. Evans: I think we should probably get down to the point where they are a quarter of an inch. I and some of my colleagues on both sides will continue to work together to see if we cannot get it down to a quarter of an inch from three inches. That would certainly be a boon. The Minister of Finance has moved dramatically in that direction.

Let us look at another set of figures. The Leader of the Opposition has said that there is a degree of profligacy in Government spending without precedent in any western industrialized nation. What would that be, Mr. Speaker? Let us say federal expenditures as a percentage of the GNP are now 9.2 per cent.

May I have unanimous consent to have one more minute to complete my remarks, Mr. Speaker?

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the Hon. Member to extend his remarks?

Some Hon. Members: Agreed.

Mr. Evans: I would like to thank my colleagues, Mr. Speaker. I was saying that federal expenditures as a percentage of the GNP now are 9.2 per cent. In 1979, the year of the Conservative Government, the ratio was 13.8 per cent, or about 33 per cent higher than it is now. My gosh, if we go back to those halcyon Diefenbaker years, it was 10.1 per cent, 11.7 per cent, 9.3 per cent, 10 per cent. Higher than it is now, Mr. Speaker. It seems to me we had better take a look at facts before we start crying wolf, because there is a lot of information which has not been portrayed correctly by the Hon. Member for St. John's West. I certainly hope that in future speeches on this Budget those facts will have some impact on the kind of commentary we hear relating to this Budget.

I tell you, Mr. Speaker, the Budget is a responsible one given the conditions we face. It makes great strides in terribly important areas. I am proud to stand up on this side of the House and support that Budget to the hilt.

Mr. Riis: Mr. Speaker, I listened with interest to the Hon. Member's eloquent words and how pleased he is with the Budget. I have two questions. He made many comments regarding the real job creation to occur in Canada. In the next number of years that will obviously come from the small and medium-sized business sector. Governments are not going to be creatings jobs, and I do not think that anyone believes the corporate sector will be creating the jobs. So we are moving from the megaproject approach down to the microproject approach in job creation.

I read some of the quoted remarks of Mr. Bulloch, President of the Canadian Federation of Independent Business, who had some observations on the Budget last night. He agreed there were many positive steps of a housekeeping nature for small business in the Budget. However, he said the Budget itself will not result in any new real job creation in the small business sector. In other words, the Budget is not going to encourage small business to expand and create jobs. There seems to be some opposition to what the Hon. Member was saying. Would

the Hon. Member not consider it to be advantageous for the Minister of Finance (Mr. Lalonde) to have rescinded the personal tax increases Canadians are going to experience this year as a result of the April Budget? These amount to something in the neighbourhood of $1.4 billion for this particular year. In a recovery which will be consumer led, or where consumers will play a major role, would it not have been useful to rescind that tax increase?

Mr. Evans: No, Mr. Speaker, it would not have been. If you want consumption, the best place to get 100 per cent consumption is exactly where we got it: we increased the GIS. They are the people in greatest need. They do not save any of it, they spend it all. That is hundreds of millions of dollars being put in the hands of people who are going to spend it. That was where it should have been put, and that is where we put it.

As to Mr. Bulloch, I have great respect for him. I do not think there are many people who understand the small business environment better than he does. However, I suggest that by removing the cumulative deduction account, businesses will now be encouraged to expand. They have been afraid to do so because once they go beyond the $1 million limit, they are no longer a small business and the tax implications are horrendous. Therefore, we are removing the CDA and saying, $200,000 a year without limit. Businesses will feel unshackled. They are going to be free to expand, and I think they will.

The other thing this Budget did, and I think commentators across the land have been saying this, is to provide a sense of stability. The Minister of Finance did not make dramatic changes. He put in measures that were structural in nature and made the kind of changes which people are going to appreciate in the area of pensions, mortgages, and small business taxation. It came out as a Budget which maintains the sense of stability and purposefulness which the Government has put forward in the past. That is going to increase business confidence and, with the restraint measure, it will keep Government price increases down to the 4 per cent level. That reinforces the sense that we are going to get inflation under control. Those are the kinds of things we have to do if the confidence is going to be there for the real interest rate to start to squeeze down. When people no longer believe that inflation is going to take off again, interest rates will begin to come down closer to the inflation rate. That is what we need to do. That is built on stability, confidence and sound budgetary management, which is exactly what the Minister brought forward here last night.

● (1750)

Mr. Fisher: Mr. Speaker, I enjoyed the comments of my colleagues. He pointed out the constructive role that government spending can play in softening the effects of economic slowdowns and recessions, particularly the effects that government spending can have on low income people. He also pointed out the Conservative policy to be "nasty, mean-minded and tough". I would like to quote something from the Toronto Star of February 12 which goes one step further than that. Joseph Schlesinger, an impartial man who is a foreign correspondent for the CBC, has written the following:

> Canada and the United States have both been going through tough times the past three years with high unemployment, increasing poverty and strained budgets.
>
> But there is a major difference in how the two countries have dealt with the victims of the hard times.
>
> Call it the Compassion Difference. But they try—

That is the Government of Canada:

> —with job creation and income supplement programs. In the United States, the federal government is led by people who are not only cutting back on such help—they're actually denying the existence of some of the problems.

Edwin Meese, one of the President's closest political advisers, said:

> —people go to soup kitchens because the food is free and that's easier than paying for it.

That is the Conservative mentality. In the House we have heard the Tory policy about being mean-minded and tough. That is what they are talking about. The Hon. Member for St. John's West (Mr. Crosbie) said in the House that the Americans have handled the deficit properly. That is what he means. He has this cynical idea about poor people. The difference is the compassion difference. I would like to hear the Hon. Member's theories on that.

Mr. Evans: Mr. Speaker, I do not want to expound—

Mr. Kempling: What a bunch of claptrap.

Mr. Evans: Mr. Speaker, there was a movie called *Sargeant Pepper's Lonely Hearts Club Band* years ago.

Mr. Mayer: You really asked him a tough question.

Mr. Evans: In that movie there was a group called the Blue Meanies. There are the Blue Meanies of today sitting right across from us. Let me quote again the Hon. Member for St. John's West (Mr. Crosbie). He said:

> You have to be mean, nasty and do all sorts of unpleasant things.

That is the head Blue Meanie from St. John's West speaking. He said:

> That's why I am not going to outline what they would do now.

You would never vote for us if we did. Mr. Speaker, the Hon. Member talks about the cuts in the United States and the cuts here. The Leader of the Opposition said he would cut everywhere and under every circumstance. That is another Blue Meanie speaking. He would cut consultants, outside lawyers and accountants, advertising, public service, compensation, waste, unproductive subsidies, travel, indexed pensions, fringe benefits, capital construction programs, capital overruns and so on. The Blue Meanies speak and the people are listening. That will tell the story over the next few months, Mr. Speaker.

Mr. Deans: Mr. Speaker, my question is quite simple. It would have to be in order to get an answer from the other side. What am I now supposed to tell the more than 100,000 people who no longer qualify for unemployment insurance benefits

and do not qualify for welfare payments because they have a spouse working who earns just enough to keep them from qualifying? What do I tell those people is in this Budget that will be of some assistance to them on Monday next? What can I suggest they should do in order to meet their mortgage commmitments and find a job in an area in Hamilton where 50 per cent of construction workers and 20 per cent of steel workers are out of work? We have had six plants close down in the last 14 months. There is a negative job growth. In other words, there are fewer jobs being created than there are people looking for them. What can I say to them? I have raised this question with the Minister of Finance (Mr. Lalonde) and with the Minister of Employment and Immigration (Mr. Roberts). Although no doubt they both bleed quite honestly for those individuals, there is no one offering them any kind of assistance or help. What do I tell them about this Budget, given that the Government is able to find 190 million tax dollars to give to the oil companies? The Government is willing to forgo hundreds of millions of tax dollars in RRSP investments to those who already have enough. The Government is prepared to reduce the tax burden on lawyers, doctors and accountants. There is not one single item in the Budget that I can find which addresses their immediate needs.

The Acting Speaker (Mr. Guilbault): Order. The posing of this question happens to come just at the end of the question period.

Mr. Deans: I will ask it again tomorrow.

The Acting Speaker (Mr. Guilbault): It is not the fault of the Hon. Member. If we had unanimous consent, the Parliamentary Secretary could answer.

Some Hon. Members: Agreed.

Mr. Evans: Mr. Speaker, the Hon. Member can tell them that over the next year the federal Government is going to spend $3.5 billion on Special Recovery Capital Projects. The Minister of Transport (Mr. Axworthy) has started the most impressive rebuilding of the western transportation system in the history of the country. That is going to increase the demand for steel, rails and equipment that are bought in central Canada and made in Hamilton. In addition to that, the Government has put in an incentive program for profit sharing and job creation in small business. All the job-creation programs which the Government put in place over the last years are in full swing now. The special recovery projects are in full swing now. They will be generating jobs. There is hope for those people with whom we all suffer. There is hope. The Government is putting in place policies which are going to do the absolute maximum that can be done in the situation which we face as a nation.

Mr. Mayer: Mr. Speaker, I have a couple of minutes. I will make a few comments and call it six o'clock, if I may. The Hon. Member talks about the fantastic initiatives of the Minister of Transport. They should take the Minister of Transport, put him in a caboose and send him across the Prairies on a train. He would learn something about the railroad business. I say that because he was part of the Cabinet committee that allowed the dismantling of VIA Rail. At the time they said they were going to save $100 million. The Hon. Members opposite are making pious Alice in Wonderland comments and statements. I have never heard such a bunch of nonsense in my life. In 1981-82, VIA Rail cost $540 million. The Minister of Transport was going to save $100 million. That meant that the deficit should have gone down with regard to VIA. This year it costs $825 million. He cut off the revenue base and kept the cost structure the same. That is the fantastic initiative that the Minister of Transport is presiding over. They are all mad hatters. I get so excited that I cannot even talk. On February 1, 1983, they talked about 375,000 jobs that this rail initiative would create in western Canada. That was from the former Minister of Transport.

• (1800)

The Acting Speaker (Mr. Guilbault): Order.

Mr. Mayer: May I call it six o'clock, Mr. Speaker, since it is six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

HOUSING—RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—REQUEST FOR EXPANSION. (B) DISTRIBUTION OF FUNDING

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, on February 10 I raised a question with the Minister of Public Works (Mr. LeBlanc) concerning RRAP, the Residential Rehabilitation Assistance Program. At the time I pointed out that this was a good program but limited to designated communities and neighbourhoods, which meant that many Canadian people were unable to take advantage of it.

Let me summarize some of the values of the RRAP program. First, it meets a real need for up-grading homes. It helps people, many of them on fixed incomes, to fix their places of residence. This is also available for rental units.

Second, it has an immediate and direct impact upon employment. The RRAP program is labour intensive.

Third, there are direct spin-offs to local communities. When people fix up their homes they are purchasing building materials and supplies at local stores. The RRAP program gets money to people who need to repair their homes and it creates

jobs. However, as I said, the major problem with it is that it has never been adequately funded.

There are hundreds of communities and neighbourhoods across Canada that are left out of this program. There are three communities in my riding that have never been designated. Many of these people live close to rural areas where their neighbours have access to the RRAP program. They can see some of their neighbours across the road who have access to RRAP, only to find out when they apply that they are not eligible. Many of them live in older homes that are badly in need of renovation. Pensioners who live on fixed incomes see their neighbours across the road who are able to take advantage of the program. They make inquiries only to find that they are ineligible because their community has never been designated. The unfairness of this should disturb us all.

In the case of one municipality, I have been writing to the Minister and CMHC since 1980 in an attempt to get some action to have that community designated as being eligible for the RRAP program. In April, 1981, I was assured that the community of North Cowichan was on the priority list but the new funds had to be allocated. However, in December, 1982, during which time the economy of North Cowichan had declined considerably and the need was even greater, the Minister wrote that the communities of North Cowichan, Duncan and Ladysmith were not considered priority areas.

In the correspondence I have received from the Minister about this issue, he continuously refers to the shortage of funds and budgetary restraints as the reason why these areas have not been designated.

One of the many disappointments of yesterday's Budget was that it did not expand this program which is acknowledged on all sides of the House to be a good one. It is a good program that would put money into the hands of home owners who would, in turn, pass it on to trades people and local business. It is the kind of pump primer we on this side of the House have been saying our economy needs. However, the Minister and the Government answer that budgetary restraints make it impossible to expand this program.

In yesterday's Budget, we saw how some of these budgetary restraints are applied to some other sectors of the economy. For example, oil companies received a gift of an extra $190 million from the suspension of the incremental oil revenue tax until June 1, 1985. We heard the Minister of Finance talk about doubling and tripling the tax exempt ceilings on RRSPs. This is a proposal that will directly benefit the well-to-do. As we all know, low and middle income people are unable to put aside the present $5,500 maximum tax exemption for an RRSP for a year, let alone the $10,000 limit for 1985 or the $15,000 limit for 1988. This increase in RRSP tax exemptions is a tax break for the well-do-do which will amount to $675 million in the next few years.

● (1805)

It is not as though we need to have more money put into savings. We have seen massive bail-outs for large corporations. In the last two weeks we have heard of a $150 million Liberal slush fund. If the Government forgot about this business of using public money to curry favour with special constituencies and concentrated on getting Canadians the best value for their money, perhaps our economy would not be in such a mess.

Communities across Canada have been waiting for RRAP designation for years. They have been standing at the end of a long line which never seems to move. I call upon the Government to take some action to expand this program and to put money into it so that we can fix up our homes, create employment and get the economy moving again.

[*Translation*]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I should like to answer the questions raised by the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) on February 10, 1984 concerning the Residential Rehabilitation Assistance Program, RRAP for short.

As the Hon. Member pointed out, RRAP has been an outstanding success. Since it was launched in 1974, some 262,000 housing units have been rehabilitated throughout Canada. In the past two years, the Federal Government has allocated $359 million to finance the program, including $309 million subject to repayment. Thanks to that assistance, approximately 89,000 units have been rehabilitated. Twice in 1983, additional funds were set aside for RRAP. For instance, the April budget earmarked $40 million for that program over a two-year period. An additional amount of $40 million was allocated in October so that the program would continue uninterrupted until the end of the year. Those measures are a clear indication of the Federal Government's commitment to maintain the quality of existing housing units. We will continue to support the program in 1984 because it has been widely accepted by Canadians and we want as many people as possible to benefit from it.

Mr. Speaker, I would like to point out that many regions in this country have already been designated as eligible for RRAP. Although the Federal Government acknowledges that the Program is not offered in all regions, except in the case of handicapped persons, one of the Program's objectives is to promote upgrading of communities and consequently, the Program concentrates on areas where housing conditions are poor. Eligibility for the Program has had to be restricted because of high demand and a limited budget.

As the Minister indicated in his answer in the House, it would be unfair to make the Program's application universal without increasing funding, since people who already applied some time ago might be deprived of assistance under the Program.

I appreciate the Hon. Member's interest in RRAP and his support for the Program. Federal housing programs are constantly being reassessed in order to improve them. RRAP is being reviewed, and special consideration is being given to the feasibility of extending eligibility to Canadians in all regions.

[*English*]

NATIONAL REVENUE—DENIAL OF DEDUCTION FOR LEG BRACES. (B) REQUEST FOR BROADER DEFINITION OF "DISABILITY"

Mr. Bill Kempling (Burlington): Mr. Speaker, on January 16 I put a question to the Minister of National Revenue (Mr. Bussières) regarding a constituent of mine, Mr. David Bourne, who, as I said in the question, has felt the sting of the Income Tax Act in that he is being denied a deduction for expenses related to the cost of leg braces and is being told by National Revenue officials that he should use a wheelchair. I have protested to the Minister about this. I have asked him to review the statute and the regulations to see whether or not some adjustment could be made. There was a case before the tax court of a Mr. Michael Overdyk who has a disability similar to that of Mr. Bourne. The Tax Review Board ruled in favour of Mr. Oberdyk. I asked the Minister to look into this to see whether this could be a precedent applied to other people in the same condition.

● (1810)

The difficulty is this. My constituent is a young man. He is able to get around with leg braces and crutches. He is able to take employment. In fact, he was working for BP Petroleum which eventually became PetroCan. With braces and crutches, he was able to walk and get around his office. He is mobile in a car. He can go for a walk, walk his dog and so forth. If he goes into a wheelchair, there is a psychological problem that I will explain in a moment. In a wheelchair, he would have great difficulty in securing employment and carrying out the normal functions of life.

Many small employers have their offices on the second floor of buildings and in many cases there is no elevator. The doorways may not be wide enough and the washrooms may not be able to accommodate a wheelchair. The man is mobile, but the psychological impact of going into a wheelchair would be disastrous.

I personally know this because I was crippled with polio. For four years as a boy I used braces and crutches. I was pulled around on a wagon by my friends. I know how these braces have to be made and adjusted every year, sometimes twice a year. I was growing. I know when I fell down how they would hurt. I was bruised and skinned from the damned things. I was one of the lucky ones who was able to recover.

I know what this man is going through. He desperately wants to maintain the use of these leg braces, which cost more than a wheelchair. Every year he has to have them adjusted and renewed. This man wants to retain the use of them as long as he possibly can. He is part of the whole like everybody else in the office. He can get around, get out in case of fire and drive his car. He is just like everyone else, except he is a little slower. If you put him in a wheelchair, he will feel restricted.

I ask the Minister to look into the matter on humanitarian grounds. I have written to him about it, raised the matter in the House and have spoken to him privately. I cannot understand why the department does not move.

There is a similar case in Hamilton. Professor Nagler who teaches at Waterloo University has cerebral palsy. He can drive a car, dress himself and do many of the everyday functions, but he cannot hold a pen or pencil in his hand and he cannot operate a typewriter. In order to perform his function as a teacher in a university he has to hire a secretary. The university does not provide that service for him. In order to perform any teaching function he has to hire a secretary to whom he dictates his notes. In that way he carries out his function as a teacher. He is a useful, intelligent individual. I cannot understand why the Income Tax Act cannot be amended to accommodate these people.

In my supplementary question to the Minister I asked why the Government did not accept the recommendation made by the special committee of this House. The committee's resolution No. 46 would cover cases like David Bourne and Professor Nagler. If the Government accepted that recommendation these people would be accommodated and looked after. It is deplorable that the Government cannot move to look after these people, and let them be part of the mainstream of society.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, before proceeding to give an answer, I have to remind the Hon. Member that I may not give any information with regard to the affairs of a particular taxpayer, including the taxpayer of which the original question made mention. I can deal with the generalities of the subject only. Also, although the Hon. Member in his original question referred to a denial of a deduction for leg braces, it is evident from his reference to a certain case that he really meant the denial of the disability deduction.

● (1815)

The law here is quite precise. The Hon. Member may not like the law and think it should read differently, but, if that is the case, his quarrel should not be with the department which is required to administer the law as it is. The law says, in the context that concerns us here, that the disability deduction is available to a person who is:

—throughout a 12-month period ending in the year, necessarily confined for a substantial period of time each day . . . to a bed or wheel chair—

The law, therefore, defines disability in terms of confinement to a bed or wheel chair, and that is the law to be administered.

In the Overdyk case, which is public knowledge the Tax Review Board, now the Tax Court, dealt with a particular set of facts. I may say that other cases where the facts are the same would be dealt with by the department according to the decision in the Overdyk case.

NATIONAL REVENUE—REQUEST FOR INQUIRY INTO VANCOUVER OFFICE PRACTICES. (B) JOB DESCRIPTION REFERENCE TO WORK QUOTAS

Mr. Svend J. Robinson (Burnaby): I am pleased to rise this evening to pursue a question I asked in this House earlier this

week concerning the imposition of quotas on Revenue Canada taxation offices, particularly in the Vancouver regional office of Revenue Canada Taxation.

Since I first raised this issue of quotas and the deletion of reference to quotas in the Vancouver office early last week, I have been flooded with telephone calls and correspondence from constituents, in Burnaby in particular, but also from people throughout the mainland, expressing their concern about the effects this kind of imposition of quotas has on the manner in which Revenue Canada goes about its business.

I should emphasize that certainly no one objects to performance standards, that is, to standards that reasonably attempt to set out criteria that must be met by employees of Revenue Canada in pursuing their responsibilities. Similarly, no one takes objection to the suggestion that those taxpayers who are able to pay their tax and are deliberately avoiding payment of taxation should, in fact, be vigorously pursued. But in these difficult economic times surely it is not reasonable that Revenue Canada's authorities—the taxation authorities—should be cracking down, if you will, on the victims of this Government's economic policies; at a time when there are far too many people out of work and at a time when small businesses are really under the impact of this Government's economic policies. Surely Revenue Canada should not be operating under a system that forces staff to adhere to what amounts to quotas.

In making these comments I am not seeking to punish those who are the staff members of Revenue Canada. I think it is important the public be aware that these policies are policies which are developed by the Government, by senior staff members in national headquarters, by management, and in many instances the staff are simply administering these policies.

For example, it was not employees of the taxation component Department who made the decision to store all taxpayer files in Canada in seven central locations. It was not decided by employees of the Department that there should be quotas. Similarly, it was not employees who decided that taxpayer phone calls to Revenue Canada offices should be limited to three minutes each.

But for the director of the Vancouver office of Revenue Canada Taxation to deny the existence of quotas flies in the face of all of the evidence. In fact, senior staff in the Vancouver office of Revenue Canada Taxation went to such lengths to deny the evidence of quotas that they literally took a bottle of typewriter white-out fluid and blanked out all references to quotas on documents within the Vancouver office. There were a few documents they were not able to white-out. One was the actual job description for a PM3, Collections Unit Head.

That job description, which is in effect throughout Canada, states that one of the requirements of this particular individual is to:

—observing fluctuations in workload and production and establishing work quotas for each function—

How on earth can the Minister continue to deny the existence of quotas in Revenue Canada taxation offices when the very job description for a unit head in a Revenue Canada taxation office clearly states that one of the obligations is to ensure that these quotas are met. We are getting some sort of doublethink or doublespeak. When the Minister continues to deny the existence of these quotas. We are not talking about the auditing function, we are talking about collections.

• (1820)

The implications of these quotas for taxpayers are clear. Far too many taxpayers are being unduly harassed. Their wages are being garnisheed in order that a staff member in question might meet a quota. Liens are being slapped on property, and telephone calls are being cut short. In essence, the high standard of service, which I am sure employees would like to be in a position to deliver to taxpayers, is suffering.

I should like to state very clearly that I believe that those of my constituents in Burnaby, who in many instances have been unduly harassed as a result of the policy of imposition of quotas, demand first of all a recognition of the existence of these quotas and, second and more important, an end to quotas.

Surely employees of Revenue Canada can go about their responsibilities in a manner that does not involve meeting a specific number of accounts per given period of time. Surely it is unacceptable that senior staff of the Vancouver office of Taxation Canada should deliberately set out to destroy evidence of quotas. That kind of conduct is unacceptable in the Public Service. The Regional Director of Taxation Canada must accept the responsibility for that totally inappropriate conduct.

There must be a full, independent inquiry into what led to his initial denial and subsequent cover-up of the existence of these quotas.

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, the Minister of National Revenue (Mr. Bussières) has answeered again and again in this House the allegations about auditors' quotas. He has done so with what I can only term exemplary patience. I will, therefore, not bother to cover the same ground.

The Hon. Member is talking about forms used in one office of the Department which refer to the expected or actual production of collection officers, not auditors. The Minister has never said that production standards are not set in the Department. In fact, a primary aim of the Department is to make the best, most efficient use of all its resources, material and human. It has a system of allocating these resources between functions and between offices in a way that is intended to optimize productivity. Expected production in each type of operation is highly important in this allocation process.

The Member should be aware that even the Auditor General has approved the approach of setting performance indicators for employees in the Government and that this is just a good management practice.

The Hon. Member has come into possession, by whatever means, of an internal operating document of the district office concerned. Through some local confusion of a junior supervi-

sor that document was changed. The Hon. Member seems to find something sinister here that escapes me. Surely anyone wishing to "cover up" something, with any improper intent—the Hon. Member used the words "cover up the evidence" in his original question—would not be so naive and literal as to use one of the patented white liquid correction fluids. To be very simpleminded about it, as the Hon. Member may not know but should, the fluid leaves a white smear that makes the correction glaringly obvious. There are many ways to change a record when you have something to hide, but this must be the worst of all ways.

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

At 6.25 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 17, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN BROADCASTING CORPORATION

COVERAGE OF BRITISH COLUMBIA WOLF HUNT PROTEST

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I wish to take this opportunity to bring to the attention of the House a matter causing most serious concern to many of my constituents and other Canadians living in northern Canada.

We in the North pity those who, for whatever reason, must live and work in the concrete jungles of the South. We even have a degree of compassion and understanding for those who, from time to time, defy their herd instinct to venture out in pursuit of the preservation of the balance of nature in the rest of Canada, their understanding of which comes from Farley Mowatt's storybooks.

Therefore, my concern is more over the treatment by the CBC of the events which occur when the cry goes out to save the seals or, more recently, to save the wolves. CBC French and English networks, in anticipation of a possible protest against the wolf hunt in northern British Columbia, arrived, ten persons strong, in Fort Nelson, well ahead of the five-person protest group, obviously not to report on the event but to stage it.

My constituents in Fort Nelson and Fort St. John are being used to manipulate public opinion against a government sponsored program to save other wildlife and domestic farm animals from an over abundant wolf population. Money appears to be no object. The reporters have no difficulty chartering helicopters and other aircraft to dramatize every move of the protesters.

Surely the Minister of Communications (Mr. Fox) will have to review the CBC's mandate, in view of the practice to engage in advocacy reporting of such events, to assure that both the national interest—

Mr. Speaker: Order. I regret to interrupt the Hon. Member, but his time has expired.

SCIENCE AND TECHNOLOGY

MEETINGS OF COMMITTEE OF PARLIAMENTARIANS, SCIENTISTS AND ENGINEERS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Committee of Parliamentarians, Scientists and Engineers, under the acronym COPSE, was set up in order to facilitate the interaction of parliamentarians with the scientific and engineering community. It has organized noon-hour information lunches on the second Tuesday of each month on issues of interest to scientists and parliamentarians. This mixed audience is spared as much as possible the "difficult to understand" technical jargon. Outstanding workers in the scientific field are invited speakers.

There are only a handful of parliamentarians who have a background in science, yet we live in an unprecedented age of information and technical change which, in a span of one generation, will have a revolutionary effect on Canadian society. Members of Parliament have an opportunity to make themselves aware of advances in science, medicine and technology which are changing the lifestyles, work habits and economic relationships of all Canadians. It is the task of Parliament to prepare the climate for such a change.

Until such time as a parliamentary standing committee on science and technology comes about, the monthly meetings of COPSE provide extremely worth-while forums for Members of Parliament to become knowledgeable on issues affecting the lives of all their constituents. I am concerned that so few Members of Parliament are supporting the COPSE initiative to help this nation assert itself in the age of technology and information.

* * *

PRIME MINISTER'S OFFICE

INVESTIGATION OF LEADER OF THE OPPOSITION

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, we have seen and read a great many revelations in the last few days concerning an operation in the Office of the Prime Minister (Mr. Trudeau) designed to collect personal information on the Leader of the Opposition (Mr. Mulroney), with the sole intention of seeking to discredit him. Unlike any other office in the country, the Prime Minister's Office has unlimited power to secure information.

We now learn about an official in the Prime Minister's Office being instructed to go to different government Departments to ask for and obtain confidential information, personal

and private, about the Leader of the Opposition. No Member of Parliament can or should have access to the confidential files of Departments of Government; no research office of other Parties can make that demand. What they have access to is in the public domain. What the Prime Minister's Office has access to is in the confidential domain. That is the difference.

We have seen the nature of that confidential material being raised by the Minister of Finance (Mr. Lalonde) as a threat against the Leader of the Opposition. There has been no denial by the Prime Minister, or his key officials, that those activities were taking place. Neither is there any indication that they have been terminated.

What we are seeing in this concentrated effort to discredit the Leader of the Opposition is a betrayal of the function of the Prime Minister's Office, and it should cease immediately.

* * *

● (1110)

NATIONAL PARKS

PROVISION OF WATER SUPPLY FOR DAUPHIN, MAN.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, attempts by the Town of Dauphin to obtain a long-term lease for the use of Lake Edwards in Riding Mountain National Park as a backup water supply source so far have proved fruitless. Negotiations between the Town of Dauphin and Parks Canada officials have been deadlocked since 1979.

Historically the Town of Dauphin has used Lake Edwards in Riding Mountain National Park as a water supply source long before a national park was established in the Riding Mountains.

Parks Canada wants to force the town to abandon the lake if it cannot document its current and projected need for the water from the lake, to its satisfaction. The problem has reached the stage where park officials have been restricting town maintenance crews' access to the dykes for repair work. This is a pressing problem which has dragged on far too long. I call upon the Minister to act personally to resolve this problem and guarantee Dauphin's future water supply.

* * *

PENSIONS

BUDGET PROPOSALS TO INCREASE BENEFITS

Mr. David Berger (Laurier): Mr. Speaker, I wish to bring to the attention of Members in the House provisions in the Budget designed to increase pension benefits for thousands of Canadians and recent immigrants. As the Minister of Finance (Mr. Lalonde) explained, the $50 a month increase in GIS this year will help those pensioners who need help the most, namely, single pensioners and one-pensioner couples. About 750,000 pensioners, three quarters of whom are women, will benefit.

[*Translation*]

Mr. Speaker, I am particularly pleased with the provisions concerning immigrants.

[*English*]

Immigrant pensioners whose monthly pension benefits are below the monthly minimum payable to single pensioners will benefit tremendously. The immigrant pensioner who, as of 1977 has been receiving, or will receive partial OAS due to residency requirements, may now qualify for additional assistance. For example, if an immigrant pensioner qualifies only for half of the monthly OAS, he or she may now qualify for additional GIS support to bring them to the same acceptable minimum monthly pension given to all Canadians. The Budget increases the minimum single monthly pension to $600. This is a positive measure, Mr. Speaker, and we trust that some Members of this House will not forget to remind their constituents of such an important initiative.

* * *

LABOUR CONDITIONS

LEVEL OF YOUTH UNEMPLOYMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the worst of the Finance Minister's Budget concerns the unemployed. They will continue to be with us in virtually the same numbers through this year, 10.9 per cent, and on through next year 10.1 per cent, as well as today's jobless level of 11.2 per cent, and that, Mr. Speaker, is not the worst of it.

What about the unemployed youth of today? What do they have to look forward to in the near future from this Budget? What is $150 million going to do? It has become obvious that the new Minister of State for Youth (Mrs. Hervieux-Payette) and the Minister of Finance (Mr. Lalonde) have given up on creating jobs for our young people.

It hurts me deeply when I see that these young people feel that they are doomed to be a lost generation with no prospect of any kind of job. It is time they voted for change, and it is time the Government gave them a chance to do so.

* * *

POLITICAL PARTIES

POSITION OF PROGRESSIVE CONSERVATIVE PARTY ON UNEMPLOYMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I want to bring to your attention two instances of hypocrisy, a word that was used a lot in the House yesterday. I just heard the Hon. Member for Parry Sound-Muskoka (Mr. Darling) talk about the Conservatives being concerned about the unemployed and about youth.

Mr. Crosbie: Hear, hear!

Some Hon. Members: Hear, hear!

Mr. Waddell: Listen to what the finance critic has been saying—the ex-Minister of Finance and the possible future Minister of Finance. He is still talking about—

Mr. Stevens: Hear, hear!

Mr. Crosbie: Hear, hear!

Mr. Nielsen: Hear, hear!

Some Hon. Members: Hear, hear!

Mr. Waddell: They are pretty cocksure. He is talking about them having a mean Budget and doing mean and nasty things. I challenge the Members, the Canadian people, and the Members who are clapping, to catch *Global TV News* tonight where the present finance critic gives the real nature of the Conservative Party when he says once again, "If we told you what we would do we would never get elected." There is their real policy, and it is hypocrisy, Mr. Speaker.

Some Hon. Members: Hear, hear!

● (1115)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

BUDGET PROPOSALS AND FORECASTS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Prime Minister, who is probably out searching titles, and in the absence of the Minister of Finance, I want to ask a question of the Acting Prime Minister. In the Budget brought down two days ago, at page 1 the Minister of Finance said, and I quote:

—my goal was to secure the recovery.

That was the goal of his April Budget.

That goal has also been met.

With 1,473,000 Canadians unemployed, with the unemployment rate this year projected to be 10.9 per cent, with Canadian industry operating at only 70 per cent of capacity, with the prime rate at 11 per cent; with inflation re-igniting, with non-residential construction projected to decline 2.7 per cent this year and residential construction to decline 1.3 per cent, with the Minister of Finance forecasting real average wages will not rise one cent or one iota, how can the Government pretend the recovery is secured? Who does it think it is fooling? How is the recovery now secured in light of those facts and projections?

Mr. Stevens: Here is the Acting Prime Minister.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the problem with the Hon. Member's question is the old one of whether the bottle is half full or half empty. Of course there is a lot of work yet to be done. If the Hon. Member opposite does not recognize that, he is incapable of understanding the present state of our economy. The fact is we have achieved a substantial degree of economic recovery over the past 12 to 14 months.

An Hon. Member: For whom?

Mr. MacLaren: Interest rates have declined significantly. The job creation rate has increased.

Mr. Riis: In Liberal ridings, yes.

Mr. MacLaren: We have created some 400,000 additional jobs in our economy in the last 14 months.

Mr. Heap: Five hundred thousand jobs lost.

Mr. MacLaren: We have seen inflation drop substantially over the past year. We have seen the CPI decrease from something over 12 per cent to something in the neighbourhood of 5 per cent. That trend is continuing.

The purpose of last April's Budget was to put in place, both in the public and private sectors, policies which would stimulate that economic recovery. The purpose of this Budget, which carries on the trend set in motion by the April Budget, is to set the stage for real economic growth in our economy. The Hon. Member knows that. It is obvious to us all.

Mr. Crosbie: Mr. Speaker, the Budget speech did not say, "There is a lot of work yet to be done." It said, "My goal was to secure the recovery. That goal has been met." There is a vast difference. One is a complete distortion. The Minister of Finance did not say there was a lot of work yet to be done.

RATE OF INFLATION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my supplementary question is directed to the Prime Minister who, I know, is very much interested in what happens to the Canadian people. In the Budget speech on Wednesday the Minister of Finance said, and I quote:

For 1984 as a whole, I expect inflation to average about 5 per cent—

Two days later Statistics Canada revealed a cost of living increase from January, 1983, to January, 1984, of 5.3 per cent, up from 4.5 per cent the previous month—the second month in a row it has gone up. If we remove food and energy from the index, the underlying rate of inflation has gone up for the first time in many months, which is a very serious indication. If we took the seasonally adjusted figure, the increase for this year, if it continued over the whole year, would be 9.6 per cent. How can the Prime Minister's Government expect its projections and estimates to be taken seriously when, just two days after the Budget comes down, the inflation forecast is shown to be erroneous? How can he expect interest rates to come down when inflation is already on the way up, and a Budget was brought in which does nothing to overcome it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member must realize that this was an anticipated event. The increase in the price of food was predicted more than three or four weeks ago when frost hit foodstuffs in the United States, particularly the fruits and vegetables. We believe this is an anticipated and probably temporary phenomenon.

• (1120)

Mr. Crosbie: Electoral frost is going to strike your Government whenever the election comes.

LEVEL OF UNEMPLOYMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, there are 1,473,000 unemployed today. When the Prime Minister came to office in 1968 the number was 360,000; when he came back in March of 1980 it was 967,000; if he continues much longer there will be no one in Canada employed. When is the Prime Minister going to have a Budget brought in which will affect the unemployed? Does he realize his Minister has projected that there will be over 1,400,000 unemployed all this year on average, and even in 1988 there will be 1,100,000? When will the Prime Minister do something to retrieve the losses we have had under his administration?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member just has to look at the record of last year when something like 350,000 new jobs were created. That was because the Minister had a very thoughtful Budget last April, and we believe this Budget will have the same effect of creating jobs on a steady and permanent basis.

INTEREST RATES—DEPARTMENT OF FINANCE PROJECTIONS

Hon. Ron Huntington (Capilano): Mr. Speaker, I would like to direct my question to the Minister of State for Finance. He knows interest rates have a major impact on inflation. He knows the service charges on our national debt are up. He knows that StatsCanada reports the inflation rate is up to 5.3 per cent seasonally adjusted, and the seasonally adjusted month to month inflation rate is the highest since June of 1983. Even when the fruit, vegetable and energy factors which the Prime Minister speaks of are removed, there is a rise in the underlying inflation rate, the first since February of 1982. These new facts contradict the Budget rhetoric.

Will the Minister tell us what rate of interest the Department of Finance used in projecting debt charge calculations? Will he tell us if interest rates are to remain stable, if they are to go up or down, in light of these new facts StatsCanada has given us?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, as I understood it, the Member asks three different questions. Regarding the CPI, and excluding food and energy, which he has done, and rightly so, the all-item CPI did not increase during the month of January. It declined by .2 per cent. Regarding his query about the interest rate basis we used in our calculations, we do not make that public. I think the Hon. Member is aware of that. When borrowing on the money market the Government does not wish to indicate to the market what it anticipates interest rates will be. That is a question better settled by the market itself. The forecasts are based on assumptions which are not made public. The third point has been dealt with quite adequately in the speech by the Minister of Finance when he says he does not expect interest rates to increase during the course of 1984.

SIZE OF GOVERNMENT DEBT CHARGES

Hon. Ron Huntington (Capilano): Mr. Speaker, we are all too well aware of the Minister of Finance's rhetoric. We had enough of it in his Budget address the other day and in interviews since. He infers that recovery is on the way; the external cost of funds to corporations is expected to decline; continued stability is at hand; six and five has worked; inflation is under control.

Mr. Rossi: Hear, hear! More!

Mr. Huntington: And that progress on lower interest rates is encouraging. These are all quotations from his rhetoric. If this rhetoric is to be believed, Mr. Speaker, why have projected debt charges in the ten months since the last Budget increased by over $1 billion? Why will he not tell us? Why the silence on the interest rate used by the Department of Finance for its February, 1984, projections? The people of Canada are entitled to know that figure.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Member opposite must be aware that interest rates in Canada have fallen substantially during the past 14 to 16 months. In June, 1982, for example, the bank rate was over 16.5 per cent. Today it is 10 per cent, and has remained unchanged for some time.

• (1125)

Mr. Huntington: Answer the question. What rate did you use?

Mr. MacLaren: I indicated to the Hon. Member that it is not the practice of the Government, either when his Party was in power, or this Party, to indicate such interest rates. I do not believe the Hon. Member would wish us to anticipate the reactions of markets to a number of diverse factors which affect interest rates. We need to make some assumptions for planning purposes, but it is not the policy of the Government, or any Government in office in Canada, to issue such statistics.

FINANCE

BUDGET BUSINESS TAX PROPOSALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. Yesterday I asked the Minister of Finance certain questions about the unfairness of the Budget as it affects pensioners and middle and low income Canadians. He replied with disarming candour, saying that is how the tax system works. Well, the Liberal tax system, I guess.

I would like to ask the Prime Minister questions about unfairness again today as it affects a certain bonanza that is being given to large corporations. As a result of the new Budget, Eaton's and Bata, which are hardly corner stores, are now going to qualify as small businesses. They will be able to be taxed at the small business tax rate of 15 per cent. As a result of tax increases imposed by the Minister of Finance's last Budget, average families will have to pay about $500 more per family. Is it the Government's idea of fairness that the $500 increase for the ordinary Canadian should make up for the thousands of dollars which are going to be lost to the tax system from companies like Bata and Eaton's?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the Hon. Member is misconstruing the provision in the Budget regarding small business. The proposition is quite simple. It is to simplify the whole tax structure and not have artificial categories about small and larger businesses. The principle of taxing larger businesses at a different rate is maintained in the Budget. Eaton's obviously does not qualify as a small business. The first couple of hundred thousand dollars of its business are perhaps considered as small for simplification of tax purposes. However, everything above that is taxed at a different rate. The Hon. Member is miscontruing the meaning of the Budget. He would do well to reread the section.

Mr. Broadbent: Mr. Speaker, I think the Prime Minister would do well to reread the Budget as well. He will find out what I have said is true.

TAX PROPOSALS AFFECTING PROFESSIONALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to move on to another aspect of the unfairness as it pertains to the possibilities open to professional people such as doctors and lawyers. The Budget provision is that doctors, lawyers, and other professional people who may be earning $80,000 to $90,000 a year, can now re-establish themselves as companies. Does the Prime Minister consider it fair that professionals and other upper income people who are paying an effective tax rate of 50 per cent now because their income is in the $80,000 to $90,000 category, should be able to have their taxes reduced to about 15 per cent, which is the level an ordinary worker has to pay who has not open to himself the same privilege of reconstituting himself as a company? Is this the kind of fairness the Government believes in, that there should be a special hand-out in terms of redistribution of income to richer Canadians instead of moving toward justice for middle and low income Canadians?

• (1130)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Minister of Finance is proposing a way of treating professionals and other such people which has been used in the past, and to which he is returning now. We had another system for a period of time. I do not recall the Leader of the NDP having supported it in any vocal way.

I do recall when the former Minister of Finance, the present Secretary of State for External Affairs, had a budget in November, 1981, which was deliberately attempting to close what the Hon. Member has called loopholes, that he was not suported by that Leader of the NDP, nor by his colleagues. It is quite typical of the NDP that they will not support any progressive reform by the Government. They will merely continue to attack everything indiscriminately.

Mr. Broadbent: It is quite typical of the political style of the Prime Minister to shift in a sleazy way from a difficult question that he was supposed to answer, and provide irrelevant and misleading information. This Party supported the provisions in that Budget which would remove the loopholes that go to upper income Canadians. We opposed the other provisions that gave other benefits to people who did not deserve to get them. That should be clear.

TAX PROPOSAL AFFECTING LAWYERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like the Prime Minister to answer the question. Considering that we now have in our land more than 4 million Canadians living in poverty, that pensioners must pay tax on their income, and that unemployed men and women must pay tax on their unemployment insurance cheques, is it the Prime Minister's notion of fairness that we should reintroduce another kind of loophole in our tax system that would permit a lawyer who makes $80,000 a year to pay taxes at only 15 per cent? What hypocrisy! What injustice!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member says that he supported that 1981 Budget. I recall that he voted against it.

* * *

NATIONAL REVENUE

EXISTENCE OF QUOTA SYSTEM

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, my question is directed to the Minister of National Revenue. He will recall that on several occasions over the course of the past several weeks he has specifically denied the existence of quotas for auditors in his Department. He has even gone so far as to issue a directive to every district office to say that quotas are to be stopped.

Yet this week *The Globe and Mail* has turned up documentary evidence to prove that, notwithstanding the direct assurances given by the Minister, quotas are still in place in a number of district offices in his Department. Did his officials disobey a direct order from the Minister, or was he party to this pretty piece of deceit?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have asked the Hon. Member several times to consider the question of establishing standards for effectiveness and efficiency within the Department, how those standards are established and how they are applied. The Hon. Member has obstinately refused to consider this matter—I would say he has a mental block.

I would urge him to read some comments by his hon. colleague, who said that yes, performance indicators are necessary and yes, we must have efficiency and productivity at the departmental level, and that is the whole point of the performance indicator objectives we have, which are applied according to the nature of the various operations that take place within the Department. As long as the Hon. Member refuses to acknowledge that, as many of his colleagues have been urging, there must be efficiency within the Department, as long as he refuses to consider the basic problem of managing a department in terms of efficiency and productivity, he will never understand what departmental management is about.

[*English*]

SUDBURY OFFICE AUDITORS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, the basic problem here is not efficiency. The basic problem is truth and whether the Minister can be believed when he tells the House of Commons that there are no quotas within his Department. These documents from Sudbury demonstrate that auditors there are having quotas put on them of $350 per hour. Does the Minister deny that and, if not, why did he make the statement to the House of Commons that quotas have been stopped? Can we believe a word that the Minister says to us?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I think the Hon. Member has completely missed the point. He refuses to consider the fundamental issue, since he knows he will have to admit he is wrong and does not know anything about managing a department, and he knows he will have to accept the concept proposed by his Party, a concept accepted long ago by this Government, that each department needs effective management of human resources and that effective management of those resources must be adapted to the functions of each department. As long as the Hon. Member continues to let himself be blinded by partisan considerations, he will never understand what this issue is about.

[*English*]

"HIT" AUDITS

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is also directed to the Minister of National Revenue. Is he aware of the term "hit" audits and, if so, are auditors rated in accordance with the percentage of "hit" audits collected in relation to the amount assessed? Is he aware that these are in addition to the quotas set for the auditors?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is following the same line of thought as his colleague who, unfortunately, does not quite understand departmental management. He ought to know that, with respect to audits, the management policy is to obtain the best possible performance from our auditors. The management policy does leave room for flexibility since it takes into consideration the need for results as well as fairness and respect for the rights of taxpayers in auditing practices.

[*English*]

PERSONNEL ASSESSMENT RECORDS

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, if the Minister is so adamant that quotas are not being set for auditors, will he inform the House today why personnel assessment records are being adjusted and put back in the files, that every auditor's personnel file is being checked and changed without the employee's prior knowledge? Will he explain that to the House of Commons, if in fact there are no quotas being set for these people?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would urge the Hon. Member to attend the sittings of the standing committees of the House which will be examining the estimates of the Department over the next few weeks.

If need be, we will give him detailed explanations on the manner in which the various personnel assessment records are reviewed within the Department. He will also have an opportunity to find out for himself why we have such assessment records and how we treat them. That should make him understand each factor used to establish those assessment records.

* * *

[*English*]

JUSTICE AND LEGAL AFFAIRS

NEGOTIATION OF LEGAL AID FUNDING WITH BRITISH COLUMBIA

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Justice and it concerns legal aid in British Columbia. No doubt the Minister is aware that the Government of British Columbia has cut back legal

aid, is charging user fees, and proposes to bring in legislation that will overturn a decision of its own Court of Appeal. Will the Minister confirm that his Department is presently negotiating an agreement with the Government of British Columbia with respect to federal funds for legal aid? Is he prepared to say that he is in favour of adequate and full legal aid, and against this kind of cutback in British Columbia?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I am certainly prepared to agree with the Hon. Member that the fullest system of legal aid possible in every Province is the most desirable one. I think the Hon. Member will know that the normal pattern of these agreements is that there are, in return for federal funds, certain commitments which the Provinces make. Of course, they are obligated to fulfil those commitments.

It is true that we are negotiating a new agreement now. I can assure the Hon. Member that I am not looking at a form of agreement that would deprive the people of British Columbia of the kind of protections that they have had in the past as far as the federal conditions are concerned. However, there are, of course, many aspects to every legal aid system which are purely under provincial control and over which we would not have any right to exercise restraint.

We will do our best to negotiate the best kind of agreement with British Columbia. I think there still will be a problem to which British Columbians will want to address themselves, in light of the type of comments that the Attorney General of that province has been making recently, comments with which I do not agree at all.

• (1140)

CURTAILMENT OF SERVICE IN BRITISH COLUMBIA

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Minister feels that way, and I share his comment. But if he feels we should have the fullest system of legal aid possible in British Columbia, then I want to ask the Minister why, in medicare, is the federal Government prepared to act and prepared to stop Provinces from user fees and so on? Why does the Minister not do the same thing with legal aid in British Columbia and not give money to the Province of British Columbia if it is going to act this way with respect to legal aid?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I hardly need to explain to the Hon. Member all the differences between the two kinds of systems. We do not have medical care in Canada as an analogy with health care. The kind of recovery that lawyers get is a different proportion from that which doctors get, and so on. There are enormous numbers of differences between the two plans. We are making a general offer to all of the Provinces, not just to British Columbia, to renegotiate the legal aid agreements. I hope to be able to report to the House in due course on agreements that we are able to reach.

LABOUR RELATIONS

CANADIAN PACIFIC RAILWAY—TREATMENT OF REDUNDANT WORKERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Labour. Is the Minister prepared to use his good offices to bring companies, such as CPR, into the twentieth century with regard to its labour relations as they relate to technological change? For instance, three constituents of mine who have worked for the CPR for an average of 38 years, and whose jobs are becoming redundant as a result of technological change, are being offered the choice of uprooting their families and moving to another location, thus throwing three younger workers out of work, or forgoing their pensions for seven years. Is the Minister willing to take some action in this kind of case?

Hon. André Ouellet (Minister of Labour): Mr. Speaker, at the request of the Hon. Member I will look into the matter and I will have some of my officials review the situation. If representation has to be made directly to the corporation, I will gladly do so.

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INDUSTRY

CANADIAN COMPETITIVE POSITION RATING

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Prime Minister.

Some Hon. Members: Oh, oh!

An Hon. Member: Go easy on him, George.

Mr. Hees: Mr. Speaker, as the prestigious European Management Forum based in Geneva, using figures supplied by the OECD, the United Nations, and the International Monetary Fund, reports that Canada's international rating in industrial competitiveness fell from fifth place in 1981 to eleventh place in 1983, and as this serious drop in competitiveness had a very real effect on creating the high unemployment we are experiencing today, can the Prime Minister advise the House just what steps his Government intends to take to correct this very serious situation?

Mr. Nielsen: Call an election.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is asking questions about industrial ratings. I think if that same prestigious body took a look at ratings it would find the Hon. Member is not doing any better than the industrial ratings.

Some Hon. Members: Oh, Oh!

Mr. Hees: Mr. Speaker, that is the kind of answer in which the Prime Minister indulges these days, in that he obviously does not care one whit what happens to Canada's industrial competitiveness or productivity, both of which contribute to

the very serious unemployment that has taken place during the time when this country has, unfortunately, had to subdue itself to his leadership as Prime Minister.

PRIME MINISTER'S POSITION

Hon. George Hees (Northumberland): Mr. Speaker, as a supplementary let me ask the Prime Minister, as he will be leading his Party in the next election, does he not think it is about time he started taking seriously these very important matters about unemployment, and the job situation that affects about 1.4 million Canadians today.

Mr. Hnatyshyn: I think Jean Chrétien just fainted.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Hon. Member were to participate at all in the Budget debate, and if he had read the Budget documents, he would realize that these preoccupations are front and centre in the Minister of Finance's Budget, except the Hon. Member seems to be more interested in reading Geneva documents, once again reading them but not understanding them, because when he refers to industrial rating, of course he specifically omits all the jobs created by our very vast resource basis.

Mr. Hees: Temporary jobs only. You know it, and I know it.

Mr. Trudeau: He does not seem to realize that our vast resource basis is a source of great job creation. The Hon. Member shocks me when he talks about temporary jobs. Our resources, Mr. Speaker, are not temporary. It is the Hon. Member's understanding of events which is temporary and feeble.

* * *

NATIONAL DEFENCE

IMPACT OF CRUISE MISSILE TESTING ON COMMUNITIES IN ALBERTA

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the Minister of National Defence. He will remember that on a recent visit to northeastern Alberta in discussions with people at Grand Centre he indicated at the request of people in the area that he would send a team of information officers throughout northeastern Alberta to outline the effect the Cruise missile testing would have on those people. The Minister will also know that teams went out on two or three-day notices. My phone has been ringing off the wall.

People want to know how the Cruise testing is going to affect them. They asked the Minister to send out the teams. The teams have gone out with only two days' notice which prevented many people who wanted the information from attending meetings. Is the Minister going to get those teams out there in a proper way, with proper notice?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the teams went out. Notice was given very widely in the area. As a matter of interest the meetings were very, very well attended. There was a considerable amount of exchange between those who were at the meetings and the briefers. As a result of the interest there were considerable exchanges that gave rise to additional publicity and that publicity, of course, has increased the level of interest in the region. If there are needs for additional briefings or a need for additional information, I will be pleased to co-operate with the hon. gentleman in providing that information to his constituents.

NOTIFICATION OF MEETINGS

Mr. Jack Shields (Athabasca): Mr. Speaker, I have a supplementary question for the Minister of National Defence. I want to make it clear to the Minister that the people who are requesting the information have not yet made up their minds whether they are for or against the Cruise testing. They want to know how it is going to affect their lives. The people in Peace River were given three days' notice before their meeting was called, which virtually prevented everyone in the rural part of that area from attending the meeting. The people in High Prairie were given two days' notice. The people in Slave Lake did not even have a meeting. The people in Athabasca did not have a meeting. The Minister made a commitment that he would inform the people when the Cruise testing was going to take place. That has not been done. Will the Minister resolve this problem?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, the position that I have taken in this matter is to try to provide as much information as possible. That is why I undertook to provide briefings in the hon. gentleman's region, and in any area where those briefings were requested. Our purpose is to provide information. If there is a need for additional information, we will be pleased to provide it. As I said originally, I will be pleased to co-operate with the hon. gentleman in providing that information.

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EMPLOYMENT

REQUEST THAT LIST OF PROJECTS FUNDED IN ONTARIO BE TABLED

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Minister of Employment and Immigration, maybe I will put my question to the Prime Minister. I see he has moved a bit to the right. Perhaps he can go back toward the centre and take the question.

Some Hon. Members: Oh, oh!

Mr. Nystrom: He has now found his seat, Mr. Speaker. I am sure the Prime Minister knows that many accusations have been made about the allocation of money for job creation under the Employment Creation and Grants and Contribu-

tions Program. In the interests of clearing up the confusion, can the Prime Minister now confirm that a list of projects under this program in Ontario has been completed? The list, I am told, is now under lock and key in a vault in Toronto. Could he confirm that? And in the interests of clearing up this issue, can the Prime Minister table this list in the House today?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, no, I cannot confirm it because I have not heard of any lock-up of lists in Toronto or elsewhere. I do know from having spoken to the Minister of Employment and Immigration yesterday that he is compiling all the documents which will permit him to give the Opposition all the information it wants on the various job-creation schemes that he has created under the funds allocated to him by the Budget.

● (1150)

ALLOCATION OF FUNDS TO CONSTITUENCIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, because of the very diligent workers in the PMO, perhaps the Prime Minister can confirm that the list that is now compiled in Toronto shows that $25 million was allocated to the Ontario region. Can he also confirm that fully 91 per cent of that money went to ridings represented by Liberal Members of Parliament?

Mr. Robinson (Burnaby): Pork; pork.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is asking a question based on the results that he assumes will come from the documents that the Minister will table and make public. I do not know the results of them. If the Hon. Member has been snooping and has a lock and key, why does he not get the information himself and make it public? I do not have it. I am waiting for the Minister to make it public.

* * *

PENITENTIARIES

INMATE POST-SECONDARY EDUCATION PROGRAM FEE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Solicitor General. It deals with another form of deterrent fee which he has imposed on behalf of the Government with regard to post-secondary education in our penitentiaries. The Minister will know that, as opposed to 52 per cent of inmates who are returned to prison after serving their terms, of those who have been involved in the post-secondary education process, only 14 per cent return to prison. What is the rationale for imposing this kind of deterrent fee to discourage inmates from participating in post-secondary education?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, as the Hon. Member knows, I am committed to post-secondary education in our penitentiaries. In fact the night before last I presented BA's to the first three Francophones ever to graduate from university while incarcerated in federal penitentiaries, and I am very proud of that. At the same time, unlike primary education and secondary education, university education is not available free of charge to citizens who have not committed crimes and are not in penitentiaries. They pay. They appreciate and benefit from university programs. They are willing to do so even under the circumstances of having to pay for it. I do not see any reason why inmates, who receive money from the Correctional Service of Canada while they are behind bars, should not pay a small part of that, as do people on the street, in order to offset the cost of their education.

Mr. Hnatyshyn: It is obvious from the answer of the Solicitor General that he has given up on the rehabilitative function of our penitentiary system, that all he is concerned with is dollars and cents from the very small amount which inmates receive.

* * *

NATIONAL SECURITY

SECURITY CLEARANCE ASSESSMENTS—CLASSIFICATION OF DOCUMENTS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I have a supplementary question for the Minister. With respect to the whole question of security assessments the Minister has written to his colleagues in Cabinet requesting that they substantially reduce the requirements for the RCMP to carry out security assessments. You will know that the Chairman of the Canadian Human Rights Commission was very critical about the extent of security assessments carried out by the Government. What percentage does the Minister think is superfluous in terms of the security assessment work done by the federal Government? Second, is he doing anything with respect to reclassification of documents and responsibilities, which is the source of all the difficulty in this area?

Hon. Bob Kaplan (Solicitor General of Canada): As the Hon. Member indicated, Mr. Speaker, I have indeed asked each of my colleagues to look over the number of security classifications that their officials are requiring for promotions and hiring of individuals. I intend to follow up on that. To give now some estimate of the kind of results I hope to achieve is premature. I think we can make progress in reducing the amount of security clearance requirements in the Government.

In reply to the second question, the Hon. Member is right, the basic problem is that too many documents are being marked classified. My Ministry is working in co-operation with three other Departments of Government to develop tighter criteria for classification. It is a program I have described in public before. It is complicated. It will make very fundamental changes to a governmental process that, I suppose, has been in effect for centuries. I look forward to being able to make progress with that. I have not yet been able to complete my

approval of the general approach that will be taken to classifications.

However, there is one very major reform that I have brought forward, and that is the proposal to reorganize the security service of the RCMP as a separate security intelligence agency, and to provide in the same legislation a right of appeal so that any individual who considers himself falsely identified as a security threat will be able to request a review of that. That is tremendous progress because it will be a check on excessive classifications and excessive requirements of security clearance. If the Hon. Member seriously wants that type of reform, I urge him to support progress of this legislation, because this legislation is a concrete way of reducing the amount of security clearance that the Government now requires.

* * *

NATIONAL REVENUE

DEPARTMENT'S USE OF THIRD PARTY DEMANDS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I have a question for the Minister of National Revenue. I would like to ask him about third party demands. I can appreciate that there will be occasions when a Government will want to make a third party demand on an individual's bank account. I have not done a national survey, but based on some banks in my constituency there has been a tremendous increase in the amount of third party demands since as recently as October or November of a year ago. Has there been a request from the Minister's office, or the Minister himself, to increase greatly the number of third party demands, and if so, why?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): No, Mr. Speaker.

[*English*]

RESCINDING OF THIRD PARTY DEMANDS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I compliment the Minister for giving an answer to the question. Bearing in mind that there is this extraordinary increase in third party demands, bearing in mind that the Minister just stated that he has not ordered more third party demands, and noting the tremendous difficulty it places on individual citizens, why is it that in the vast majority of cases those third party demands are rescinded by his Department, in other words, nullified, within 24 to 48 hours, when there was not cause in the first place? Can the Minister justify that extent of the abuse of the system when it is actually cancelled a few days later, especially in areas like mine with small towns where word ripples through the community and can destroy the reputation of an individual for a lifetime? Will he not decrease the number of third party demands on citizens?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I think there is an explanation which the Hon. Member will understand quite easily about cases where third party demands must be withdrawn after a few days. I am aware of several cases where, immediately following third party demand, the taxpayer, who knew that he owed a certain amount, immediately paid off the amount of taxes due to the Department of Revenue. The Hon. Member shakes his head, but this is definitely what we have found.

However, I would like to point out to the Hon. Member that such action, which is extremely harsh, is taken only in cases where through his own fault, the taxpayer has not entered into any agreement with the Department of Revenue as to his plans for paying the taxes owed by him. It is the responsibility of the taxpayer to call on the district office, explain his financial situation and indicate how he plans to pay his tax debt. If he defaults on this responsibility, he is subject to the harsh provisions contained in the Act.

However, I would like to take this opportunity to remind Hon. Members that we are doing everything possible to find a common ground for negotiating an agreement or an arrangement with the taxpayers, taking into account the nature of their indebtedness as well as their financial situation and their ability to pay.

* * *

[*English*]

PRIME MINISTER'S OFFICE

ALLEGED INVESTIGATION OF MPS' PRIVATE AFFAIRS

Hon. Paul J. Cosgrove (York-Scarborough): Mr. Speaker, I have a question for the Prime Minister. Earlier in the House today, Mr. Prime Minister, there was an unsubstantiated allegation by a member that officials in your office have directed officials of other Departments of the Government of Canada, or employees of the Government of Canada, to search into the private affairs of Members of this House. Will the Prime Minister please comment on such an allegation?

• (1200)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am grateful to the Hon. Member for permitting me to answer an allegation which has been made outside the House, apparently, but which has not been asked directly of me. I am happy to deny categorically that any such operation has taken place.

I would add that there is one circumstance under which members of the PMO did canvass all Ministers' offices for information concerning an allegation made by the Leader of the Opposition when he stated, I believe on September 19, that he had received from an unnamed Minister of the Government a letter congratulating him on his handling of the closing down of Iron Ore in Schefferville. Since the Leader of the Opposition had bragged about such a letter, we did canvass all

Ministers to see if they were the author of such a letter, and the answer of course was given by the Hon. Member for Yukon a short while later when he showed the letter to the House of Commons, and it appeared it had been written by the Minister of Consumer and Corporate Affairs. That is the occasion when we did canvass all Minister's offices. There is no other such occasion. For you, Flora.

* * *

ROYAL CANADIAN MOUNTED POLICE

PENSION ELIGIBILITY CRITERIA FOR WIDOWS OF OFFICERS KILLED ON DUTY

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Solicitor General. As he knows, on a number of occasions I have urged the Minister to broaden the criteria for eligibility for pensions of widows and families of RCMP officers killed while on duty. The Minister ordered a study last fall which clearly demonstrated the inadequacy of existing pension plans and showed that the criteria were deficient.

What action does the Solicitor General intend to take to implement the strong recommendation of that study that we treat RCMP officers and their families with equity and fairness, and implement long overdue changes to their pension plan which would broaden the criteria and enable families to receive pensions in the event that an RCMP officer is killed in the line of duty, not just a violent death?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, perhaps the Hon. Member has forgotten it, but in the last four years I have been Solicitor General I have introduced a substantial improvement in the pensions available for widows and children of RCMP officers slain while on duty, if the risk which resulted in their death was one of those special risks which they face when they go to work every day that other public servants and other members of the public do not face. I have told the Hon. Member that the criteria are broad, so that they will not only cover cases where they are victims of foul play or are killed by criminals in the course of escaping from crimes, but will reflect that when they go to work—and prison guards are eligible for the same benefits—they face special risks which the rest of us do not face. When those risks result in their death, society should recognize that. That is the basis of the policy, and that is the reason why widows and orphans whose fathers and husbands die in those special circumstances receive enhanced pension benefits.

ROUTINE PROCEEDINGS

[*English*]

FISHERIES AND FORESTRY

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, as Chairman, I have the honour to present the first report of the Standing Committee on Fisheries and Forestry in both official languages.

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

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PETITIONS

MR. ALTHOUSE—CALL FOR ESTABLISHMENT OF AGRICULTURAL RESERVE

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I have the honour to present a petition from residents of the Province of Ontario who wish to present a grievance. They humbly sheweth that the Pickering-Seaton area and the Pickering airport site were established as a unit through expropriation for an airport which was never built. Since this site could be used as a permanent Pickering agricultural reserve, they call upon the federal Government to negotiate the establishment of a permanent agricultural reserve on the Pickering lands to serve as a model of farm land preservation and to produce food for the nearby urban market.

MR. COSGROVE—PENALTIES FOR DRUNK DRIVING

Hon. Paul J. Cosgrove (York-Scarborough): Mr. Speaker, I would like to present a petition also signed by residents of the Province of Ontario. It draws attention to the problems caused by drinking and driving. It is the second one I have lodged with the House. The petitioners respectfully urge Parliament to pass legislation which will increase the penalties for those found guilty of drinking and driving.

* * *

IMMIGRATION ACT, 1976

AMENDMENT RESPECTING REFUGEE STATUS

Mr. Dan Heap (Spadina) moved for leave to introduce Bill C-219, an Act to amend the Immigration Act, 1976 (determination of refugee status).

He said: Mr. Speaker, the purpose of this Bill is to alter the Immigration Act so that everyone within Canada who is claiming refugee status will have the right to an oral hearing

before the Refugee Status Advisory Committee. This will not only give more accurate opportunity for judgment by the Committee, but it will remove hardship from applicants and save a great deal of staff time. Generally everyone should benefit.

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

* * *

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

Hon. Roy MacLaren (Minister of State (Finance)) moved for leave to introduce Bill C-21, an Act to provide borrowing authority.

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

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 343, 367 and 485.

[*Text*]

EXPORT DEVELOPMENT CORPORATION—BOARD OF DIRECTORS

Question No. 343—**Mr. Orlikow:**

1. What is the composition of the Board of Directors of the Export Development Corporation and what is the address and occupation of each individual?

Hon. Gerald Regan (Minister for International Trade): Export Development Corporation states that:

2. EDC's Board of Directors is composed of 15 directors. There are presently two vacancies on the Board. The names, addresses and occupations are as follows:

Name	Address	Occupation
Mr. J. A. Armstrong	1235 Bay Street, Suite 601, Toronto, Ontario. M5R 3K4	Retired Chairman & Chief Executive Officer of Imperial Oil Limited
Mr. P. Berthiaume	3 Place du Commerce, Suite 320, Ile des Sœurs, Verdun, Quebec. H3E 1H7	President, Le Groupe BST Inc. et la Société d'Automation TECNEX (1983) Ltée
Mr. G. K. Bouey	234 Wellington Street, Ottawa, Ontario. K1A 0G9	Governor, Bank of Canada
Mr. J. L. Bragg	Main Street, (P.O. Box 220), Oxford, Nova Scotia. B0M 1P0	President, Oxford Frozen Foods Ltd.
Mrs. M. Y. Catley-Carlson	Place du Centre, 12th Floor, 200, Promenade du Portage, Hull, Quebec. H1A 0G4	President, Canadian International Development Agency
Mr. S. Cloutier	110 O'Connor Street, Ottawa, Ontario. K1P 5T9	President & Chairman of the Board, Export Development Corporation
Mr. M. A. Cohen	Place Bell Canada, 27th Floor, 160 Elgin Street, Ottawa, Ontario. K1P 0G5	Deputy Minister of Finance
Mr. V. E. Daughney	777 Hornby Street, Vancouver, B.C. V6Z 1S4	President, First City Trust
Mr. P. Goyette	266 St-Jacques Street, Suite 101, Montreal, Quebec. H2Y 1N1	President & Chief of Operations, Savings Bank of the City of the District of Montreal
Mr. M. D. MacDonald	10405 Jasper Avenue, Suite 1800, Edmonton, Alberta. T5J 3N4	Parlee, Irving, Henning, Mustard & Rodney, Barristers & Solicitors
Mrs. S. Ostry	Lester B. Pearson Building, Tower A, 8th Floor, 125 Sussex Drive, Ottawa, Ontario. K1A 0G2	Deputy Minister, International Trade & Co-ordinator, International Economic Relations, Department of External Affairs

Mr. W. J. Riva	1176 West Georgia Street, Suite 1900, Vancouver, B.C. B6E 4B9	Vice Chairman of the Westar Mining Board, Westar Mining Ltd.
Mr. W. R. Teschke	235 Queen Street, 11th Floor East, Ottawa, Ontario. K1A 0H5	Deputy Minister, Department of Regional Economic Expansion

COAST GUARD VESSELS "QUADRA" AND "VANCOUVER"

Question No. 367—**Mr. St. Germain:**

1. With respect to the disposal of two west coast weather monitoring ships, Coast Guard Vessels *Quadra* and *Vancouver*, in decommissioning the ships what was the total cost of (a) stripping them down (b) storage or moorage (c) other preparations for sale?

2. Did the Government of the People's Republic of China express an interest in purchasing the *Quadra* and *Vancouver* and, if so, what was the amount of their bid or offer, and on what date was it made?

3. Did the Expo '86 Corporation express an interest in retaining either the *Quadra* or *Vancouver* and, if so, on what date (a) was that interest first expressed (b) did the Corporation confirm that it was not interested in either of the vessels?

4. Were the *Quadra* and *Vancouver* sold and, if so, in each case (a) on what date (b) to whom (c) for what amount?

Mr. Paul-André Massé (Parliamentary Secretary to Minister of Supply and Services): I am informed by Crown Assets Disposal Corporation as follows:

1. (a) $188,375.20, (b) $408,755.00, (c) Nil.

2. No written offer was received from the Republic of China, however, in the spring of 1981 the Corporation was approached by several Hong Kong firms claiming to represent Mainland China. They withdrew when they became aware of the intention of selling the *Vancouver* to the Expo '86 Corporation.

3. (a) In December, 1981, interest was expressed by the Expo '86 Corporation in retaining the CCGS *Vancouver*. (b) Expo '86 Corporation withdrew their interest by letter dated August 31, 1982.

4. Yes. (a) November 4, 1982 (b) McIntosh Steamships Ltd., Cayman Islands, British West Indies.

(c) CCGS *Quadra*—$295,000; CCGS *Vancouver*—$350,000

CANADA POST CORPORATION

Question No. 485—**Mr. Howie:**

Since April 1, 1983, did the Department of Consumer and Corporate Affairs allocate any amount exceeding $1 million to Canada Post Corporation and, if so, what (a) amount (b) was the purpose of such payment?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): No. (a) Not applicable. (b) Not applicable.

[*Translation*]

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

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

Some Hon. Members: Agreed.

• (1210)

GOVERNMENT ORDERS

[*Translation*]

BRITISH COLUMBIA INDIAN CUT-OFF LANDS SETTLEMENT ACT

MEASURE TO ESTABLISH

Hon. Roméo LeBlanc (for Minister of Indian Affairs and Northern Development) moved that Bill C-18, an Act to provide for the settlement of claims by Indian bands in British Columbia relating to certain lands cut off from their reserves, be read the second time and referred to the Standing Committee on Indian Affairs and Northern Development.

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, it is a pleasure for me to address the House on second reading of Bill C-18, an Act to provide for the settlement of claims by Indian bands in British Columbia relating to certain lands cut off from their reserves.

Mr. Speaker, this Bill concerns the settlement of a particular kind of land claims made by Indian bands in British Columbia. They are referred to as the cut-off lands claims.

Members from British Columbia will recall that twenty-two Indian bands in that province have for a long time been seeking to obtain the right to compensation for lands cut off from their reserves, without their consent, in 1920.

The primary objective of this Bill is to give the Indian bands concerned the power to enter into agreements with the Government of Canada and the Government of British Columbia in order to settle these claims. Mr. Speaker, this legislation will confirm existing agreements and give them force of law. It will also authorize the Governor in Council to enter into future agreements.

Mr. Speaker, I feel this Bill deserves to be approved by all Members of this House, and I wish to give my reasons for asking the House to support this legislation.

First of all, there are pressing reasons for bringing this Bill to your attention at this time. In fact, when an agreement was

signed nearly two years ago by the federal Government, the Government of British Columbia and the Penticton Band, it was understood that the necessary federal legislation would have to be passed by March 6, 1984. If that condition is not met, the Government of British Columbia will no longer be bound to give the band its share of financial compensation and transfer of land to the band will be delayed. However, the Government of British Columbia, pending adoption of federal legislation, has agreed to give back to the band nearly 5,000 hectares of reserve land and to pay the band $1.2 million. Mr. Speaker, that is why this Bill is now a priority. The Bill should have been submitted earlier for second reading, but when the draft legislation was tabled in the House last June, a number of bands asked for changes. Since everyone agreed on the nature of the amendments, the Bill was redrafted. The cut-off lands episode explains why the Indians doubted the good faith of the two governments concerned and the rationale of their policies and methods. Before and after British Columbia entered Confederation in 1871, some Crown land had been set aside for the Indian bands. From the outset, the federal Government and the government of the new province had differences of opinion regarding the size of the reserves. The province maintained that federal plans for establishing large reserves would adversely affect the establishment of new settlers and their activities. According to the province, the area taken up by mountains and forests would greatly reduce the amount of land suitable for settlement. To resolve this question, in 1912 the federal Government appointed Mr. J. A. McKenna as Special Commissioner, who was to meet a number of times with Sir Richard McBride, the Premier of British Columbia, and the result of these meetings was what became known as the McKenna-McBride Agreement.

Mr. Speaker, this Agreement provided for the creation of a Royal Commission of Inquiry. The Commission consisted of five members, and its mandate was to settle the reserve question by means of significant changes:

1. To cut off from the reserves any land that did not really meet a specific need, with the consent of the Indians;

2. To add lands to reserves that were too small;

3. To create new Indian reserves as appropriate.

According to the Agreement, Mr. Speaker, the cut-off lands would be sold and the proceeds shared equally between both governments. The federal Government's share was to be used for the benefit of the bands concerned. The Commission held hearings throughout British Columbia.

Mr. Speaker, perhaps I may be allowed to read part of a speech made in June 1913 by the Chairman of the Commission to Indians on the Capilano Reserve:

> If a reserve includes a portion of land that is in excess of the actual needs of the Indians living on the reserve, the Commission will determine the portion of land to be cut off. However, said portion may be withdrawn only with the consent of the Indians concerned.

Mr. Speaker, I think it is clear there was an obligation to consult members of the bands concerned before cutting off a single portion of land from the reserves. Because of these guarantees, which were repeated and put in writing many times, the band chiefs were co-operative and well disposed in their discussions with the Commission.

At a meeting of the Metlakatla Band in 1915, the Chief stated as follows:

> We want the Indian reserve of Metlakatla to enjoy a measure of security. We do not agree with the young people who want lands to be cut off from our reserve. However, we do not, for the time being, wish to speak out publicly against this plan. We leave it to you to decide what is best for us, and we want to protect our reserve.

Mr. Speaker, the McKenna-McBride Commission submitted its report three years later, in 1916. However, immediately after the report was published, the British Columbia Legislative Assembly adopted the Indian Affairs Settlement Act, and in 1920, the Parliament of Canada passed the British Columbia Indian Lands Settlement Act. This Act, however, eliminated the need to obtain the consent of the bands.

That is what has caused discontent among the Indians of British Columbia for over 60 years. Mr. Speaker, the twenty-two bands concerned consider this a violation of the McKenna-McBride Agreement, since the lands were, in fact, cut off without their consent.

Since that time, their chiefs have never ceased to urge both governments to settle their claims and give back the lands. Finally, in 1969, although technically not responsible, the federal Government agreed to negotiate a settlement. Federal and provincial authorities started discussions, and in 1977, the two governments started tripartite negotiations with a committee representing the twenty-two bands.

At the beginning of 1981, Mr. Speaker, the committee decided it was unable to pursue negotiations for the time being. At this point, the individual bands, on the basis of general principles previously agreed to, started to negotiate directly with both levels of government. Among other things, it was agreed that where feasible, the lands originally cut off would be returned to the bands. The land claims cover over 12,000 hectares, but about 10 per cent of the cut-off lands will not be given back to the Indians.

The federal Government will pay compensation for lands that are now the property of a third party. The Province is already offering compensation for cut-off lands it wishes to keep for public use, as well as compensation for damages caused over the years on cut-off lands that are to be returned to the Indians.

Mr. Speaker, Hon. Members will probably be interested to hear some details of the agreements concluded to date with six of the bands, to improve their understanding of this Bill.

• (1220)

First, more than 4,900 hectares of land will be returned to the Penticton Band, the first one to reach a settlement. The Band will also receive about $13 million from the Government of Canada and $1.2 million from British Columbia.

The Osoyoos Band will receive $634,000 from the Government of Canada and nearly $360,000 from the Government of British Columbia. In addition, about 70 hectares of land will be returned to the Clinton Band, which will also receive $10,000 from the Province of British Columbia and $140,000 from the Government of Canada.

The Westbank Band will recover 22 hectares of land plus $7 million paid by the Government of Canada and about $1 million from the Government of British Columbia.

The Squamish Band will receive over 45 hectares of land, almost $1 million from the Canadian Government and more than one-half million dollars from British Columbia.

Finally, the Okanagan Band will receive 27 hectares of land, plus $1.4 million from the Government of Canada and $32,000 from British Columbia. This settlement has yet to be ratified by the Band.

Mr. Speaker, behind these figures there is a depth of feeling that cannot be quantified. At a signing ceremony attended by the Band Chiefs of the Westbank, Okanagan and Squamish bands, and the Attorney General of British Columbia, this is what Chief Mathias of the Squamish Band said, and I quote:

> Now our people can once more walk the 115 acres of the Capilano Squamish reserve and face the sun with pride. This is a historic event.

Chief Mathias went on:

> The struggle is almost over, and it warms my heart to see the Attorney General of British Columbia and the Minister of Indian Affairs of Canada signing an agreement with us on the matter of the cut-off lands.

Mr. Speaker, at this point I would like to emphasize the important role played by British Columbia. Without the good will and co-operation of this Province, the problem would never have been resolved.

Mr. Speaker, the Province has provided millions of dollars, but also and more important, it has provided for the transfer of 12,000 hectares of land which can now be returned to the descendants of the original population, once this legislation is passed. Agreements signed up to now have shown once again that the Government of British Columbia and the Government of Canada can work together to serve the native peoples of this Province. The work done by British Columbia is invaluable, and there will be further meetings with the Attorney General of the Province to sign other land claims settlements.

Among all the parties concerned, the band chiefs have had the most important role to play. Through patience, perseverance and determination, they have now been able to recover their lands.

I would like to say a few words about the urgent aspect of this Bill and the negotiations that followed the tabling of the draft legislation last June. In the course of negotiations between Canada, British Columbia and the Penticton Band, we all agreed to include a provision stipulating that special federal and provincial legislation would become effective within two years after the agreement was approved by the Band by means of a referendum. Mr. Speaker, the Penticton Band approved the agreement by referendum on March 6, 1982, and the Legislative Assembly of the Province of British Columbia passed a Bill in July of that year concerning the cut-off Indian lands. The agreement concluded with the Penticton Band, and with many others, contains a provision that funds payable to the Band by the Province are to be held in trust for two years.

Mr. Speaker, I must point out that if the federal legislation is not enacted between now and March 6, 1984—within 15 days—the $1 million held in trust for the Penticton Band and the $200,000 in interests on that money will go to the province. As you recall, Mr. Speaker, I said earlier that more than 12,000 hectares of land will be returned to the 22 bands. Those lands cannot be returned to the province before this Bill is passed, which goes to show how urgent the adoption of this measure has become, Mr. Speaker.

Proposed legislation dealing with those agreements was tabled in the House on June 14, 1983. That decision was taken because a number of bands had made it clear that they would not sign any agreement nor even continue the negotiations before seeing a copy of the draft legislation. When the proposed legislation was tabled, some bands began to wonder whether the Bill might not have something to do with all sorts of claims. Such was not the purpose of the Bill which had been drafted so as to allow only for the settlement of claims concerning cut-off lands. We negotiated with the band spokesmen to allay their fears. The bands were particularly worried about an expression contained in the proposed legislation. It had to do with the status of reserve lands between 1871 and 1938 and read as follows:

> —that the Province of British Columbia had designated for the use and benefit of Indians—

After lengthy consultations, Mr. Speaker, the expression was changed and now reads as follows:

> —set aside for the use and benefit of Indians—

But the Indians had other worries, Mr. Speaker. Among others, one of their concerns was that the law might be interpreted to apply to lands other than cut-off lands. To meet that objection, we added a seventh clause, as follows:

> Nothing in this Act affects any claims asserted by a band or the council of the band other than claims in respect of cut-off lands.

Mr. Speaker, I am pleased to tell the Hon. Member that, following these amendments, we received last December a letter from the Union of British Columbia Indian Chiefs informing us that all the bands but one had withdrawn their objections to this draft. We are now negotiating with the band

still objecting to the draft and we hope to reach an agreement in the near future.

Mr. Speaker, I believe that we now have a better proposal which has been accepted by all the parties involved, namely the Province of British Columbia, the Government of Canada, and more importantly, the bands and native associations.

Mr. Speaker, this legislation must be passed without delay because, as I have already mentioned, these agreements include a provision for prescription after two years. In the case of the Penticton Band, this two-year period will end this coming March 6. If the legislation is not passed at that time, the band will loose $1 million plus $200,000 in interests and will not recover its lands. The same applies to the other agreements which have been signed. We are getting close to the end of the prescription period, Mr. Speaker, and these bands are running the risk of losing similar amounts.

Their impatience is therefore quite understandable and legitimate.

As I was saying, a few days ago, we received a letter from the Union of British Columbia Indian Chiefs urging us to pass the legislation before the second anniversary of the Penticton agreement. The Chiefs believe that if this legislation is not passed, it will cause prejudice to the bands and the spirit of the negotiations will not be respected. I must add that this Bill, which allows us to make good some of the inequities which still affect 10,000 registered Indians who are also our fellow-citizens, deserves to be supported by everyone. In this way, those who live on these lands will be able to continue to work on building a better future.

Mr. Speaker, I would like to close by quoting comments made recently by Chief Murray Alexis at a signing ceremony. He said the following:

> What I can already foresee is that relations will improve between our communities. Whatever our racial origins, whether we are of the first founding nations or of the newcomers, we may be able today to begin everything afresh and build this country together.

Therefore, Mr. Speaker, for the welfare of the Indians of British Columbia, I ask that Bill C-18 be passed quickly so that finally justice may come to the native peoples of British Columbia.

● (1230)

[*English*]

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, this is the first opportunity I have had as official spokesman for—

Some Hon. Members: Questions.

The Acting Speaker (Mr. Guilbault): Order. According to the Standing Orders there is no question period after the first three speakers on second reading. The first three speakers are allowed 40 minutes and the Parliamentary Secretary has not used all his time, but that does not mean there can be questions. There will be questions after the first three speakers.

Mr. McDermid: Mr. Speaker, I will try to start again. This is the first opportunity I have had to address the House as official spokesman for Her Majesty's loyal opposition on matters concerning the Department of Indian Affairs and Northern Development. It is a pleasure for me to take part in the debate on Bill C-18, an Act to provide for the settlement of claims by Indian bands in British Columbia relating to certain lands cut off from their reserves.

Our Party supports this Bill, Mr. Speaker. We understand the urgency and we will not delay it unduly. As a matter of fact, our Party will assure that it receives all three readings and passage some time today. However, I am extremely disappointed that the Bill has been brought in so late and that the Parliamentary Secretary made it sound as though the Opposition was holding up the Bill. Nothing is further from the truth. The Government controls the timetable of the House. This Bill was just recently introduced to the House, and it is somewhat typical of the actions of this Government to bring Bills in at the last moment thus causing great unsettlement among the Indian bands who are going to derive some monetary benefits from these settlements. It could have been introduced and passed much earlier.

I might add that the Minister sees fit not to be here today, Mr. Speaker. He wrote me a letter explaining that he had other commitments. My concern is that the commitment is to the Liberal Party of the Northwest Territories, not to the 22 Indian bands of British Columbia affected by this very important legislation. I am very disappointed that he is fulfilling a political commitment to the Liberal Association of the Northwest Territories rather than fulfilling his parliamentary responsibility to be here to discuss this very important Bill.

I might say also that the briefing notes I received from the Department were all in Imperial measure, describing the lands as acreage. I noticed the Parliamentary Secretary went to metric. It will be very interesting to find out what standard they are using over there in the Ministry. This Government is so hep on the metric system, and the Parliamentary Secretary used it today, yet all the briefing notes refer to acreage. Therefore the House will pardon me if I discuss acreage today. I think most of us understand that a little better in any event.

We are talking today about cut-off lands. We are not talking about original land claims, the comprehensive or specific claims presently being discussed throughout the country. We are talking about lands taken either by government survey, federal Orders in Council or just encroachment on Indian reserve lands which have been set up since around the 1860s. These lands were taken without consultation and without the permission of the Indian bands affected. There are 22 bands involved and, as the Parliamentary Secretary explained, 16 are being negotiated at the present time, five have been settled and one is under review. Although I should not speak for my friends to the left, both geographically and philosophically, I think it is fair to say that all three Parties want to correct the injustice committed here and restore to the native people in

British Columbia that which is rightfully theirs. There is no question that the land belongs to the bands and that compensation must be made.

On January 29, Mr. Speaker, I had a very enjoyable visit to the Penticton band reserve. I had the pleasure of accompanying the Member of Parliament for that area, the Hon. Member for Okanagan-Similkameen (Mr. King), to Penticton. I met with Chief Steward Phillip, Louise Eneas and Emory Gabriel. Because of my specific involvement with that particular band and the importance of this Bill to them, I would just like to relate my experience there in late January. They have coming to them from the British Columbia Government some $1 million, together with some $200,000 in interest which has built up over the past two years while the money was held in trust. They have also received in federal compensation some $13 million. They will realize a little over $14.6 million in compensation, together with 12,211 acres. Part of the 14,207 acres cut off is now the Penticton airport as well as a housing development.

This band, Mr. Speaker, has a beautiful reserve high in the hills overlooking Penticton in the Okanagan Valley. Under the leadership of Chief Stewart Phillip, they have wisely invested the moneys received to date. They just erected on their reserve 40 brand-new homes which members of the band will be paying for but which, of course, will be built with the help of the interest from the invested moneys. These homes are magnificent, some 1,000 or 1,100 square feet in area. The band is investing and spending the money in a responsible way and I gather they are very pleased with what has transpired. They were, naturally, very concerned that this Bill would not get through the House in time for them to receive the money the British Columbia Government holds for them. Of course, as I stated earlier today, we will allay those fears as we pass this legislation through the House in all three stages.

There are a number of matters which have not been solved as yet and negotiations are ongoing. I urge the federal Government to accelerate the tripartite negotiations which are going on. I realize that the British Columbia Government is involved as well. I have taken the liberty of speaking to the attorney general from British Columbia on this subject. He is anxious to carry out the negotiations, to ensure that this Bill is passed and the lands and moneys come to the Indians.

● (1240)

I would like to discuss the importance of Indian relations today in Canada. We are at a crossroads. I would be very concerned if the Government persisted in bringing in legislation, whether pertaining to self-government, compensation for comprehensive claims or whatever, and came running into the House with a sense of urgency with every Bill it might bring foward having to do with Indian affairs. The constitutional talks are going on right now. The Government has been using a ploy which I think is very unfair and which I would like to deny at this time. The Government is warning the aboriginal people of the country that if the Progressive Conservative Party gets elected as the Government of Canada the Indians will be in far worse shape than they are now because we will ignore their affairs. Nothing is further from the truth. I categorically deny that today. My colleagues and my Leader categorically deny that. Our interest is in our aboriginal people, as I hope everybody in the House is interested in our aboriginal people. Our interest is to do what is absolutely the best for them and, in consultation with them, arrive at solutions that make good sense and are in favour of the aboriginal people of this country.

I would urge Members from the Government side of the House not to spread these fears throughout the aboriginal community because that is very unfair. The aboriginal people will become pawns in a political game which is completely uncalled for. The non-partisanship should be very strong when dealing with our aboriginal people. I caution the Government against taking a tactic like that, which they have been doing and which I have had drawn to my attention from many quarters, including *The Fifth Estate*. I would ask the Parliamentary Secretary to take the message to the Government that this Party supports aboriginal rights and the aboriginal people and will continue the process of carrying out what is best for them.

The constitutional talks which are going on right now are dragging a little bit. I attended all of them and found them interesting but rather frustrating. The federal Government is not in fact expressing a position but sitting back and listening to everyone else. This is a bit of a disappointment. I am hopeful that within the next couple of weeks at the First Ministers' conference regarding aboriginal rights on March 8 and 9 there will be something forthcoming that all the parties involved in the debate can sink their teeth into to begin a meaningful dialogue. I underline the word meaningful. This will be to the betterment of the aboriginal people.

I say to the Parliamentary Secretary, through you, Mr. Speaker, that her Marjesty's Loyal Opposition supports this Bill. We will assure that it gets through the three readings today. I was somewhat surprised that the Parliamentary Secretary did not take the opportunity to refer the Bill to the Committee of the Whole today as opposed to the Standing Committee on Indian Affairs and Northern Development. However, I may have missed it and we may come across that a little later on in debate.

Many Members of Her Majesty's Official Opposition will be speaking on this Bill today because it concerns them and they do have interest in it. In no way, shape or form is that to be interpreted as holding this Bill up because we will proceed with it today.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I welcome the opportunity to speak on this very important Bill. It is an important Bill for the Indian people of British Columbia and for all British Columbians. I would first like to extend my congratulations to the Minister of Indian Affairs and Northern Development (Mr. Munro) for the Bill and for the progress it symbolizes in correcting some long-standing injustice. It is not often I have an opportunity to

congratulate the Minister and I am very glad to be able to give credit where credit is due.

Progress in land claim settlements across Canada has been painfully slow. This is especially true in British Columbia. It is much slower than I want to see. Presumably it is slower than what the Minister of Indian Affairs and Northern Development would like to see, and certainly it is much slower than the Indian people would like to see. This Bill and the agreements which have led to it indicate some progress. I believe that the Minister deserves some credit for this. I believe that credit should also be given to the Government of British Columbia for finally making some progress on this one aspect of specific land claims.

Bill C-18 approves agreements involving the federal Government, the provincial Government of British Columbia and certain Indian bands in British Columbia which have had reserve lands taken from them as a result of the McKenna-McBride Commission, which held hearings between 1913 and 1916. Where agreements with the bands for compensation or return of lands have not yet been reached, the Bill provides for approval by the Governor in Council. Basically, Mr. Speaker, this Bill allows the federal Government to pay funds which have been negotiated with the Indian bands as part of the federal share of compensation.

It is important to note that the cut-off lands issue is separate from the related but larger issue of aboriginal land claims in British Columbia. It is time the Government of British Columbia recognized the validity of these claims and entered into serious negotiations. In this connection I would like to emphasize the importance of Clause 7 which was an important addition to the draft legislation tabled last June. Clause 7 provides:

> Nothing in this Act affects any claims asserted by a band or the council of the band other than claims in respect of cut-off lands.

There were many Indian bands which were rather fearful of the agreements and earlier legislation which did not have this kind of clause. They were afraid that entering into an agreement of the cut-off lands would prejudice their case as far as the larger aboriginal claims which most of the Indian bands in British Columbia are asserting at the present time. Cut-off lands refer to those lands which had once been reserves and were cut off by various government actions. It is important to note that the McKenna-McBride Commission cut-offs were not the first and not the last of such cut-offs. They were the most blatant sign of high-handed government action that ignored the basic rights and wishes of the Indian people. It was also a very blatant indication of collusion between the provincial government and the federal Government at that time.

The history of Indian reserves in British Columbia has not been a happy one. At the beginning, the Indian people had all of the land. Aboriginal title in British Columbia is still something that they assert to the total area. They had well defined territories and there were clear divisions among the different Indian nations of British Columbia.

• (1250)

Settlement began on Vancouver Island under the auspices of the Hudson's Bay Company and the chief factor, Sir James Douglas. He later became Governor of the Crown colony of Vancouver Island, the sister colony of British Columbia, and finally the united colony of British Columbia. He negotiated some treaties with some of the Indian peoples around Victoria and Nanaimo. These treaties implicitly recognized the rights of Indian people to their land and they were, in a sense, negotiations for the use of resources to which the Indian people had valid claim.

Later, as governor of both Vancouver Island and British Columbia and then of the united colony, Governor Douglas ordered that reserves be set aside in accordance with the wishes of the Indian people themselves. That is, that the size of these reserves was not to be dictated by government but rather that the needs of the Indian people were to be met. These reserves were not to be reduced either by encroachment of settlers or by legislative action. In retrospect, Governor Douglas had a fairly generous policy.

However, in 1865, after the era of Governor Douglas had ended, Joseph Trutch became the new commissioner of lands and later became lieutenant-governor. Under his leadership a much different policy was adopted. The British Columbia Government refused to recognize aboriginal title and it reduced the size of the reserves that had been set up by Governor Douglas and which he said should not be encroached upon. It prohibited Indian people from buying land outside the reserve and discriminated against Indian people in the development or use of Crown land.

All of this was in spite of vigorous protests on the part of Indian people. Indian people in British Columbia have fought vigorously against government and non-governmental attempts to take away their rights. This is true of Indian people right across Canada. While the Indian movement is not simply something that has grown up in the last 10 or 15 years, the significance of the last few years has been the new sense of unity that is growing. It is still a fragile unity but Indian people have always tried to assert their rights.

Between 1876 and 1910 there was a federal-provincial Indian reserve commission. The job of that commission was to review the size of the reserves, some of which had been cut back by Mr. Trutch, and to establish new reserves in areas where they had not been set up. Sometimes reserves were enlarged and sometimes they were diminished.

The consultation that was supposed to take place with Indian bands was often very haphazard. After the commission had established new reserves, the very reactionary governments that existed in British Columbia at that time did not always recognize or approve these new reserves. This meant that the Indian people, even after they had a commission that recommended an enlarged reserve, could not always get the concurrence of the provincial government. There were continual hassles between the federal and provincial governments about the size of the reserve and the generosity of reserves.

Generally speaking, the reserves in British Columbia are only a fraction of the size of reserves in other parts of Canada.

Finally, an agreement was reached between the federal representative, Mr. McKenna, and the provincial premier, Sir Richard McBride, on September 24, 1912. They established a commission which was to tour throughout British Columbia and meet with Indian bands. According to Section 2 of the agreement that was reached on September 24, 1912, the commission had power to adjust the acreage of Indian reserves in British Columbia in the following manner:

(a) At such places as the Commissioners are satisfied that more land is included in any particular Reserve as now defined than is reasonably required for the use of the Indians of that tribe or locality, the Reserve shall, with the consent of the Indians, as required by the Indian Act, be reduced to such acreage as the Commissioners think reasonably sufficient for the purposes of such Indians.

(b) At any place at which the Commissioners shall determine that an insufficient quantity of land has been set aside for the use of Indians of that locality, the Commissioners shall fix the quantity that ought to be added for the use of such Indians. And they may set aside land for any Band of Indians for whom land has not already been reserved.

It is important to note in those terms of reference that any land that was to be reduced had to have the consent of the Indian people and that this was in accordance with the Indian Act itself.

As the commission travelled throughout British Columbia, the Indian people were assured that no action would be taken without their consent. But this assurance meant absolutely nothing. Some 36,000 acres were taken from 22 Bands absolutely without their consent and indeed over their strong and vigorous protests.

In 1920 the federal Government ratified this action by passing The British Columbia Indian Lands Settlement Act. Since Section 3 of that Act is instructive for our purposes this afternoon, I would like to read it:

For the purpose of adjusting, readjusting or confirming the reductions or cutoffs from reserves in accordance with the recommendations of the Royal Commission, the Governor in Council may order such reductions or cutoffs to be effected without surrenders of the same by the Indians, notwithstanding any provisions of the Indian Act to the contrary—

This is important when we get to Clause 4 of Bill C-18. Clause 4 reads:

4. Negotiations toward an agreement described in subsection 3(1), whether or not those negotiations result in such an agreement, do not constitute an admission by Her Majesty in right of Canada of the existence of any legal obligation of Her Majesty in right of Canada toward the band in question.

In other words, it was all done very legally. The Indian people were robbed of their lands by an Act that was passed by Parliament. That is legal as far as Bill C-18 is concerned and I suppose as far as the law of Canada is concerned, but it is not moral or just. Indian people have never accepted it. It has left a legacy of distrust so that when any of us, whether on the Liberal side or the Opposition side, speak to Indian people about legislation that might protect their rights, they are very rightly skeptical. The Indian Act contains many restrictions that have hampered their development over the years but also has built-in protection so that their lands could not be surrendered without their consent. The Indian people have seen how much that protection has meant once Parliament decided to take away that right. The 1920 Act simply removed their right to vote on a surrender of lands and took it from them.

In addition to the official cut-offs following the McKenna-McBride Commission, the Ditchburn-Clark Commission was to review the recommendations of McKenna-McBride. Again, the Indian people were robbed of additional lands and resources.

The Acting Speaker (Mr. Guilbault): Order. I regret to interrupt the Hon. Member but we have reached one o'clock. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. McDermid: Mr. Speaker, I rise on a point of order. Might we seek the unanimous consent of the House to refer the Bill, when second reading is concluded, to the Committee of the Whole instead of to the Standing Committee on Indian Affairs and Northern Development?

Mr. Collenette: Mr. Speaker, this is the first chance I have had to congratulate you on your appointment as Acting Speaker. There have been consultations between the various Parties. I welcome the co-operation of the Hon. Member for Brampton-Georgetown (Mr. McDermid). It would be our disposition to have this Bill go to Committee of the Whole House and then be read a third time later this day.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent to proceed directly to a Committee of the Whole?

Some Hon. Members: No.

The Acting Speaker (Mr. Guilbault): Perhaps the Chair could have something in writing as to exactly what the House wants to do. I can then give the Hon. Member the floor once again.

Mr. McDermid: Mr. Speaker, I was seeking the unanimous consent of the House once second reading is over—there are still some speakers—for the Bill to go to a Committee of the Whole today and then have third reading, as opposed to what was stated initially this morning, namely, that the Bill go to the Standing Committee on Indian Affairs and Northern Development. I am seeking unanimous consent, which the Minister has given and I believe my colleague from the New Democratic Party will give it as well.

The Acting Speaker (Mr. Guilbault): Is there unanimous consent for the proposal made by the Hon. Member for Brampton-Georgetown (Mr. McDermid)?

Some Hon. Members: Agreed.

● (1410)

Mr. Manly: Mr. Speaker, at one o'clock I was referring to the McKenna-McBride Commission which had the job of reviewing the findings of the Ditchburn-Clark Commission. I pointed out that in additional cases Indian people had land taken away from them. In addition to St. Mary's No. 1, the McKenna-McBride Commission allotted 1,280 acres to be designated as Indian Reverve No. 1A. Ditchburn-Clark nullified this and the reserve was never confirmed.

With regard to the Kitimat Indian Band, the McBride Commission ordered a ten-acre reserve cut-off. Ditchburn-Clark amended this by recommending that it be considered a "disallowed application", not a cut-off. That means that the Kitimat people are not eligible under the terms of this Bill or the federal-provincial agreement to have a claim for the cut-offs. In addition, we have the situation of the Lower Kootenay Band. It had a temporary reserve granted, which was kind of a funny status, before the McKenna-McBride Commission appeared.

I referred earlier to Section 2(b) of the terms of reference of the McKenna-McBride Commission which had the power to recommend enlargement of reserves. They did this. They issued an interim report No. 80 recommending additional lands. The final report of the McKenna-McBride Commission completely ignored this and in fact cut off 2,370 acres from the Lower Kootenay Band, leaving it with only 365 acres.

The Lower Kootenay Band at present is accusing the McKenna-McBride Commission of a form of fraud. They have submitted a specific claim which does not come under the terms of the cut-off lands legislation. Nevertheless, we can get some idea of the way in which some of the commissioners operated not in the interest of the Indian people. I quote from page 28 of the Lower Columbia submission:

> On May 13, 1915 Royal Commissioner D. M. MacDowell wrote to Guy Lowenberg in Creston "P.S. Confidentially I can tell you that in dealing with the Creston Reserves we have not neglected your reclamation interests, and no doubt when you are ready to begin work you will be able to ascertain this through the Prov. Govt."

The Ditchburn-Clark Commission continued the process of whittling away at Indian reserves. The final transfer of Indian reserves to the federal Government in trust was not completed until 1938 when Order in Council 1036 was passed. Even that Order in Council reserved to the provincial government the power to expropriate up to one-twentieth of the land of any Indian reserves for highways, pipelines, utility lines, railroads or what have you, without compensation. The McKenna-McBride cut-offs have to be seen in the context of a long history of stealing Indian land by the Governments of Canada and British Columbia.

The movement toward the settlement of the McKenna-McBride cut-offs began in 1969 when the federal Government agreed to negotiate. In 1975 the British Columbia Government under Premier Dave Barrett agreed to negotiate. I am pleased that it was an NDP Government in Canada that finally began the process, but it has to be acknowledged that even that government did not come easily to this position.

I remember a large demonstration in the early summer of 1975 where Indian people were presenting their case to the NDP Government. I remember people going to the NDP convention that year and making a very strong case. They made the case to the rank and file membership of the New Democratic Party and they adopted convention policy that eventually led to the Government's change of policy. That is a heartening example of democracy at work. The Indian people recognize that there is a great deal of goodwill out there if they can only be heard and have their case made.

I want to make a few remarks about the principles of settlement. The money for this settlement comes out of the public purse. There are situations where land was taken from Indian bands and sold to private interests, yet the money for the settlement comes from the public purse. There is no displacement of individual residents. This is important. It indicates that the Government has acted in their interests as well as in the interests of the Indian people in this settlement. It is an important principle to remember when we consider other settlements, especially those relating to offshore rights of fisheries that are involved in some of the aboriginal claims presently accepted for negotiation in British Columbia.

We want to see full justice for the Indian people. It has to be paid for by all the people of Canada rather than just narrow segments. That refers specifically to the fact that an increased Indian participation in the fishery should not be solely at the expense of other British Columbia fishermen. The money involved in this settlement is not an overgenerous sum when you consider the loss of land involved.

I want to emphasize that this money has to be in addition to other moneys that would normally go to Indian bands in British Columbia. There are very disturbing indications that as the Government moves toward what it calls Indian self-government and gives Indian bands greater control, it is cutting off some other very important services. For example, the Urban Native Society of Vancouver has been involved in training urban Indian people in Vancouver over the last 20 years. The funding it received from the federal Government is being cut off.

This shucking off of responsibility and claiming that the bands have the authority to act is not good enough. Conditions have to be improved on the reserves so that people are not squeezed out of them and into the crowded downtown cores of our cities. In the meantime, we have to continue providing some help for those who do go to our cities. Consider a report by the Vancouver Native Peace Liaison Committee which estimates there are some 6,000 native Indian people in Vancouver. The federal Government is doing nothing to help them.

The agreements which have been reached with Indian bands are not perfect. There are assertions in the agreements of provincial title without a recognition of aboriginal title. This is offensive to the Indian people. The present provincial government is playing a very negative role in reaching settlements in the larger aboriginal claims.

Before we get too self-congratulatory on what we have been able to achieve in the cut-off claims, perhaps we should place this once again in the larger context of aboriginal claims. I will conclude by quoting a statement by Mr. Charles Wesley, a band spokesman for the Kispaiox people, when he appeared before the McKenna-McBride Commission in April, 1915. He said, and I quote:

● (1420)

I wish to tell you that this reserve that you have just spoken about is something that we don't wish for, for this reason; We don't want a reserve. This country originally belonged to our ancestors . . . and it is only quite recently that the Government sent men out here to measure this land immediately around us, and we were not notified of it when they did it; then the Provincial Government came in and sold the remaining land immediately around us. All the old camps up the Kispaiox river, where we used to gather our salmon, and our hunting camps, and where we used to pick berries, and what we most strenuously object to is that you insist upon us having this reserve. You have measured all these reserves and you say that that is yours—

We asked that the land which the Provincial Government had sold be returned or given back to us. The Bible is placed between us that we all act true—you gentlemen to speak the truth, the Interpreter to speak the truth, and I will speak the truth. We see it written . . . that the word of God is that a man is not to move another man's landmark. The land marked off for our ancestors was from mountain to mountain, and this is what the Government has picked up into small pieces. This is where our inheritances came from and where they were handed down from generation to generation, but now these have all been sold; therefore we ask that these be returned.

I am glad the Government has been able to negotiate with some of the bands for cut-off lands settlements and that the Government of British Columbia has participated in it. I welcome this Bill. I hope similar satisfactory agreements will be reached with other bands. I also urge upon the federal Government, and especially upon the provincial government, to get on with the act of negotiating and settling the larger and more basic aboriginal claims which Indian people have submitted and which, in the opinion of our Party, are very just.

Some Hon. Members: Hear, hear!

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I want to take a few brief moments to add some comments to this debate. We on this side of the House have been very instrumental and active in helping to facilitate the discussions which are culminating here today, namely, the ratification by Parliament of the understanding reached among the Province of British Columbia, the Government of Canada and the Indian people affected by the B.C. cut-off lands question.

Some of my colleagues have already participated in this matter. Those who follow will talk about the history of this long outstanding question. The Province of British Columbia was never very satisfied with the conditions attached to the agreement to join Confederation, particularly with regard to Indian lands. If one researches the debates and the discussions in British Columbia from the time B.C. joined Confederation until the McKenna-McBride Commission was appointed, one will find that the debates with regard to this question were always acrimonious and bitter. Many people felt that the Indians were treated too generously and that the reserves, the land set aside for them, were in the way of development in the B.C. region. Of course, today all of us have a much more enlightened view about that, and it is today that we are attempting to redress some of the injustices of the past—the deliberate deceptions which we have perpetrated upon our Indian brothers and sisters, the injury of contracts into which we have entered with them, and the treaties and conventions which exist between us.

Basically the settlement is designed either to restore land affected by the cut-off provisions or, in cases where land has been alienated to the point where it can no longer be returned to Indian people, to have the two senior governments enter into an agreement and arrive at a formula whereby they would be compensated for that land either by an exchange or cash payments.

I would like to refer to one example of a particular cut-off question. It concerns the Penticton Band and an agreement which is one of the three or four that are fully negotiated. The reserve area involved was about 14,000 acres. The area alienated was 12,000 acres. There is a federal contribution of $13,217,000 and a provincial contribution of $1 million to this particular band. It is one of the larger ones, if not the largest. Not all of them are that significant, but this example gives an idea of how significant and serious the injustices have been which we have perpetrated upon the Indians of British Columbia in the past.

Of course, one has to understand that the situation in British Columbia is a unique one. There are treaties in B.C. Treaty No. 8 comes in from the east and takes in most, if not all, of the area east of the Rocky Mountains. The rest of the province is not covered by treaties, except for smaller ones in the lower mainland area. The remainder of the province has not been settled and treaties have not been negotiated. Some Indian people in the province claim that no settlements have ever been made, that no arrangements have ever been made, that indeed they have never selected any land and that all the land is up for negotiation.

Therefore we are pleased that it was possible to bring the three actors in this drama together and to arrive at an agreement, inadequate as it will obviously be, which will certainly put that question behind us. I am particularly pleased. I join with the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) in the assertion that, while this will put the cut-off land question behind us, it is certainly not to be seen as a solution to the larger, outstanding question of comprehensive claims and some specific claims which have yet to be settled in the province. I would prefer, as I always have, to have this long outstanding question dealt with in a very expeditious manner and as much as possible with the legitimate concerns, rights and aspirations of the Indian people in mind.

We are at a very critical time in our history as far as Indian people are concerned. We are at a crossroads. Much has happened over the last three or four years particularly, some of it brought on by the decision that we should have an entrenched Constitution and that we should patriate it. Of course, the question as to how our Indian people would be respected and recognized in the constitution had to be decided.

The decision could not be made before the actual patriation and entrenchment took place.

Therefore, the partners in the scheme, the provincial and federal governments, decided that a series of constitutional conferences should be held designed to resolve this particular problem. One such conference will be held next month. It will be the second in a series of these conferences. Indian people are very much engaged in the process of deciding themselves just what kind of role they should be playing in the future of our Confederation.

● (1430)

If one studies history and the proclamations, treaties, contracts and conventions that have existed since 1763 when the first one was signed, one cannot help but be sympathetic to the view of some Indians and their leaders in the country. They still hold that, considering the past, an effective way will never be found to permit them to join society in a participatory way that would help them regain their self-respect and allow them to pursue their legitimate aspirations for themselves and future generations. Those Indian leaders say to their brothers and sisters that the answer to their problem would be self-government outside the framework of confederation and the existing institutions in the country.

As you know, Mr. Speaker, with seven colleagues I participated in a two-year study of Indian self-government. We came to the conclusion, which I should like to think is supported by the majority of Indian people in the country, that a partial answer to redressing some of the past injustices would be to encourage them to join Canada as full citizens and in a way that would permit them to establish a distinct form of self-government which could be brought into the framework of Confederation. I will spend whatever time I have to work on this objective.

The committee of which I was a member and the report of which I was co-author suggest a way to bring about a kind of self-government structure which could function within the framework of Confederation. It would permit Indian people to begin the long, tedious process of recapturing their past, recovering their self-respect, rebuilding their economy and recapturing the soul they lost when the land was taken from them, and to build their culture. It can easily be seen that this would require a form of self-government that would exceed the powers of municipal governments and in some cases even the powers of provincial governments. It would mean that the Indian people would take charge and accept the responsibility that goes along with managing one's own affairs, planning the future of one's children and assuming control of one's life. The rest of us would have to make the necessary accommodations to make that possible.

The Bill is a small step in the long, tedious process in this long journey which we must all take together to remove the incredible shame that hangs over all Canadian society for the treatment of our Indian people over the last 300 years. This is not a perfect solution, but for those that are affected by the cut-off land question it would redress the injustice that was particularly associated with the work of the McKenna-McBride Commission and the collusion of the provincial and federal governments at that time.

I am proud to be associated with passage of the Bill and since we want it to pass all stages today I will end my remarks at this point.

The Acting Speaker (Mr. Guilbault): Questions or comments? Debate.

Hon. Ron Huntington (Capilano): Mr. Speaker, I am pleased to have a few moments to put on record some of the problems that passage of Bill C-18 will leave with a good portion of my constituency. Let me preface my remarks by saying that I realize how long and hard these negotiations have been and what an hour this is for an injustice perpetrated in our history to be corrected.

In the riding of Capilano we have a very wealthy, very powerful, very skilled Indian band. Its leaders are as skilled in the art of politics as any group of people in the country. They are a source of pride to those of us who live around the Squamish Band reserve. They own properties through First Narrows on the north of Burrard Inlet all the way through to Lonsdale. They own very valuable real estate and are an extremely wealthy band, not only at present but potentially in the future.

The City of North Vancouver has no problem with the return of the cut-off land. I have spoken to the mayor and the council of the City of North Vancouver and they are happy that this is proceeding. The Corporation of the District of North Vancouver really has no problem other than the fact that we built our sewage plant on Indian cut-off lands and the District of North Vancouver, the Municipality of West Vancouver and the City of North Vancouver are subject to a whole new cost and arrangement for sewage flow. From correspondence I have had with the Corporation of the District of North Vancouver, I believe that the Greater Vancouver regional district and these municipalities have arranged something in the order of $70,000 initial lease rental on that plant. The surrounding municipalities and the Indian band and properties are very closely integrated in terms of service, bus, water, electricity, road access, building permits and all by-laws. There is now an interface that could cause some concern and anxiety to the municipalities.

The municipality in the riding of Capilano that has cause for anxiety as a result of the cut-off land settlement is the Municipality of West Vancouver. In that municipality 25.9 acres, that is the parcel titled Lot 5521, make up soccer fields, a pitch and putt golf course, the beach, the playground—it really makes up a regional park that serves the Greater Vancouver district. The Municipality of West Vancouver has spent much money and talent over the years in developing this park. In addition, there is a wildlife refuge and some very attractive ponds.

This complete recreation area, this open expanse, when classified or appraised and assessed as park land, comes out at a value of $3 million and, when classified and assessed for

highest and best use in terms of high-rise development, comes out with a value of forty-odd million dollars. That kind of price differential has caused an element of friction between the Municipality of West Vancouver and the Indian band.

I can agree with the chiefs of the Indian bands—and I compliment them on their skills—when they say that they want the land returned, that they need to have it in their hands because it was taken from them by fraud. They want it in order to have the leverage to deal properly and more favourably with the Municipality of West Vancouver. Bill C-18 leaves a good part of the riding of Capilano with the prospect of a major set of negotiations in the future.

• (1440)

I want to see if, in my duties as a Member of Parliament, I can reduce the tensions of that interface as we come into the next few years. For instance, the municipality has a no sign bylaw. On the Indian lands, which surround the entrance to the Lions Gate bridge, one can imagine the value of neon signs, billboards and so on. So this kind of interface with the municipalities is a potential source of trouble. As well the municipalities provide the access, the services, much of the water and everything else for the Indian band, and it is because of this leverage, this teeter-totter of new bargaining position which the Squamish Indian Band has picked up, that we are going to have a most interesting period, particularly for those politicians who serve the Municipality of West Vancouver.

I will not relate the history, nor the justice which is being done in the passage of Bill C-18, Mr. Speaker. I believe the speakers on behalf of the Government and the critics from the Progressive Conservative Party and New Democratic Party have covered that aspect of the Bill. I am going to hold my few remarks to some of the problems and make a plea to both the Indian band in Capilano and the Municipality of West Vancouver to enter into high-level negotiations with the spirit of co-operation, rather than have a long, lengthy period of confrontation which will create tensions and unnecessary anxieties in the future.

Something else which complicates that situation in Capilano, Mr. Speaker, is the fact that back in 1972 an upstart candidate came along and decided to run against the Fisheries Minister of the Liberal Government. That Fisheries Minister had something like a majority of 28,800. Anyone who would consider running against that very talented, very well educated Rhodes scholar who served the Liberal Party, had to be nuts and had to be defeated. I did a pretty good job of cutting his majority down. My goodness, Mr. Speaker, what a cost the people of Canada have paid ever since.

During the 1972 election the Government was throwing money around as only Liberals can.

An Hon. Member: As they do now.

Mr. Huntington: The year 1972 was the shade of things to come because this Minister of Fisheries decided that he would move all the West Coast environmental and fisheries offices into a location on the waterfront in First Narrows on the Indian reserve. And we have been paying an annual adjusted cost rental on that vacant property—which still has the same bullrushes and swamp grass it had in 1972—of $6.7 million to the Indian band for that political promise of the then Minister of Fisheries. We have been living with this for a long time, Mr. Speaker. About two or three years ago, the solicitor for the Indian band approached its Member of Parliament and asked if he would assist in having the federal Government co-ordinate all the potential public works projects for final development on that land which we have been paying so dearly for. We started into very quiet negotiations. I agreed automatically to keep it out of the political realm and see what would come to pass. Well, some three years have passed. A couple of Senators took the project over, I was no longer consulted and so nothing has happened. We do hear rumours that the fisheries station at Caulfield, which is also in my riding, is about to receive a magnificent permanent dwelling. The Department of Fisheries out there has a bricks and mortar complex, you must remember, Mr. Speaker, not protection of the species or the environment.

I suggest that instead of building that plant at Caulfield, it should be built on the very expensive land we have leased for the next 60 or 70 years. That is what the original agreement stated and the Indians are not going to accept anything less unless there are some major tradeoffs which would give them great advantage. Those Indians signed a lease with the federal Government which said that the Department of Fisheries and the Department of the Environment will locate structures on that land. The Indians agreed to this lease not just for the money, but because they saw it as an opportunity to attract other activities of a high standard and order to that centre so that the whole value of their surrounding lands would be enhanced.

We are very proud of the political and business acumen of the Indian leaders in my riding. They can outsmart us "honkies", or whatever one wants to call us, any time of the day. They have the time and patience which we do not. Money has been poured into the riding. Yet I feel the provincial government, in negotiating with the federal Government and with the Indian band, has really let the municipality and the residents of West Vancouver down because it did not consider the park land, the golf course and that whole recreational area. They are encumbered lands and those lands have now been returned to the Indian band. I suppose the Indians correctly and rightfully feel that the surrounding municipalities and residents have really been keeping the Indian lands as open space protection. We in West Vancouver do not know whether we are going to lose this beautiful park area, whether it is going to be covered with high-rise development or what.

I want to make a plea to these constituents and to the Indians, through the opportunity of this debate, to forget some of the things which have happened in the past. I believe officers of the municipality have been extremely rude and hard with Indian negotiators. I believe perhaps we in the outside municipality lack the negotiating skills which the Indian lead-

ers have. Perhaps we can improve our approach to these negotiations. If we do not do this willingly, I believe we are going to be forced to do so just through the economic axe, which we have a tendency to understand. I would like to see the Indian band and the Municipality of West Vancouver find the right vehicle in which to tie all these things together, such as the Department of the Environment lease on the Indian lands. Instead of building a permanent fisheries research establishment at Caulfield, perhaps that should be considered as one of the tradeoffs. Perhaps a compromise has to be made in terms of high-rise development on Lot 5521 *vis-à-vis* some of it remaining open for parks. Certainly, the Indians must benefit from that openness and the beauty of that setting.

We are debating second reading of Bill C-18 today. This Bill is something we are all pleased to have happen. However, I must say that it does leave at least one of the ridings in Canada with some very major problems ahead of it. I would hope that a new spirit of negotiation can be started which will resolve with a minimum of disturbance and tension some of the problems left.

I cannot help but say I object most strenuously to Bills coming in at the last minute and being passed in this House through all stages on a Friday afternoon. I believe it is travesty of the purpose and function of this House and Members of Parliament. I want to remind you, Sir, that the same thing happened with Bill C-169. It passed all stages on a Friday afternoon and we trampled on some essential rights and freedoms. Each and every one of us in this House should be ashamed of doing so. We have not corrected that travesty because we got lazy, we got impatient, we had a deadline set on a Bill just as we have a deadline on this Bill. I have transcripts of meetings and negotiations between the municipalities and the provincial government going way back into last year, saying this Bill would be passed last fall. Yet here we are with a deadline of March 6 for this Bill and we are rushing through the speeches.

● (1450)

As a Member of Parliament I object most strenuously to that, and on behalf of my constituents I want to take this opportunity to apologize, because it was only this morning that I learned about this Bill coming forward today. That is probably my fault, I should have known about it yesterday. I also apologize for what I have done to the rights of free people in allowing Bill C-169 to pass through in a similar manner.

The Acting Speaker (Mr. Guilbault): Questions and comments? Debate.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, like the Members before me, I am very happy to have the opportunity to speak on Bill C-18. This is the first time a Bill has come before this House which affords me an opportunity to tell this House about some of the Indian bands in my constituency. The Bill affects one band directly and presents me with what I think is a golden opportunity. It speaks of lands in the Okanagan Valley, so I can tell the House what these lands are, where they are, what they are like, what the temperature is there, and how much of a loss they were to the Indian bands. Some Members, and I hope that you are not one of them, Mr. Speaker, have not yet had the opportunity to visit the Okanagan Valley. I wish that everyone here, hopefully very soon, will have that opportunity. In the meantime I would like to give you an overall view of what is involved in these lands.

As I hope you know, the Okanagan is some 300 miles from the centre of "Lotus land", as some people call Vancouver.

Mr. Huntington: So is the Okanagan.

Mr. Dantzer: That is God's country. It is also 300 miles from the City of Calgary, so it is in the very enviable position of being right at the centre of everything that is important in western Canada.

As you may well know, the lake starts at the American border and goes up some 70 miles to where it ends in the lands of the Okanagan Indian Band. Midway is the City of Kelowna, at the south end is the City of Penticton, and at the very north end is the City of Vernon. That lake is one of the most pristine and beautiful lakes in all of Canada. Many of these cut-off lands were taken directly next to the lake so they were very valuable indeed.

The climate in the Okanagan, as I hope everyone knows, is one of the most beautiful in the world. We have four distinct seasons: a gentle winter, nice spring, hot and dry summer, and a nice long fall. These conditions are ideal for growing the many crops we do. In fact, starting from the border up to Vernon and beyond is probably one of the best fruit-producing areas in all of Canada. We grow many crops there, many vegetables, and we also do a great deal of lumbering. These are the kinds of activities the Indian bands located in my constituency are involved in, and they do them exceedingly well.

We have industry there, non-polluting industries, and oddly enough manufacturing is a very high income producer in the Okanagan even though that area is now rather depressed.

Speaking of Okanagan Lake, I would be somewhat remiss if I failed to mention another very important aspect of that lake and to add perhaps a little light relief to this dry debate today. I suppose many of you have heard of the Loch Ness monster. I hope you have all heard of the friendly monster in the Okanagan.

Mr. Huntington: Ogopogo.

Mr. Dantzer: Right you are, Ogopogo. I want to invite you, Mr. Speaker, and all Members of this House to visit the Okanagan next summer, to fish, frolic and have fun, and while you are there to try and make $1 million by finding, identifying and securing Ogopogo. Recently the Kelowna Chamber of Commerce, in conjunction with a contract with Lloyds of London, offered $1 million to anyone who identifies—

Mr. Manly: A point of order, Mr. Speaker. We are debating a very serious Bill affecting the Indian people of British

Columbia. I do not think we need to hear a chamber of commerce announcement for the Okanagan, which is the second most beautiful part of British Columbia.

Mr. McDermid: Sit down, Manly. No one interrupted you.

The Acting Speaker (Mr. Guilbault): Order. The point is well taken. Having lectured us very ably on the geography of his area, the Hon. Member would be well advised to try and bring his remarks more in line with the subject.

Mr. Dantzer: Mr. Speaker, I submit my remarks were in relation to the subject. I was talking about Ogopogo which brings tourists to the town, and it is a benefit to the Indians who live on the band reserve near and on the shores of that lake.

Mr. Huntington: They are all businessmen.

Mr. Dantzer: They are all very good businessmen. In my constituency, Mr. Speaker, we have two Indian bands, one being the Spallunchеen Band. That band has some 320 members, its chief is Wayne Christian and the band manager is Graham Go. There are three reserves for this band: Salmon River reserve, the Enderby reserve and the Sicamous reserve. The band is primarily occupied with forestry, including logging, and agriculture, farming and livestock. It might be of interest to know that that band has built some 26 new homes on reserves over the past three years.

The band most closely connected with Bill C-18 is, of course, the Okanagan Indian Band. Its chief is Murray Alexis, and the Parliamentary Secretary in his closing remarks quoted Murray Alexis at the time he signed contracts approving of this particular Bill. There are five reserves in this band: the Okanagan Indian reserve where about 600 members of the band live. Since there are only 875 members in total, this is by far the largest reserve and it sits right at the top of Okanagan Lake. There is Otter Lake reserve, the Harris Lake reserve, the Priest Valley reserve and the Duke Lake Indian reserve which is near the town of Winfield. These reserves were established at the time of the Indian settlements at the turn of the century, especially at the north end of the lakes where rivers and creeks provided the only means of transportation.

The Okanagan Indian Band is known for its independence of spirit. These Indians know and value their land. They have established many industries and farm communities. They have established good orchards, small market gardens and are highly responsible and independent. We in the Okanagan are very proud and pleased that they are part of our community. One of the great statesmen of that period was Chief Nichola, an Indian chief renowned throughout British Columbia for his wisdom and his skills in agriculture. In recognition of his leadership, he lies buried in honour at the head of Okanagan Lake. Some 35 new homes were placed in that band last year. By and large I would say they are a model for Indian bands throughout British Columbia.

• (1500)

I am very pleased to have an opportunity to speak to Bill C-18. We in the Okanagan do not have the conflict which the Member for Capilano (Mr. Huntington) is faced with in his community. I am very happy with that. I can see he does have some difficulties. I am sure if they in that community use the wisdom and prudence which the Member has displayed on many occasions in the House they will resolve their problems very adequately. The Okanagan Indian Band is one of the 22 Indian bands whose original reserves were reduced in size without Indian consent. Much of that has been detailed in the House this afternoon.

I will describe the events in the Okanagan. As a result of the McKenna-McBride Commission of 1916 an area comprising 51.82 hectares of land was cut away from Long Lake Indian Reserve No. 5. The House might like to know that Long Lake is not now the Okanagan Lake, although that is what it should be. It is now called Lake Kalamalka, the lake of many colours. We do not dump any sewage into Kalamalka Lake that I am aware of. I live on the lake and I drink the water as it comes from the lake, as does everyone else around the lake, and we are all very healthy. We have very pristine, potable water in the Okanagan. It is probably one of the few places in the world where there is such pure water.

That was very valuable land which the Okanagan Indian Band lost. In 1983 the Government of Canada finally agreed to pay compensation of $1.4 million to the band for lands cut off which are no longer available to be returned. Subject to ratification by the band, the Province of British Columbia will return some 27.4 hectares of land and will pay $32,500 in full compensation of that claim.

We have been asked by the Minister of Indian Affairs and Northern Development (Mr. Munro) to pass this Bill speedily in order to enable the federal Government to meet its responsibility, and in order that the provincial Government meet its responsibility and act under the agreement. I would not normally pay much attention to the Minister's request that we hurry this Bill through. I received a letter from Chief Murray Alexis written June 23, 1983. It reads in part as follows:

> We have reviewed the proposed legislation and have consulted our legal advisor to determine if the proposed legislation should be of concern to us. The Council has been advised that the legislation is in order and that it would be in the Band's best interest if it were passed without delay.

He goes on to say:

> The Okanagan Band Council has been advised that the above-noted legislation will be considered and possibly passed by Parliament prior to the 30th of June, 1983.
>
> To that end, we would request you to urge your fellow Members of Parliament to consider and pass this legislation prior to the recess of Parliament on the 30th of June.

As the previous speaker pointed out, it has taken a whole year for that legislation finally to come before this House, to be rushed through on a Friday afternoon. In this letter they are telling the bands that they could have done it a year ago. We are going to put this legislation through. I certainly agree with the comments of the previous speaker, the Member for

Capilano. I hope that this kind of very important legislation will not be proceeded with in this manner in the future.

I think and hope that Bill C-18, will mark the beginning of the long process of curing and healing of the relationship between our native Indians and the rest of the country. It is very clear that in the case of the cut-off lands these lands were taken without the consent of the Indians. The cut-offs were taken in clear abrogation of explicit promises to British Columbian Indians not to reduce reserves without the consent of the bands concerned. The bands were denied the principle of equity which is normally associated with the taking of lands by Government. There is normally full compensation in cases where it is necessary to proceed by expropriation. The unbelievable extent to which promises were explicitly breached and principles of equity wilfully violated by the Government accords to these land claims a unique character which should have ensured a more expeditious solution in the past. I hope we can arrive more quickly at the solution to the other land claims which the aboriginals throughout the country now claim. I am sure that, with the right kind of attitude, particularly that expressed by the Member for Peace River (Mr. Cooper), we will.

Before I close, Mr. Speaker, I would like to quote from the report of the Special Committee on Indian Self-Government in Canada. It is a very good report and I would recommend it to all those in Canada who are interested. The report says in part:

> The view of history held today by most non-Indian Canadians and the perspective held by most Indian people are almost mirror images. Indian people consider the "discoverers" and "explorers", in whose memory monuments are erected and postage stamps issued, to have been intruders in a land already well known to the nations that inhabited it. Indian people know their nations to have been productive, cultured, spiritual, intelligent civilizations comparable to those in Europe at the time of first contact. But they are portrayed instead as savages and pagans, unknowing of religion and needing instruction in simple tasks. Because only a one-sided, negative portrayal has been widely disseminated, non-Indian Canadians are poorly prepared to understand the perspective held by Indian people and to comprehend the background behind the distressing and unacceptable situation of Indian people in Canada today. This ofen leads to confrontation.

To that I say amen, and I hope that in the future we can better understand the problems we face in order to solve them more equitably.

Mr. Manly: Mr. Speaker, I have a very brief comment. I agree with the Hon. Member who just spoke about the lateness of the date and the shortness of the debate. I regret both of those factors with regard to Bill C-18. However, I think it should be pointed out that while the legislation tabled in June 1983 was acceptable to some bands, and obviously to one of the bands in his riding, it was completely unacceptable to some of the other bands that were affected. I am not sure what the official position of the Conservative Party at that time was, but in our Party we indicated to the Minister that we were not prepared to deal with that Bill as quickly as he wished at that time. We wanted some changes made in the legislation. I am pleased to say that in Bill C-18 we have those changes. There are changes in the wording of the definition of cut-off lands and also the addition of Clause 7, which makes the Bill much more acceptable to those bands which felt it was unacceptable before.

Mr. Dantzer: Mr. Speaker, the Conservative Party agreed that there should be further negotiations. But those are very simple amendments. It would take about a month to work those out, not a whole year. That is what we are complaining about.

• (1510)

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, as a postscript to the comments on the business of the House let me say that the Government has decided to throw in Bill C-18, an Act to provide for the settlement of claims by Indian bands in British Columbia relating to certain lands cut off from their reserves. I give credit to the Parliamentary Secretary for his fair and reasonable introduction to this Bill, but at the same time I must express my dismay and abhorrence at the fact that the Minister, who has delayed this Bill for so long and has so irritated the Indian people in British Columbia, has seen fit on this particular day to be on a political junket and subjected to the adulation of his supporters—both of them—

The Acting Speaker (Mr. Herbert): Order. I must call the Hon. Member's attention to the fact that he is not supposed to make reference to the presence or absence of any other Hon. Member.

Mr. McCuish: Mr. Speaker, as I mentioned, this Bill has had a long and bitter history. The negotiations that led to this tripartite agreement have their roots back in the nineteenth century. British Columbia entered Confederation in 1871. The federal Government inherited the responsibility for the Indians and Indian lands. It is at this time that the federal-provincial disputes over Indian affairs arose.

The 13th article of the Terms of Union provided that:

> (1) The charge of the Indians and the trusteeship and management of the lands reserved for their use and benefit shall be assumed by the Dominion Government.
>
> (2) A policy as liberal as that hitherto pursued by the B.C. Government shall be continued by the Dominion Government after the Union.
>
> (3) To carry out such policy, tracts of land of such extent as it has hitherto been the practice of the B.C. Government to appropriate—
>
> —for Indians—
>
> —shall from time to time be conveyed by the local government to the Dominion Government in trust for the use and benefit of the Indians.

That was in 1871, and there has been a dispute for the last 111 years.

An important argument in this dispute was the difference between the two Governments about the basis of allotting acreage on reserves. The federal Government proposed 80 acres be allotted to each family. The province claimed that 10 acres per family was enough, and kept I. W. Powell from allotting acreage and surveying any additional reserves. It is important to realize the importance of that particular formula because our forefathers were dealing in acreage at a time when we know that the Indian people were involved in agrology,

fishing and living off the land. Land has increased in value ten thousand-fold since that time.

The point I am making is that if we let this fact elude us, we will continue to delay legitimate Indian claims. At the time of the settlement, the increase in the value of the land would be a direct and additional heavy burden on the taxpayers of Canada. That is why it is a shame that the federal Government and the provincial Government in British Columbia have delayed settlement of these particular claims.

I referred to I. W. Powell. Mr. Powell said at the time of the first negotiations that, "If there has not been an Indian war, it is not because there has been no injustice to the Indians but because the Indians have not been sufficiently united". As my colleague and friend from Capilano has stated, there is indeed unity among the Indian bands in British Columbia at the present time. As he also said, they have both the time and the moxie to outclass us in negotiations. It is time that we respected that ability, that sincerity and that right which they do indeed have in these particular claims.

The impasse between the federal and provincial Governments continued through the late 1900s and into this century. In 1911, this dispute reached a head. Essentially, British Columbia never wanted to give the federal Government jurisdication over Indian lands. In 1911 there was an attempt to resolve the dispute by referring it to the Supreme Court of Canada. But at that juncture the Province of British Columbia backed down. The province in its own right then passed legislation giving itself the authority to "grant, convey, quit claim, sell or dispose of . . . on such terms as may be deemed advisable . . . the interest of the province . . . reversionary or otherwise . . . in any Indian reserve or any portion thereof". The unitateral attitude behind that legislation is a problem.

The province's law was a direct challenge to the federal Government and indeed to the Indian people. The result of these negotiations was the McKenna-McBridge Agreement in 1912. The history of that agreement has been well covered during this brief debate. Although I have researched it, I need not go through it again at this time.

According to the agreement which the commission had reached, legal title to the cut-off lands remained with the province, with the requirement that the province turn over to the bands 50 per cent of the proceeds realized from the sale or other disposition of the lands.

Obviously the bands involved felt that there was a breach of the McKenna-McBride Agreement because lands were cut off without their consent by reason of the provincial legislation. The grievance of the Indians over cut-off lands has persisted throughout the years. Both levels of Government were pressed for retribution for the cut-off lands.

In 1969 the federal Government agreed to negotiate a settlement of the grievance. Successive federal Ministers of Indian Affairs have publicly supported the need to redress Indian bands for cut-off lands. Negotiations between the two Governments and a committee representing the bands began in 1977.

Today we are dealing with a long-standing claim by 22 Indian bands in British Columbia that had 33,400 acres of land taken from 34 reserves some 60 years old without their consent. It is for this reason that we are here today finally to receive this Bill for second and third reading and final passage. I am pleased to have had this opportunity to speak to Bill C-18. It is a good thing that we will shortly see the passage of this legislation, for without it the provincial Government will not be obliged to transfer lands or money to any of the 22 cut-off bands.

● (1520)

Mr. Manly: Mr. Speaker, I was interested in the comments of the official critic, the Hon. Member for Brampton-Georgetown (Mr. McDermid) who said that Indians had nothing to fear from a Conservative Government, that the Conservatives would continue to respect their rights, and so on. But listening to the Hon. Member today, I wonder whether he still subscribes to the views he expressed in a letter he wrote almost a year ago on February 18, 1983 to Mr. Charles Wood, President of the Indian Association of Alberta. At that time the Hon. Member for Prince George-Bulkley Valley (Mr. McCuish) wrote:

> I consider the Indians as one race among many which comprise the populace of Canada, Mr. Wood, and the White Paper concept referred to on pages 3 and 4 of your letter, calling for "termination of Indian Status and Rights" with the transition from Indian reserves to provincial municipalities would be the courageous and proper action for the Federal Government to take.

Does the Hon. Member still subscribe to those views?

Mr. McCuish: Mr. Speaker, I still subscribe to those views, even more so. That does not detract at all from the position I take with respect to the cut-off claims. Those were agreements that were made but are not legislation. I respect them. I respect any agreement that has been made and agreed to among parties of three levels.

As far as my attitude toward the treatment of Indians is concerned and the basic philosophy of how we should treat this horrendous problem, it has not changed one bit. what we are doing now is a perfect demonstration of what happens in a purely socialist state when we put people in a reserve and say "Stay there and we will make you happy with food, water and clothing." That is what the Member has been advocating. I am saying, let us make Canadians out of Indians and we will have a proper country here.

Mr. Manly: Mr. Speaker, I have a short supplementary question. I disagree completely with the Hon. Member's interpretation of socialism. I presume that he would disagree with the views expressed by the Hon. Member for Mississauga South (Mr. Blenkarn) in an August 16, 1979 letter to Mr. Noel Starblanket, President of the National Indian Brotherhood. The Hon. Member wrote:

> I certainly do not subscribe to your proposition that the Government of Canada should pay compensation to the Indian people for past wrongs.

I presume the Hon. Member would want to disagree with the Hon. Member for Mississauga South.

Mr. McCuish: The Hon. Member for Mississauga South (Mr. Blenkarn) has his views, I have mine, and my good friend on my far, far left has his. I respect those views. I will argue them, I will debate them, but I do not wish to be associated with his philosophy or that of the Hon. Member for Mississauga South.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, being aware of the agreement among the Parties this afternoon that we will refer this matter, not to the Standing Committee on Indian Affairs and Northern Development but, rather, to Committee of the Whole, and the further agreement that we will dispose of report stage and third reading this afternoon, I will try to make my remarks as brief as possible.

I want to reiterate the official position enunciated here this afternoon by the Conservative spokesman, the Hon. Member for Brampton-Georgetown (Mr. McDermid), that we on this side of the House will support this Bill. The issue goes back many, many years to the turn of the century. I think the first reference to it in the Bill before us is something that happened in 1912. We are pleased that, after a period of some 70 years, apparently justice is now to be done. Not only do we support this, but it was at the initiative of our spokesman that we agreed to use the process I first described this afternoon of dealing with this Bill in one day. I hope the Senate will deal with it equally expeditiously and that we can have this Bill passed into law and receive Royal Assent before the March 6 deadline.

You might like to contrast the position taken by the Progressive Conservative Party, Mr. Speaker, with that taken by the Liberal Party on this matter. The Liberal Party has been dragging its feet on this issue year after year after year. You only have to look at some of the notes that have been provided to us by the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Maltais) to see the lack of progress that has been made on this issue year after year after year. Where, Sir, is the Minister of Indian Affairs and Northern Development (Mr. Munro)? It is very seldom this Minister presents legislation before the House of Commons. We know this is something he should be doing. Time and time again the House of Commons as a whole has urged him to bring in amendments to the Indian Act, but so far he has refused to do so. And when one of the few Bills his Department manages to bring forward is to be debated, the Minister apparently finds more important things to do elsewhere. This afternoon it is very evident what importance the Minister attaches to this type of legislation when he refuses to attend the House of Commons.

The Acting Speaker (Mr. Herbert): Order, please. I hate to interrupt the Hon. Member but I have already told the House that Members are not supposed to make reference to the presence or the absence in the House of an Hon. Member. The Hon. Member went around the subject in a certain fashion and I allowed his remark. I think, however, that he should stick to the rules of the House and try to wrap up his comments so that he does not have an objection from the Chair.

Mr. Jarvis: Mr. Speaker, I rise on a point of order. I am not in any way quarrelling with what I think you put as a suggestion or indicated that Members were not supposed to comment on absences or presences. That has never been my understanding with respect to a Minister in whose name a Bill stands. In the 12 years I have been here, with all respect, a reference to the presence or absence of a Minister in whose name a Bill is debated on second reading has not only been commonly done but, I think, regularly done. I do not think you have made a ruling on this matter—

Mr. Cullen: Civility.

Mr. Jarvis: My hon. friend from Sarnia says "civility". But that Hon. Member when he was a Minister was always present in the House when his legislation was here. If we are going to talk about hypocrisy—

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Herbert): Order, please. I think the point has been well made. Nevertheless, the rules are quite clear. Hon. Members are not supposed to make reference to the presence or absence of other Hon. Members.

Mr. Mazankowski: With Ministers you can.

The Acting Speaker (Mr. Herbert): I think enough has been said to establish the point. I think we should leave it at that. The Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Nickerson: Mr. Speaker, whether your contribution be a ruling or a suggestion—

[*Translation*]

The Acting Speaker (Mr. Herbert): The Hon. Parliamentary Secretary rises on a point of order.

Mr. Maltais: Mr. Speaker, I merely wish to say that if the Minister of Indian Affairs and Northern Development (Mr. Munro) is absent from the House today, it is because he is in the Yukon attending a meeting with Indian organization representatives to prepare for the Constitutional Conference scheduled for the 8th, 9th and 10th of March. That is why he is not here now.

[*English*]

Mr. Nickerson: Mr. Speaker, I will take your advice and not refer to any Ministers who may or may not be present in the House this afternoon. I will refer to one Minister who, at the present time, happens to be going to my riding, there to talk to a Liberal partisan organization.

Mr. Huntington: While his Bill is in the House.

Mr. Nickerson: It is Ministers like this, who put partisan concerns before public concerns and before the concerns of their Department and the special interest that their Department has in certain groups of Canadians, who bring the entire Liberal Government into disrepute, Sir. However, in this case

you might think I am worried about this unnamed Minister travelling around my riding on partisan business, but I am not worried. My constituents know that when an important Bill such as this one comes up in the House, at least their Member of Parliament is here in Ottawa performing his public duty. When that certain unnamed Minister travels around the North, if anything it does me and the Party I represent more good than harm. Every time he goes there, I count among my constituents slightly fewer Liberals. There are not that many to start with, but every time he has been there, there are one or two fewer when he leaves. If he stayed there for a whole week, I would venture to guess that you would not find a single living, breathing Liberal in the whole Northwest Territories.

• (1530)

Another Liberal trick that we see introduced into the House again this afternoon, and it has been done many times, is to wait until a deadline approaches. In this case there is a deadline of March 6. If this Bill is not passed into law by March 6, then certain obligations regarding moneys that have been undertaken by the Government of British Columbia expire.

The Government had all kinds of time to bring in this Bill previously. It could have brought it in just after the Speech from the Throne. What did it do? It waited until February 17, when it knows that Parliament is going to recess on February 24, seven days hence, and insists that the Bill be gone through in a matter of two or three days. It also knows that the House is cluttered with business arising out of the non-budget brought down by the Minister of Finance (Mr. Lalonde).

Mr. Epp: And he wants the spy Bill.

Mr. Nickerson: He wants the spy Bill.

Mr. Kaplan: We know what respect you have for deadlines.

Mr. Nickerson: There is very little parliamentary time with which to deal with this Bill. It is despicable to use this trick and this tactic in order to get Bills through, putting pressure on the Opposition so that in all probability they cannot give this matter the real attention it deserves.

When we look at the Bill, we find out that the intention behind it is to put into effect agreements, some of which have been negotiated, signed, sealed and delivered, and other agreements which may be negotiated in the future. Where are these agreements? If that is the main part of the Bill, surely the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development should be able to provide us with copies of this agreement, but he has made no offer to do that. Parliament is being asked to approve agreements, some of which have not yet been negotiated, sight unseen. We are quite prepared to accept the fact that some of these agreements are still in the process of negotiation, but we would like to see—

[*Translation*]

Mr. Maltais: Mr. Speaker, I rise on a point of order.

The Hon. Member has just stated that he does not know which agreements have not been ratified by the parties. I should like to remind him that I clearly indicated in my statement this morning all the points which have been negotiated, as well as the amounts of money and sizes of land involved.

The Acting Speaker (Mr. Herbert): That is not a point of order.

[*English*]

Mr. Nickerson: You are quite right, Mr. Speaker, that is hardly a point of order. After long experience in dealing with Members opposite, we have found that we are not able to take their word when they say something. They tell us not to worry about an agreement, that they will tell us what is in it. That is not the way I like to go about these matters. I would like to have the agreement in black and white, signed, sealed and delivered, examine the signatures on it, especially if it was signed by the Minister of Communications (Mr. Fox), so that I can make sure that the signature that appears on the face of it is genuine. Quite frankly, I am not prepared to take the unsubstantiated word of Hon. Members opposite. It would have been of considerable help if at least one of these agreements, and I presume they are all after the same fashion, had been made available to us so that we could see exactly what the agreement said.

I want to go through the Bill quickly and deal with the principles contained in it. When I heard that a Bill of this nature was coming forward, I thought the intent of the Bill must be to give authority to the Minister of Indian Affairs and Northern Development to enter into these agreements. When you read through the Bill, you find that is not the case. Apparently the Minister already has authority to enter into agreements of this nature. The parties who do not have that authority and to whom it must be given by Parliament are the bands and the band councils.

It is the intention of Clause 3 of the Bill to give to a band council the authority to enter into these agreements. This is indicative of several problems that are faced by bands and band councils throughout Canada. Under the Indian Act, they do not have authority to enter into legally binding agreements. This prohibition frequently delays considerably the needed developments on reserves that have been set aside. The inability to enter into legally binding contracts such as mortgages makes it very difficult for such developments to take place.

I can well understand the frustration that band councils must feel when they have good deals going, when they want to take advantage of the land on the reserves or other resources such as lumber contained thereon, and they find themselves prevented from entering into mortgages and similar types of arrangements with which to raise the necessary funds. Under the Indian Act they are denied that authority, which comes as a matter of course to practically any other body corporate in Canada. What we are doing with this Bill is giving that needed authority.

Clause 4 of the Bill denies any legal obligation on the part of Canada with respect to lands about which they enter into negotiations. That presumably is a standard type of clause in these agreements or in legislation of this type. Clause 5 of the Bill deals with the retroactive—

The Acting Speaker (Mr. Herbert): Order. Once again I have to draw the Hon. Member's attention to the fact that on second reading reference should not be made to a clause in the Bill. We are discussing the principle of the Bill.

Mr. Nickerson: The principle contained in the Bill to be found in Clause 5 deals with retroactivity. Yet another principle is contained in Clause 6 of the Bill. The third, fourth or fifth important principle contained in the Bill gives authority to the Governor in Council to finalize future agreements. Parliament is once again delegating to the Governor in Council authority to sign deals on behalf of Parliament. Again these are to be "sight unseen" agreements. In this instance we only have the word of the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development that these agreements will not contain anything offensive to Parliament or which we did not intend when passing this legislation.

• (1540)

I was pleased to hear the presentation of the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) on another principle of the Bill, the one contained in the last clause. This removes some of the fears of the beneficiaries under these agreements in British Columbia with respect to extinguishing claims to lands other than the so-called cut-off lands. This principle in the Bill makes it quite clear that other lands to which people lay claim will not be affected by the passage of Bill C-18.

I will conclude my remarks because this matter is to be referred to Committee of the Whole. All in all, I am pleased that we will be able to bring into effect this afternoon at least partial settlement of some of the outstanding specific claims. The record of the present Minister of Indian Affairs and Northern Development is appalling. He has been in office for some four years and has failed to make any progress. There has not been one comprehensive claim dealt with in finality in those four years, although I have a press clipping in my files which quotes the Minister a week or so after he came into office as saying that he would have these matters wrapped up in about six months. He has been in office four years and not one comprehensive claim has been dealt with in finality. With the exception of the Fort Nelson agreement with which we dealt a couple of years ago, this is only the second group of specific claims that have been addressed. Progress has been extremely slow and very agonizing, but at least we see a little more progress with Bill C-18.

The Acting Speaker (Mr. Herbert): There is a ten-minute period for questions, answers and comments. No one is seeking the floor for questions. Is anyone seeking it for debate?

Some Hon. Members: No.

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

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Herbert in the chair.

On Clause 2—*Definitions*

Mr. Nickerson: Mr. Chairman, on page 2 of the Bill, Clause 2 refers to certain of the cut-off lands which are not to be included. These lands are the so-called Railway Belt and the so-called Peace River Block. Would the Parliamentary Secretary be kind enough to explain to us what and where are the Railway Belt and the Peace River Block? Would he also explain why they have been excluded from Bill C-18?

[*Translation*]

Mr. Maltais: Mr. Speaker, these details were worked out at the time of the negotiations and they appear in the reports which are in the Department's possession. This bill does not contain all the elements which were negotiated; but we are ready to table any time the agreements which have been negotiated as well as the specifications pertaining to this particular agreement.

[*English*]

Mr. Nickerson: Mr. Chairman, the Parliamentary Secretary did not tell us where the Railway Belt is or where the Peace River Block is. Perhaps he could at least tell us the rough geographical location of these lands, if he knows.

[*Translation*]

Mr. Maltais: I could provide the House with the exact particulars on that, but the Peace River Block which is described here is directly connected to the area which was described with the Indian reserves concerned.

[*English*]

Mr. Huntington: Mr. Chairman, in his remarks in second reading the Parliamentary Secretary mentioned the difficulty they were having in acquiring all the agreements. He mentioned that there was still one agreement which they failed to negotiate. Is this the particular agreement which they failed to negotiate? If it is, perhaps he could nod; if it is not, perhaps he could tell us which one is outstanding.

[*Translation*]

Mr. Maltais: Mr. Speaker, what is involved is an agreement with a group of Indians in Westbank, who are asking for additions to the Canadian Government's offer for as long as the various agreements are not signed, because monetary and land area details still have to be finalized. It is strictly a matter

of the amount of money and the number of acres required by the Westbank group.

[*English*]

Mr. Huntington: Mr. Chairman, could the Parliamentary Secretary tell us in what province that particular band is located?

[*Translation*]

Mr. Maltais: In British Columbia, Mr. Speaker. In British Columbia.

[*English*]

Mr. Huntington: Could I ask the Parliamentary Secretary whether there were funds involved and whether those funds expire on March 6 as a result of their not being part of the agreements pertaining to this Bill?

[*Translation*]

Mr. Maltais: Mr. Speaker, at the moment there is no funds involved, directly, in the issue. It is simply a matter of reaching a formulation that is agreeable to both groups. These Indians are asking for certain sums of money and a certain land area, but there is no complete agreement on that. This is why, for the time being, one band still has not completed the agreement.

Clause agreed to.

On Clause 3—*Agreements re cut-off lands settlements*

[*English*]

Mr. McDermid: Mr. Chairman, I would like to direct a question to the Parliamentary Secretary. There are 22 agreements which are either completed, being negotiated or under review. The one under review is the one in the Okanagan. Could he explain why it is under review and where it stands at the present time?

[*Translation*]

Mr. Maltais: In Okanagan, Mr. Speaker, this is quite true, as the Hon. Member stated. The agreement is practically finalized. There are still monetary matters to be settled. It is a matter of money, and last week we were on the verge of a settlement.

[*English*]

Mr. McDermid: I am referring particularly to the Okanagan agreement. It appears that everything has been agreed to except the band vote, and it appears in my briefing notes in any event that that is what is under review. The Parliamentary Secretary said that it was money and lands, but my briefing notes from the Department indicate that it is the band vote. Does the Parliamentary Secretary know anything about that? Could he expand on that?

[*Translation*]

Mr. Maltais: Mr. Speaker, among the twenty-two agreements concluded with the bands, there are a number of agreements in principle, and the Department still has a number of agreements in principle that have been completed for certain bands.

It is true that for some bands there is still a matter of vote 10 or vote 15 or something like that; it is strictly a matter of how things will work once the settlement has been finalized.

● (1550)

[*English*]

Mr. McDermid: Mr. Chairman, did the Parliamentary Secretary know which one I am referring to? Is it a problem with the band vote, a problem with money or a problem with land? This is the only one that is labelled "under review" in the briefing notes from the Ministry. Five have been settled, one is under review and I gather the other 16 are at various stages of negotiation, and I shall ask about them later. What exactly is under review with this particular agreement with the Okanagan Band?

[*Translation*]

Mr. Maltais: Mr. Speaker, in the notes I have here, it says it is a matter of land and not money, as far as the vote is concerned.

[*English*]

Mr. McDermid: Mr. Chairman, the other matter I want to bring up is that of the 22 negotiations on the cut-off claims that are going on at the present time. Apparently one band has not seen fit to support the other 21 bands, that is, the Seton Lake Band. Could the Parliamentary Secretary indicate what their concern is or if it has been eliminated?

[*Translation*]

Mr. Maltais: Mr. Speaker, departmental officials who are working on this file have informed me it is now only a matter of finding out whether there are enough people to vote on the agreement. In other words, the matter is under review because of the number of people required to vote on the agreement.

[*English*]

Mr. McDermid: Mr. Chairman, the Parliamentary Secretary did not answer the question about the Seton Lake problem. I wonder if he could refer to it. I think his answer referred to the Okanagan Band and the vote under review. Seton Lake is the band that has problems with the Bill. I wonder what the problem is and why the band does not agree with the Bill, or has that disagreement been resolved to the satisfaction of the band?

[*Translation*]

Mr. Maltais: If the question is put like that, Mr. Speaker, the answer is very simple. It is a matter of the percentage of votes in favour of the agreement that is to be concluded.

[*English*]

Mr. Huntington: Mr. Speaker, I should like to have one thing clarified, although the problem may be with the translation. In answer to my first question, the Parliamentary Secretary told me that in the case of the one band that did not have

an agreement, a money problem was not mentioned in the file, yet in answer to my colleague, the Hon. Member for Brampton-Georgetown, he said the problem was money and lands. Could he clear the matter up for me?

[*Translation*]

Mr. Maltais: Mr. Speaker, I said that most of the agreements to be negotiated with the twenty-two bands have been settled. However, the case to which the Hon. Member referred earlier was still under review last week, and it was not a matter of money or land in that instance but a matter of percentage of votes. The question put earlier was: In the case of the West Bank Band—the Indians I was referring to—was there still a land or money issue to be resolved? Actually, I think that at this very moment, a settlement has been reached. Last week, we were about to finalize two final agreements, and I think these have now been settled.

[*English*]

Mr. Huntington: Mr. Chairman, as I understand it, the file on an agreement still to be settled that carries money and land is Westbank. Is that correct?

[*Translation*]

Mr. Maltais: Yes, that is right.

To avoid any misunderstanding, I will ask my advisors to help me complete the answers so as to make quite sure that there is no misinterpretation of questions and answers.

[*English*]

Mr. Nickerson: Mr. Chairman, I should like to know whether the ratification process for these agreements used at the band level was a standard procedure? Was it a simple majority of the band council vote; was the matter voted upon by the membership at large; was it a two-thirds majority that was needed to ratify the agreements, or what process of ratification was adopted?

[*Translation*]

Mr. Maltais: Quite simply, Mr. Chairman, as I said earlier it is a question of a majority vote among band members aged 18 or more. It is a technical question, a question of internal procedure within the band. I think it is quite clear and the reserves have to cope with this kind of dilemma now and again, that is at what age is one eligible to vote and what are the internal procedures of the band council itself. Everything is being sorted out.

Clause 3 agreed to.

Clauses 4 to 7 inclusive agreed to.

Mr. Maltais: Mr. Chairman, I would like to set the record straight about the question of Westbank. The Okanagan Band as well as the issue of lands and money have been settled. There again it is strictly a matter of the internal percentage of votes. It is exactly the same thing. I want to make things clear: if the Westbank or Okanagan Indians are not involved, the issue of lands and money is settled, and it is a matter of percentage of votes.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

• (1600)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Herbert): Shall all orders and items listed under Private Members' Business preceding Order No. 33, be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

AGRICULTURE

ADVISABILITY OF REMOVING FEDERAL SALES TAX ON FUELS USED FOR FOOD PRODUCTION

Hon. Don Mazankowski (Vegreville) moved:

That, in the opinion of this House, the government should consider the advisability of reducing the cost burden on Canadian farmers by removing the 9 per cent federal sales tax on diesel fuel and gasoline used for the production of food.

He said: Mr. Speaker, I genuinely apppreciate the opportunity to present this motion at this time because I feel it is very timely. It is timely because it comes on the heels of the Budget, which was introduced this week, which really provides no relief whatsoever for the agricultural community and specifically the individual farmer who has been faced with some very difficult problems. The Budget fails to address any of the problems which are facing individual farmers in the agricultural community as a whole, and it even goes beyond that and fails to acknowledge that there are serious problems.

I feel this motion is timely also in that this debate happens to take place roughly on the fourth anniversary of the Liberal Party's return to power. We all know what the platform of the Liberal Party was during the course of that election campaign. It was basically a platform based on deceit, subterfuge and quite frankly, a hidden agenda. While the members of the Liberal Party talked about a "made in Canada" energy price, they certainly did not spell it out in any detail. They misled the Canadian public into believing that energy prices would be lower than those proposed by the Progressive Conservative Party.

Farmers are now contemplating their planting. They are seriously considering what they are going to seed and how much. Given the fact that the commodity prices are low, input costs are high, and there is no relief in the Budget, it is a time

when farmers are seriously looking at their future in terms of what sort of production patterns they can contemplate. I believe, for those three reasons, it is a very timely subject.

I would like to reiterate once again, Mr. Speaker, that the farmers of Canada are in very serious financial difficulty. This measure would provide some relief. It would serve to alleviate their problems somewhat—not much, but somewhat. The Minister of Finance (Mr. Lalonde) in his Budget speech talked about the need for confidence, hope and optimism, and the need to increase productivity and our competitive position. I listened very intently to those words, Mr. Speaker, but there is really nothing in this Budget which relates to improving the confidence, hope and optimism of the agricultural community of Canada. Therefore, I believe this motion should be given very serious consideration.

Let us just look briefly over the last four years to see what has happened in the agricultural community. In the last four years there have been close to 2,000 farm bankruptcies. That is a huge number, and all the bankruptcies or farm failures are not recorded. That figure of 2,000 bankruptcies does not clearly identify those who have voluntarily gone out of business or those who have gone into receivership and are not a statistic. There were 488 farmers who declared bankruptcy in the year 1983. That is almost 400 per cent more farm bankruptcies than occurred in 1979. Roughly 125 bankruptcies were registered in 1979. In 1983 there were 488. For example, in western Canada, there was a doubling of the figure for 1982. Why has this occurred? Primarily, Mr. Speaker, it has happened for reasons beyond the individual farmer's control. It is not because farmers have not been productive. It is not because they have not been good managers. It is basically because of developments which are quite clearly beyond their control, such as low commodity prices and high input costs, and it is largely as a result of the policies of the Government.

There are two very important elements to that component, Mr. Speaker. The first is the interest rate policy of the Government, and the second is the energy pricing policy. There is no explanation for this Government's current energy pricing policy. It really constitutes the largest revenue grab by a federal Government in the history of this country, and it is a revenue grab which has been carried out on the backs of the food producers. We know, in terms of our food component in this society, we still have one of the lowest food components of any industrialized nation in the world. I do not believe the farmer should be further hampered and strapped with this additional cost simply to feed the coffers of the federal Government.

We all remember the campaign of 1980 and the Liberal promise to keep energy prices low. The Liberals did not say how low, but they certainly did not tell the Canadian people that the prices were going to rise to the heights at which they are today. Let me review what has happened over the four-year period. I phoned the Gulf dealer in the Town of Two Hills, Alberta, earlier this afternoon. I asked him to compare the prices of farm fuel today with prices which were in effect four years ago today. In February, 1980, gasoline used for farm production purposes cost 72.96 cents per gallon. At the same time, diesel fuel cost 65.68 cents a gallon. Today, in February, 1984, the price of gasoline used on the farm for food production purposes is $1.45 per gallon. That includes a 32-cent provincial tax reduction which occurred in 1982. Therefore, if the provincial tax had remained in effect, as it was in 1980, it would have added another 32 cents and would have brought the price up to $1.77 per gallon. In the case of diesel fuel, the price today is $1.37. Here again that includes a 32-cent provincial tax reduction which took place in 1982. So even taking that into consideration, there is a doubling of the fuel prices in that four-year period. We all know what the Minister of Agriculture (Mr. Whelan) said on January 31, 1980, in Alvinston, Ontario. He said this:

> Farmers and consumers will get a break from the federal Liberal agriculture policy—
>
> Farmer costs of production will be held in check and as a result so will consumer prices—
>
> Fuels used in farm production will be exempt from any excise tax and a special price structure established.

Basically, Mr. Speaker, we are asking this Government and particularly the Minister of Agriculture, to fulfil at least part of that promise he made back in January 1980. Failure to do so would be an outright betrayal. The removal of the 9 per cent sales tax on diesel fuel and gasoline used for the production of food would reduce the price of fuel by roughly 17 cents or 18 cents. It is a rather interesting figure. I could say that if you included the removal of the Canadian ownership charge—which has fulfilled its obligation—of 4.5 cents a gallon, we could have a saving of 22.5 cents a gallon for the producer. That would help. The federal tax component on farm fuels is roughly 30 per cent to 40 per cent of the pump price. For every gallon of gas or fuel sold, about 62 cents go into the federal Government coffers. This is costing Canadian farmers roughly $275 million a year. In 1981, farmers spent $1.2 billion for energy. In addition, they spent $600 million to $700 million for fertilizer, including an energy tax component of probably 10 per cent. If you look at fuel taxes alone, they constitute 20 per cent of all energy costs. Therefore, Mr. Speaker, I say this is not an unreasonable proposition.

• (1610)

Prairie farmers paid an average of $5,100 in direct energy costs in 1981. This contributes immensely to farm input costs and the cost-price squeeze. We note that farm input costs have tripled since 1971. Since the beginning of 1980 they have gone up by 35 per cent. In the meantime, the selling price of the farmers' products is basically at the same level. If you use the price deflator, you will find commodity prices below the level of 1972-73.

The price of grain, Mr. Speaker, is a good example of what I have been saying. The producer price at the ports of Thunder Bay or Vancouver in the 1979-80 crop year was $196.43 per metric tonne. Today, including the final payment for 1982-83, the net realized price was $192.34. I should not say "the net realized price". That was the net price at the point of departure. Therefore, grain prices have fallen over the last four

years. There really is not much control over that because in order to sell our grain abroad we must be competitive. However, we have a Government which has imposed horrendous taxes on the backs of the producer. This year it increased freight rates. My proposal would at least lessen some of this impact. I urge the Government to seriously consider this because it is important for the farmers of Canada to have some faith and confidence, some degree of optimism.

I could go on and give you all sorts of figures on net income, Mr. Speaker. As recorded by Statistics Canada, farmers are making about 50 per cent of what they made in 1975. That is hardly cause for joy or optimism. Other countries support their producers to a greater extent than Canada. Fuel prices in other countries are much lower. U.S. fuel prices are roughtly 20 per cent to 25 per cent below the prices Canadian farmers are paying. The ten-year average support paid to farmers per metric tonne was $6.35 for wheat in Canada, $11.41 in the United States and $19.96 in the EEC. For barley producers in Canada, assistance was largely in the form of the cheap freight rate, the Crowsnest Pass freight rate which has now gone down the tube. Canadian producers were supported to the tune of $6.32 per ton, U.S. producers received $7.57, and the EEC it was $32.80 per ton. That gives you an idea of what competing countries do for their producers. We call upon this Government to recognize that and take some steps to ensure that we do our part to ensure Canadian producers are indeed competitive. Agriculture is and will continue in the foreseeable future to be a major component of Canada's economy.

I noted from *The Globe and Mail* that last year alone, Mr. Speaker, the farm program in the U.S. cost the federal Treasury some $28 billion. They are supporting their farmers, but Canada is not supporting its farmers commensurate with producers in other countries. When you consider the importance of agriculture, you realize it makes up about 40 per cent of the nation's economy. While roughly 5 per cent of the population is directly involved in the production of food, the agri-food system employs about 18 per cent of the Canadian work force. Therefore, Mr. Speaker, there are many reasons for the Government to look at this motion very seriously. I think it is a reasonable proposal, and it would provide a demonstration of faith, hope and optimism, perhaps even some confidence in the farmers.

I have had some discussions earlier with the Parliamentary Secretary and there seems to be some consensus over there that this is a measure worthy of consideration. I think this motion would provide an excellent vehicle for looking at the whole area of farm input costs and the difficulties farmers are facing.

If it is agreeable, Mr. Speaker, I would be prepared to amend the motion to include the words:

That the subject matter be referred to the Standing Committee on Finance, Trade and Economic Affairs for consideration.

My friend, the Hon. Member for Capilano (Mr. Huntington) would second the motion, and if it meets with the approval of the House I would be prepared to submit that amendment for your consideration.

The Acting Speaker (Mr. Herbert): I would like to have a copy of the motion if I may, but let me make an observation. My first impression is that the wording of the original motion is such that an amendment in the form suggested by the Hon. Member would not be acceptable. The motion is that in the opinion of this House the Government should consider the advisability of—under those circumstances I think it is up to the House to make a decision as to whether or not this matter should be passed. I do not find that there can be in this instance a reference, as is suggested by the Hon. Member, of the subject matter to committee. That is an observation on my part and perhaps the Hon. Member would like to comment before I render a ruling.

Mr. Fisher: Mr. Speaker, I wonder if instead of amending it as described, we said that, "In the opinion of this House the Standing Committee on Finance, Trade and Economic Affairs should consider the advisability". Would that then circumvent the problem you have described?

• (1620)

The Acting Speaker (Mr. Herbert): The problem the Chair has is that the motion is that the Government should consider the advisability. The suggestion now is that we are eliminating consideration by the Government and are talking about consideration by a committee. This is the problem the Chair has with the amendment.

Mr. Mazankowski: Mr. Speaker, naturally I would be delighted, as a minimum, to have the matter considered by the standing committee. I know that the House can do many things by unanimous consent. If the wording that has been advanced by the Parliamentary Secretary would fulfill the spirit of allowing this measure to go to the Standing Committee for consideration, I would certainly want to be the first to endorse and echo my support for that. I think it is a matter worthy of consideration. Being a bit of a horse trader from way back, I suspect half a loaf is better than no loaf at all. It is quite obvious that we would not get anything with the precise wording of the present motion. I want to go on record as supporting the modified wording that the Parliamentary Secretary has advanced.

The Acting Speaker (Mr. Herbert): Do I have the unanimous consent of the House to accept the withdrawal of the motion which is presently under discussion?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): Does the House unanimously agree to the substitution of the motion as proposed by the Hon. Member for Vegreville (Mr. Mazankowski)?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): The motion under consideration is the motion proposed by the Hon. Member for Vegreville.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to spend a few minutes supporting the motion proposed by the Hon. Member for Vegreville (Mr. Mazankowski). I think it would be of considerable assistance to the farmers of Canada. I would like to speak on behalf of the Saskatchewan agricultural community which finds the present energy costs much too high in terms of producing food. I will be very brief because the Hon. Member for Vancouver-Kingsway (Mr. Waddell) wants to say a few words as well. We would also like to get this through the appropriate committee and subsequent stages.

The Hon. Member for Vegreville has outlined to the House a number of reasons why energy costs are becoming a real burden for farmers today. The price of wheat has not gone up in the last three or four years and farm input costs have skyrocketed. Interest rates have been very high for the farming community. Also the Crow rate has been abolished. The price of moving grain is going up by 500 per cent over the next nine years. Because of those things, there will have to be some support for the farmers.

I remember very well when, in the 1980 election campaign, as I am sure my friendly farmer friend from the Toronto airport riding recalls, the Minister of Agriculture (Mr. Whelan) made a promise to the farmers. He said that if he was re-elected he would change evaluation day for capital gains on farms from December 31, 1971 to 1974 or 1976, which would take care of some of the inflationary problems. That was a campaign promise. We received some other capital gains changes on Wednesday, but the Government did not change evaluation day. I want to remind the Parliamentary Secretary of that since I know he is concerned about the farming population.

Mr. Fisher: Picky people.

Mr. Nystrom: In terms of the precise motion before us today, I would like to put on the record figures showing where the energy dollar goes when people buy gasoline or diesel fuel for a tractor, car or truck. The figures I will use are October figures from a service station in Regina for leaded regular gasoline. The prices keep fluctuating and we had a different set of figures from the Hon. Member for Vegreville. These figures are for a litre of gasoline which in October cost 40.2 cents in Regina, Saskatchewan. The federal share was 11.03 cents. That is made up of five or six items. The sales tax on this litre of gasoline was 2.89 cents. That is something we would like to see removed to help the farmers. There was an excise tax of 1.5 cents. The excise tax can be rebated to the farmers for farm fuel. This is useful to a number of farmers in my constituency, particularly smaller operators. More and more farmers are switching to diesel and as there is no excise tax on diesel the farm rebate on the excise tax is of no assistance.

The third thing the federal Government gets is the Canadian ownership charge which is charged on all gasoline. That works out to .72 cents a litre. The fourth thing is the wellhead royalty. That is 3.55 cents. The petroleum compensation charge is 2.37 cents. The total moneys going to the federal Government on a 40 cent litre of gasoline was 11.03 cents.

In my province the provincial government also gets a share. The provincial government collects a royalty of 5.8 cents on each litre. We do not have any sales tax or other taxes above the 5.8 cents. The industry gets the lion's share. It gets 23.37 cents a litre in Saskatchewan. The industry's share is broken down in the following way. The ordinary retail dealer in Regina gets 3.27 cents. The refining, transportation and marketing of the crude oil amounts to another 10.26 cents. The transportation is .49 cents and the wellhead share is 9.35 cents.

That is the way a litre of gasoline is broken down. The federal Government takes about 11 cents, the province takes about 6 cents, and the industry takes about 23 cents. The total is around 40 cents. I think it would be useful if we were to accept the ideas expressed here by the Hon. Member for Vegreville and many other Members of the House to take off the federal share in order to stimulate the agricultural economy.

I would like to remind Hon. Members that the industry in the country basic to a healthy economy is the agricultural industry. If farming is going well, things will go very well in Montreal for my friend who sits across the way. If farming is going well, jobs will be created in the small business sector and the service industries. Farmers will buy tractors from Brantford. They will buy all kinds of combines and fertilizers. I think it is better for everyone. There is a tremendous spin-off effect from dollars spent in agriculture.

Mr. Mazankowski: They might even buy the odd Belarus.

Mr. Nystrom: Did the Member for Vegreville say he wants to buy a—

Mr. Mazankowski: I said they might even buy the odd Belarus.

Mr. Nystrom: I see. The farmers spend an awful lot of money on energy, Mr. Speaker. I have here the statistics issued by Agriculture Canada in 1983 entitled, "Selected agricultural statistics, Canada and The Provinces". It shows the numbers of dollars spent by farmers in 1981. The total expenditure on energy in Canada was $1.217 billion. That takes into account gasoline, diesel fuel, liquefied petroleum gas, natural gas, fuel oil and electricity. Those are the total energy costs. Two items make up the lion's share of that amount. Gasoline amounts to around $450 million, and diesel fuel amounts to around $460 million of what farmers spent in 1981 in terms of energy costs.

• (1630)

[*Translation*]

And it is exactly the same thing for all provinces, Mr. Speaker. But in Saskatchewan, in early October, they spent about $326 million on energy two years ago. They spent $290 million in Alberta, $258 million in Ontario—practically the same amount—and $123 million in the Province of Quebec.

[*English*]

You can see that there are tremendous costs to the farmer. The suggestion being made today by the Member for Vegreville will go a considerable distance toward making things a little bit easier for the farmers of this land. I urge the House to agree to the motion.

The Acting Speaker (Mr. Herbert): For clarity, the Chair would like to read the motion proposed by the Hon. Member. Mr. Mazankowski, seconded by Mr. Huntington, moves:

That in the opinion of this House the Standing Committee on Finance, Trade and Economic Affairs consider the advisability of reducing the cost burden on Canadian farmers by removing the 9 per cent sales tax on diesel fuel and gasoline used for the production of food.

Hon. Ron Huntington (Capilano): Mr. Speaker, I will not be too long. This is a very important motion and a very welcome motion. Because I have been in the manufacturing and food business I can say that every dollar of the direct cost in production or manufacturing, by the time it goes through processing, handling, distribution, on to the retail shelf and into the cash register, it becomes $5. If the Government really means what it continues to say about improving our national productivity and about productivity being the answer for tomorrow and the return to a respectable place in the industrial world, then we must consider motions like this very seriously.

Therefore, I compliment the Member for Vegreville for bringing this motion forward and I thank the Members on the Government side for allowing the amendment to be moved.

I would also like to point out the troubles that we are experiencing on both the Atlantic and Pacific coasts with our fishing industry and the cost problems we have there *vis-à-vis* other fishing nations. In light of the fact that we have to reduce costs and at the same time improve quality in packing and delivery of these food resources, I would like to move another amendment. It reads:

That on line 3 of the motion, after the word "farmers", we add the words "and fishermen".

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am pleased to support the proposal that we are hearing today. I believe it should go to committee for detailed study. I am glad that it was improved by the Hon. Member for Capilano (Mr. Huntington).

I must say that the Member for Vegreville describes himself as an old horse trader and says that he likes to wheel and deal. We are seeing his talents here today. I suppose if he is an old horse trader he knows how to patch up an old nag and try to get it to look look good for the market. In this case, no matter how much he tries to patch it up, the Tory energy policy is so lame, so weak and so sick that not even a persuasive and charming old trader like him can make it look like a young filly. We have seen him make some energetic efforts today in an attempt to take us on on the Government side about some of our energy ideas. I categorize that as trying to take an old nag and turn it into a young filly.

Let us examine some of his remarkable efforts here. He reminded us of the prices that people are paying at the pump in his riding in Alberta and compared them with the prices that were being paid back in those dark but thankfully brief days when the Tories were in power. He forgot to mention that the Tories had a schedule of increases that were going to inch energy prices up after 1979.

Mr. Mazankowski: Never double.

Mr. Fisher: Things were not going to stay static. In fact, there were going to be big leaps. All of us in the House, as well as the Canadian people, remember that the Tory energy policy expressed in 1979 indicated that prices by now would be at least 85 per cent of the world level. They were then going to add 18 cents a gallon on top of that.

Mr. Mazankowski: That is not right, and you know it.

Mr. Fisher: Furthermore, they were going to change the schedule so that the big increases came right at the beginning and the lower increases came at the end. We would have already paid those big increases by this time. Let us compare that with what the present Minister of Finance did with his national energy policy when he was Minister of Energy, Mines and Resources. He said that they should not go that high at all, and they do not go anywhere near that 85 per cent ceiling. Moreover, he said that those prices should include most of the charges that our hon. friend wanted to add on. Finally, the price increases were going to rise relatively smoothly. They were not going to take a big leap at the beginning and taper off at the end.

All of that resulted in people of my riding in Mississauga and, equally important, people in his riding of Vegreville paying less over the last four years for their energy than they ever would have paid under that Tory regime. Under that persuasive, charming but very expensive Tory regime, they would have paid far more if the Tories had followed through with those ideas in 1979 instead of acting in a compassionate way as we have done since 1980.

I would just like to point out this *bête noire* that Members on that side refer to all the time, namely, the Canadian ownership charge. What a terrible thing it is. First it is terrible, of course, because of the word "Canadian". Second, it is even more terrible because of the reference to ownership. Third, it costs people 4 cents a litre, by my calculation, opposed to the 18 cent surcharge that those on the other side were going to slap on.

I realize that it is not comfortable to defend a tax. I know that it never leaves the incumbent comfortable to be required to levy a tax, but I will say that I feel a lot better asking people to pay 4 cents so as ultimately to own something rather than paying 18 cents that will just go to the border and be shovelled out to a bunch of foreigners who happen to own the company at that time. I like keeping it inside Canada. That is why we have a Canadian ownership charge rather than an 18 cent a gallon foreign ownership charge.

Mr. Huntington: Mr. Speaker, I rise on a point of order.

Mr. Ouellet: You cannot take it.

Mr. Huntington: I can take it but I do not think the Hon. Parliamentary Secretary wants to leave such distortion on the record. He is talking about a 4.5 cent per litre ownership charge. He can apply whatever tag to that he wants but I wish to point out that it is very improper to talk about a 4.5 cent ownership charge and relate it to the 18 cent a gallon charge that was in the Crosbie Budget. The 18 cent a gallon charged today under the present Government is 88 cents.

Mr. Waddell: I have a point of order, Mr. Speaker.

• (1640)

The Acting Speaker (Mr. Herbert): The first point of order was not a point of order. If the Hon. Member for Vancouver-Kingsway (Mr. Waddell) has another point of order, I will listen.

Mr. Waddell: Would the Hon. Member who is speaking permit me to ask a question, Mr. Speaker? It will be a very short one.

Mr. Fisher: Mr. Speaker, I would love to have the Hon. Member ask me a question, but if he can do it at the end, we will have more than 20 minutes left over.

I appreciate the fact that you have told the gentleman from Capilano that his point was not in order, Mr. Speaker. It was not in order in any way, shape or form under anybody's rules, mathematics or arithmetic.

Some Hon. Members: Oh, oh!

Mr. Fisher: I think the Canadian consumer, including the Canadian farmer, knows that 18 cents a gallon is more expensive than 4 cents a gallon.

Mr. Huntington: Not 88 cents.

Mr. Fisher: It will be a long time before the Tories can patch up that 14-cent difference and make it look like that young filly that we were talking about a few moments ago.

Mr. Mazankowski: You are talking like an old stallion.

Mr. Fisher: I would like to refer to the way the Tory Party, in its gentleness and politeness, said that we were a crummy Government. You will notice, Mr. Speaker, that they said we were crummy, but the Hon. Member for Vegreville did not say what he was going to do to be so much better.

Mr. Mazankowski: You have a proposal right there.

Mr. Fisher: We heard some references to 1979. We knew what the Tories were going to do in 1979. He did not need to remind us that in 1979 those ideas were pitched out.

Mr. Mazankowski: They would like to have them again.

Mr. Fisher: But we heard about 1979. But he did not tell us about what the Tory Party was going to do in 1984. He did not tell us that. His good friend from St. John's West has already told us what they are going to do. Let me quote what he said to the citizens of Canada—

Mr. Huntington: You are talking about a Member who is absent.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. I think there are some limitations with which a person can debate the motion at hand. If he wants me to outline the Tory energy policy, I will be prepared to do that. But obviously I cannot do so within the context of the motion we are now debating. I would hope the Hon. Member would consider that when he throws that challenge across the floor.

The Acting Speaker (Mr. Herbert): I think in that circumstance maybe the Parliamentary Secretary to the Minister of Finance (Mr. Fisher) should restrict himself to the motion under discussion.

Mr. Fisher: Mr. Speaker, relevance is always my guiding principle here. I appreciate being brought back to the mark by the Hon. Member for Vegreville. I want to assure him that he raised this topic first. I am only trying to balance the debate so future students of our discussion will know how we feel.

I would like to refer you, Mr. Speaker, to the Ottawa *Citizen* of February 16. The following is reported to have been said: "You have to be mean, nasty and do all sorts of unpleasant things. That's why I'm not going to outline what they would be now."

That was not a Liberal speaking because we are neither mean, nasty nor unpleasant. It was not an NDPer because they are not those things either. Those words come from the leading finance critic of the Tory Party, and that is what the Tory energy policy is going to be. People know that instinctively. People know that in their bones. People had that same experience in those few dark months of 1979 when the Hon. Member for St. John's West (Mr. Crosbie) was the Minister of Finance. He wants to return and plunge the country back into that same valley of despair.

Some Hon. Members: Oh, oh!

Mr. Fisher: I can assure you, Mr. Speaker, that the country is not going to buy it any more than it will buy this lame idea we have here today.

An Hon. Member: That is sour grapes.

Mr. Fisher: I do not want to preempt anything, but I am told by one of the Members of the NDP that if we watch Global television tonight we will hear the Hon. Member for St. John's West saying exactly the same thing again. That is the Tory energy policy for farmers, for small town people, for big city people, for suburban people, for young people and for old people. The policy is straightforward. You have to be mean, nasty and do all sorts of unpleasant things.

That is quite a policy, Mr. Speaker. What a refreshing thing to hear from a Conservative, who is prepared to state what lies

deepest in his heart—mean, nasty and unpleasant. However, despite those drawbacks, I am prepared to join with the Hon. Member for Vegreville to discuss this issue in the Finance Committee. I think it bears some merit. I congratulate him for bringing this matter forward. I will ask him now in public to cast off his Tory shackles and to let his otherwise generous spirit reign. If we come into the Finance Committee with this kind of idea, we clearly want to do things for food producers generally.

The first problem we are going to run into when we do this was typified by the amendment moved by the Hon. Member for Capilano. All of us were thinking about farmers in our own narrow way, but the Hon. Member for Capilano, quite rightly, broadened our scope to fishermen. But what about food processors and I ask this seriously? What about the people who work in warehouses and in the stores? They also have a role to play in the food chain.

Mr. Huntington: I rise on a point of order, Mr. Speaker. I would like to point out that food processors for years have enjoyed federal tax exemption.

The Acting Speaker (Mr. Herbert): That is not a point of order. The Parliamentary Secretary to the Minister of Finance.

Mr. Fisher: It may not be a point of order, Mr. Speaker, but it is a fact which badly needs to be said. I appreciate hearing it from the Hon. Member. I am trying to illustrate the issue that on all tax exemptions we get everybody trying to cut in. Hon. Members all know this. They know the difficulty that arises out of a generous move which is later exploited by other people. We know, for example in my area, that there are lots of people who would love to call themselves farmers in order to get the benefits provided in the tax system for real farmers. The consequence is a complicated anti-avoidance section in the Income Tax Act. I am not sure that anybody will be able to come up with a better answer, although I look forward with interest to the results of the consultative committee announced by the Minister of Finance (Mr. Lalonde) in his budget. I can assure you, Mr. Speaker, if that committee sets up wide open tax avoidance opportunities, many non-farmers will try to take advantage. Equally, a lot of non-farmers will want to be called farmers if we show people how to cut the price of gas. We all know that. It is common sense. The committee will have to grapple with that problem. If the committee wants to have its report taken seriously, we will have to come up with a responsible answer to that question.

The second thing we will have to come up with, and it is alluded to by the capable Member for Ottawa Centre (Mr. Evans), is how we are going to administer this. Do we go back to the purple gas system? If we are dealing with diesel fuel, we cannot do that.

Mr. Mazankowski: The machinery is in place now.

Mr. Fisher: What are we going to do then? How are we going to administer it? How do we find out where the gas is sold and who buys it? All of this is complicated because the taxes apply at the very lowest level in the refining chain. They are not applied at the gas station. They are applied way down in the gasoline system—

Mr. Huntington: The machinery is in place.

Mr. Fisher: —and the fuel system—way at the beginning of the pipeline, as it were. Therefore, the tax will flow right through everything, including a lot of mark-ups, and we will have to figure out how to separate it out for the sake of the farmer.

Mr. Mazankowski: The mechanism is in place with the excise tax.

Mr. Fisher: It is not impossible, but it will be a problem for us to look at. I hear some suggestions, and obviously there are some good ideas in play and the committee can look at them.

Third, I want to point out that the costs are not as high as has been described here. My notes from the Finance Department tell me that if diesel fuel costs 35 cents a litre without any provincial road tax, then the federal sales tax is approximately 3 cents of that 35 cents. I understand that farmers can get 1.5 cents back on gasoline. There may be a system there that we can follow with diesel fuel as well. But if you can claim 1.5 cents back on a litre of gasoline, it shows the low impact this tax is having at that level. I would think the committee will have to ask: If we are going to require paper work both from the farmer and the private sector generally and from the Government, would it be worth it to set up this kind of routine? Those are serious questions that the committee is used to handling.

• (1650)

Finally, it is important to look at what has been done for farmers in the past week. We heard a misleading reference from the Hon. Member for Yorkton-Melville (Mr. Nystrom) about the capital gains tax. It is clear in the farming community and in this House that farmers received a big bonus through the tax system in the recent Budget. We provided ways in that Budget for farmers to shelter up to $120,000 in capital gains by placing that in their RRSPs. They will not avoid the tax permanently, but clearly they can defer it for significant periods of time. They can spread out their income and claim it back at much lower rates of tax.

That is a far more flexible way to deal with the problem of capital gains than moving the valuation day would have been. This is a far superior kind of response. As one example, we do not get through our economy a variety of different valuation days. We get one valuation day continuing to be applied to everybody and a special measure that really helps farmers. Second, incorporated farmers will benefit from the new small business tax simplification measures. Third, farmers generally will benefit from the flexibility on the pension plans was proposed by the Minister of Finance.

Those are big improvements which members of the farming community from coast to coast recognize and are beginning to

applaud. Wednesday's Budget went a long way to accommodating the concerns of farmers. I hope we can go a little way in the Finance Committee on this equally important measure. I hope the Hon. Member for Vegreville will come to committee and lend us his charm and insight, as he always does in the House.

The Acting Speaker (Mr. Herbert): For clarification before we proceed further, the Chair would like to advise the House that since the Hon. Member for Vegreville could not second the amendment as he proposed the original motion, the amendment has been seconded by the Hon. Member for Scarborough East (Mr. Gilchrist).

Mr. Nickerson: Mr. Speaker, I rise on a point of order. When the original motion was introduced, it dealt with relief from taxation on fuel products for farmers. The motion was amended to include fishermen. I presume it would be the wish of this House that all primary food producers be included within the scope of the motion. One group seems to have been excluded, those who hunt. They are of particular importance in my constituency. When the matter gets to committee, I hope that also will be taken into consideration.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Parliamentary Secretary to the Minister of Finance (Mr. Fisher) made reference to horse traders. I know he is a literary man. Perhaps I could paraphrase Dr. Samuel Johnson by saying that a white horse and a Liberal are very similar: the first one is difficult to keep clean and the second one is difficult to keep honest. His speech on the Canadian ownership charge was something to behold. The Canadian ownership charge of four cents a gallon is a terrible charge, not because it is Canadian, ownership or a charge, but because it is there for no reason. It is there for the taking over of oil companies. The question I would have put to the Hon. Member if I had time is, which oil companies are they going to take over? This is not irrelevant, it is right on point. The Minister of Finance (Mr. Lalonde) said that we are not going to take over any more oil companies at the moment. The Government is collecting up to $800 million a year on a tax under false pretences. The Canadian ownership is a fraud, nothing more, nothing less.

If the Hon. Member wanted to attack the Conservative Party, he could have mentioned that the Conservative oil price was based on world price. That was the problem the Clark Government had. They were being whipsawed between the Premier of Ontario and the Premier of Alberta when trying to set an energy price. They opted for the world price. They moved toward it very rapidly and lost the election. I suspect the Hon. Member is here today because of that policy. He should have talked about the Liberal price being a blended price, which was not the world price but with all of these taxes it is becoming the world price.

I support this motion going to committee. I am an urban Member, although there are many retired farmers from Manitoba, Saskatchewan and Alberta in my riding. Also, our people feel instinctively that the Canadian farmer needs the best help we can give.

Last week I was at a nomination meeting in the Peace River district. I had conversations with our candidate, Elroy Diemert, and with Grant Notley, the Leader of our provincial Party, who is also the provincial Leader of the Opposition and some farmers there. I talked to the farmers. It became clear that they too were being whipsawed between the increase in the Crow rate, which the Hon. Member for Yorkton-Melville (Mr. Nystrom) talked about, and some of the other increased costs such as this tax. Even a dumb urban Scot like me could get it through his thick head that this is a problem for the farmers. This is a good motion. It should go to committee.

This Government is prepared to advance all kinds of assistance to the oil companies in the form of PIP grants, $8 billion over the next four years is earmarked for PIP grants. The Budget gives further breaks to oil companies.

[*Translation*]

There are numerous grants for the major oil companies. There is also some assistance for large corporations and banks, but nothing for farmers.

[*English*]

This is a start. If we can tackle something that really affects the farmers who are being hurt by the increase in the Crow rate and because their energy costs are going up, and from what the Members from Alberta and Saskatchewan have been saying today, they are being hurt with the price they are getting for their produce, then this should go to committee.

I will conclude by saying that, when the Hon. Member said we should take the old nag and turn it into a young filly, I did not realize that he supported the Prime Minister (Mr. Trudeau) running again for the Liberal leadership.

Mr. Fisher: Any time.

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

Some Hon. Members: Question.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Herbert): The amendment is carried.

Motion (Mr. Mazankowski) agreed to.

The Acting Speaker (Mr. Herbert): The question is on the motion, as amended. Is it the pleasure of the House to adopt the motion as amended?

Some Hon. Members: Agreed.

Motion as amended agreed to.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order, please. It being five o'clock, this House stands adjourned until Monday morning at eleven o'clock, pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, February 20, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

The House resumed from Monday, February 13, consideration of the motion of Mr. Kaplan that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very glad to have an opportunity to speak against Bill C-9. It is quite a bad Bill although admittedly it is not as bad as Bill C-157 which went before it. Rather, it looks as if Bill C-157 was made as bad as possible in order to make Bill C-9 look good.

Bill C-9 does three things. First of all, it threatens Canadians who dissent from the Government, Canadians who support change in Canada and Canadians who support peace and justice in the world. All are threatened with practically uncontrolled mail opening and government action to infiltrate and disrupt their organizations by secret operatives. The Bill also authorizes the Canadian Security Intelligence Service to become secretly obligated to unnamed foreign governments. As a counterpart of that, it excludes elected Members of Parliament and, for that matter, non-elected members of the Senate, from reviewing its work in any thorough way. It even excludes the appointed review committee from reviewing Cabinet documents.

• (1110)

The background of this Bill is very important. It was pointed out just a few years ago by a person who has done more to defend the liberty of Canadians than the Solicitor General (Mr. Kaplan)—I refer to Jean-Claude Parrot, the head of the postal workers' union—that in Canada we seem to have two kinds of laws. When the postal workers go out on legal strike, the Government passes a law to make the strike illegal. When the RCMP open letters illegally, the Government passes a law to make it legal.

This is what this Bill is all about, Mr. Speaker. In the past it was the unions which were attacked, unions being second-class citizens. Union members are the only ones who can be sent to jail for not working. Professional people are now being attacked. In the 1960s the approach of the Government was more soft sell. It tried to fund the dissenters in order to take over dissent. By the end of the 1960s the professional people who dissented felt, in the words of George Grant, a well-known conservative philosopher, that dissent had become bureaucratized, that the dissenters had been co-opted. Around 1970, with the burning down of the Praxis Building in Toronto, tougher tactics began to emerge, not only the burning of the Praxis Building but burning a barn, defaming left leaders, forging documents, and all kinds of notorious, dirty tricks. There was some success achieved, I suppose, in the disruption of dissent and criticism during the 1970s by those means. Those tactics were not used, so far as can be determined, against espionage or sabotage. They were used against what might have vaguely been defined as subversion. But no criminal charges were laid in connection with incidents which would be commonly understood to be criminal activities engaged in by the police.

Following public outcry and considerable condemnation from the McDonald Commission, there were many crimes by the RCMP documented. There was no prosecution for these crimes outside the Province of Quebec. There has been no identified disciplinary action. We are told some people have been disciplined. We do not know whether they were disciplined for the crimes they committed or disciplined for helping to expose the crimes. There has been no undertaking that those crimes would cease. In fact, the effect of Bill C-157 and its "child" tends not to make those crimes punishable but to illegalize or intimidate dissent and criticism.

The Government proceeded as follows: after the report of the McDonald Commission of 1981, it delayed for two years and would take no action on any of the recommendations. On the question of prosecution it made sure it delayed until the statute of limitations rescued it. The Government then put forward Bill C-157, an amazingly bad Bill which brought unanimity from coast to coast among the provincial attorneys general in condemning the Bill. That was a remarkable achievement, Mr. Speaker.

The Bill was then diverted to the Senate for hearings where it was felt it would get more sympathetic treatment than in Parliament since there is no third party opposition in the Senate. The Senate committee under Senator Pitfield made certain recommendations which were not as strong as the recommendations of the McDonald Commission and tended to

mask and hide the McDonald Commission recommendations from public attention.

The Government now, after this delay, has asked us to move suddenly on this Bill. It was even introduced on a Friday with less than one day's notice. The Friday before a Minister and his assistant whined about the fact that we were debating fisheries on a Friday—an important subject—although it was the Government which gave only one day's notice that it would be an Opposition Day. The Government then tried to slide Bill C-9 through about 10 days ago, on a Friday, hoping that it would move right through to committee without any serious debate on second reading.

The faults of this Bill, Mr. Speaker, are, first of all, that intrusion threatens Canadian dissenters with very vague language. The Bill refers to "any action directed toward or intended ultimately to lead to the destruction or overthrow". That allows any policeman or any civilian-type investigator the scope to be able to say: "I think I need to investigate that fellow. Some day he might be doing something which would tend to lead to the overthrow of the government".

• (1115)

By contrast, Mr. Speaker, the United States, which has much more serious experience with real espionage and terrorism, introduced new guidelines a year ago in which domestic security and terrorism investigation may be initiated "when the facts or circumstances reasonably indicate that two or more persons are engaged in an enterprise for the purpose of furthering political or social goals wholly or in part through activities that involve force or violence and a violation of the criminal laws of the United States". There must be much more specific evidence before they are allowed to proceed with that kind of an investigation. They must be able to show the magnitude of the threatened harm, the likelihood that it will occur, the immediacy of the threat—not some ultimate, "some day, maybe" action; it must be something immediate.

What is strikingly absent from this proposed Bill is that they must show that danger to privacy and free expression are sufficient to warrant an investigation. The Canadian law is much weaker in protecting Canadians. In spite of the recommendations of the McDonald Commission, or even of the friendly Pitfield committee, Bill C-9 excludes any mention of the duty of the secret service to convince the judge that the investigation is really needed. That is to say, that the damage to privacy is outweighed by the possible immediate damage if the investigation is not carried forward. That was asked for by both commissions and notably excluded in the Solicitor General's Bill.

Secondly, Mr. Speaker, intrusions such as mail opening with no more control that in the past, infiltration and disruption, threaten Canadians who are advocating social change at home or peace and international justice. For example, people who criticized the World Bank loan to South Africa could be caught in this kind of a coil. On the other hand, people who support the African National Congress would likewise be caught. Or even people who support the World Bank loan to South Africa, considering that country is engaged in violating international law by using that money to finance its war against Namibia, could be caught by this vague wording.

Canadians who support the FDR-FMLN resistance to the fascist government in El Salvador could be caught under this law. Likewise, Canadians who support D'Aubisson, the architect of mass violence and the probable architect of the murder of an archbishop, could be caught under this law. Supporters of the dictator Pinochet could be caught, or opponents as well. The law is meaningless. In the case of Chile, it would even catch the Roman Catholic church. Supporters of Baby Doc Duvalier in Haiti, that is to say, people carrying on CIDA projects, could be caught under this law. People carrying on CIDA projects in Honduras could be suspected of supporting a country which is a military base for the United States to invade and intimidate neighbouring nations in Central America.

By the way, aliens are given slightly more rights under this proposed law but not substantially more. However this part is not in keeping with the statement of the former Minister of Immigration who said that a mark of a civilized country is how it treats the poorest of its people. He suggests an equal test is how a civilized country treats those who are not its citizens and find themselves in desperate circumstances. These are, for example, refugee claimants, immigrants who have been declared inadmissible for reasons that cannot be told and illegal immigrants who are struggling to meet the Minister's supposed requirements for admission. It is against this background that I find the section on security provisions against aliens completely unsatisfactory.

• (1120)

I now come to the matter of infiltrators, "*agents provocateurs*". They have been used plentifully in the past. It is a practice which everyone agrees is unfair and immoral, especially being used by the government of a country against its own citizens who are not even accused of committing a crime. The Keable Commission recommended that this should be done only after a warrant had been issued by a judge. The Pitfield Commission downgraded the idea to guidelines rather than warrants, suggesting something similar to the FBI guidelines in the United States. In fact, it really ought to be necessary and recognized in law that anyone who wishes to carry on this kind of infiltration and disruption should show cause to a judge to justify the warrant and the invasion of privacy. In fact the Solicitor General has ignored the Keable Commission and the Pitfield committee and been completely silent on the matter of ending this practice of infiltration and disruption. We can expect the practices of the 1960s and 1970s with their dirty tricks to continue because the Solicitor General will not oppose them. He had this chance but he will not.

Goodness knows what trouble we may get into if we start digging into the slush fund administered by the Minister of Employment and Immigration (Mr. Roberts). We may find ourselves up against the Solicitor General for challenging a government program.

Finally, Mr. Speaker, the Canadian Security Intelligence Service will not be subject to review by Parliament. The McDonald Commission required a parliamentary committee chosen by the Party Leaders with a right to see all evidence. The Pitfield committee suggested a Security Intelligence Review Committee appointed by the Government with a right to see all evidence and material, rather than a committee of Parliament. The Solicitor General has cut that down to the bone. There will be an appointed committee reflecting government views after consultation with the opposition. This means nothing. They will not be able to see the Cabinet documents that are vital to the operation and are in possession of the service.

Yet this same service can make contracts with unnamed foreign governments or unnamed departments of foreign governments and keep them secret from the Canadian people. Why is this? Has the FBI some dirty work that it wants the Canadian Security Intelligence Service to do, perhaps to help it combat the terrible threat of the American Indians?

The U.S. has more experience in terrorism than Canada. It nevertheless leaves investigation of U.S. citizens suspected of subversion to the FBI. There is oversight of that operation by the Senate and Congress. In Canada our Solicitor General wants to treat Canadians as though we are aliens in our own land, with a civilian force—which is essentially a police force—which will be more answerable to unnamed foreign governments than it will be to the Canadian people through their elected representatives.

• (1125)

The Government ought to withdraw this Bill and bring back a bill which is more in keeping with the recommendations of the McDonald Commission.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I listened with great care to the remarks of the Hon. Member for Spadina (Mr. Heap). I certainly found them helpful in explaining why he is strongly opposed to this Bill.

Would he elaborate on one point which he made during the course of his remarks with respect to the vagueness of the mandate which is proposed for the new security service? He referred to the fact that under the provisions of this legislation, groups within Canada who seek to support agencies or individuals in other countries seeking to put an end to oppressive and dictatorial governments may themselves come under surveillance. Could he elaborate on that particular provision of the legislation?

Mr. Heap: Mr. Speaker, I think it would be useful to draw attention to certain wording in the proposed legislation. A threat to the security of Canada is considered to include, among other things, activities within or relating to Canada directed toward, or in support of, the threat or use of acts of violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state. In other words, anyone in Canada supporting someone in a foreign state who is pursuing a political objective with the use of acts of violence may be considered a threat. As I mentioned, the government of South Africa carries out violence against the black people within its borders and in neighbouring states. Therefore, anyone who supports the government of South Africa comes under this category of a threat to the security of Canada. I would think that there are many businessmen, bankers and government servants, for that matter, who come under that category.

Of course, it may be argued that the government will not prosecute those people but only those who are supporting the black people, if they support them by any activity within Canada. In that case the application of the law would be rankly biased and would be completely inconsistent with the actual wording of the law. That is one strong example of the falsity of the wording of this law. It is completely inapplicable to those situations in which Canadians are already engaged.

Mr. Robinson (Burnaby): Mr. Speaker, Clause 17 of the legislation is one provision that I think should be drawn to the attention of the House and those who are following this debate. Perhaps the Member for Spadina might elaborate on this clause which he referred to in the course of his remarks.

According to the provisions of Clause 17(b), the new security service may, following the approval of the Solicitor General and consultations with the Secretary of State for External Affairs:

> —enter into an arrangement or otherwise co-operate with the government of a foreign state or an institution thereof or an international organization of states or an institution thereof.

According to this section, as I read it, it would be possible for the new civilian security service to pass on information which it obtains through the use of intrusive techniques. For example, this includes information which it obtains under Clause 16 of this legislation. That information may have nothing whatsoever to do with national security but could be information that would assist Canada in the conduct of its international affairs. It could be information gained from spying on a student group or group of foreign academics who are visiting Canada through opening their mail. In turn, that information could be passed on to an unnamed intelligence agency in a foreign country.

The present Solicitor General has taken the position that he will refuse to tell Canadians the names of the agencies that he is transferring this information to. We have a security agency which is using intrusive techniques to obtain information and pass it on to agencies of other governments, some of which the Solicitor General says are not even acknowledged in their own countries. One can only speculate on what kind of banana republic we are co-operating with when it does not even acknowledge the existence of its own security service. Conceivably those agencies can use that information against relatives or friends of the individuals within Canada. Would the Hon. Member elaborate on his concerns about this particular provision which he referred to in his speech?

● (1130)

Mr. Heap: Mr. Speaker, I would like to add two points to the very good points made by the Hon. Member for Burnaby (Mr. Robinson). It has already been a long-standing matter of experience that the RCMP passes information to the FBI and that we really have no control of what sort of information is passed. Over the years Canadians who have wanted to enter the United States have been stopped from time to time. There was an incident of a Member of the Order of Canada, a Mrs. Macpherson, who was stopped from entering the United States, perhaps because she was going to a peace rally in New York. This is the kind of intrusion into non-security matters in which the RCMP is engaged and about which it has apparently passed information to the FBI.

Second, there was the disreputable business a few years ago of the kidnapping in Canada of the American Indian leader, Leonard Pelletier, who was returned to the United States in violation of the spirit of the extradition law. In other words, Canadian police officers collaborated with the FBI in a way that violated Canada's security and, incidentally, violated the rights of North America's first people. This is the kind of thing that has been going on and which is now going to be legalized. It will be impossible to criticize it effectively, let alone to bring it to court, if the Solicitor General has his way.

The Acting Speaker (Mr. Herbert): If there are no further questions, I will recognize the Hon. Member for Okanagan North (Mr. Dantzer) for debate.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am pleased to speak this morning on Bill C-9. I would urge every Member of this House and all Canadians to recognize that this Bill is of the utmost importance to this country. Many Bills which pass through this House affect our pockets but this Bill affects our liberty. It will continue to affect our liberty as individual Canadians and it will affect our personal lives. In that sense I think we should all be aware of how important it is, when this Bill gets to committee, that each and every Canadian who has an interest be heard. Make no mistake about it, it is very important legislation.

Today we are speaking of the second attempt by this Government to establish a civilian Security Intelligence Service. We are considering the possibility of creating a whole new service, replacing the Royal Canadian Mounted Police security service with one that would have very broad powers indeed to investigate the activities of Canadian citizens.

Let me read the duties and functions of this service in Clause 12 of Bill C-9. This will show how extensive the service is intended to be. Clause 12 reads:

> The Service shall collect, by investigation or otherwise, to the extent that it is strictly necessary, and analyse and retain information and intelligence respecting activities that may on reasonable grounds be suspected of constituting threats to the security of Canada and, in relation thereto, shall report to and advise the Government of Canada.

The previous Bill dealing with this matter introduced in this House was Bill C-157. It received a storm of protest from all across the country and from almost every civil rights organization we have, including provincial attorneys general. As the previous speaker said, the Government really achieved a great thing in that all provincial attorneys general agreed to oppose the legislation. That does not happen very often. Police force spokesmen, media commentators and individuals blew up such a storm of protest over the proposed legislation that Bill C-157 was withdrawn.

Then the Government immediately introduced Bill C-9. One wonders why the tremendous hurry to get this legislation into the House. I could not quite understand that until I looked at *The Globe and Mail* of today's date and found a copy of a story which the Auditor General first revealed. This was the business of the big new office building in Ottawa, the Centennial Towers and its many floors that have been empty for months. Those floors were designed to house this new security commission which we have not yet got and which we might never get, although the Government has already spent over $2 million on empty floor space. If that is not a political boondoggle, I do not know what is. It is not to the credit of the Government that this kind of waste goes on. One wonders, if it takes a 12-storey building or whatever to house a security force that does not exist, what kind of a mammoth organization of super snoopers the Government is trying to impose on Canadians.

The previous Bill was scrutinized carefully by the Senate committee. Some key changes were made in response to the recommendations of that committee. However, not all of the changes which the Senate committee recommended have been included in this Bill. Today is the first time the House of Commons has had an opportunity to debate this matter thoroughly. This debate is the starting point of public scrutiny of what I consider, and of what the Conservative Party considers, most important legislation. We look forward to the time when this Bill goes to committee and every clause is examined in detail and proposed amendments put.

The name of the Bill itself is imposing, startling and frightening. It reads:

> An Act to establish the Canadian Security Intelligence Service, to enact An Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto.

That is an example of the gobbledegook Bill C-9 is filled with which makes it uncertain and unsure what powers this agency will have. The Solicitor General himself has pointed out that this is peculiar and unusual legislation, that most countries do not have their entire security forces under one particular act but leave some parts to the discretion of the respective government. While discretion itself can be a dangerous thing when a sudden shift is made toward full reliance on statutory instruments, it is essential that the statute in question be concisely drafted to ensure it does no more than this Parliament intends it to. In an age when people are increasingly reliant on written documents for the protection of their rights, it is most important the mandate and the powers given to this future organization are clearly limited and unambiguously defined.

This new Bill purports to redefine the security intelligence system in Canada. Therefore, we have to ensure it does it correctly. I would like to highlight some, not all, of the concerns I feel are inherent in the provisions of Bill C-9.

The new law aims to deal with people and activities that are considered to be a threat to this country. In particular, the Minister has indicated that the Bill will be directed at controlling the following kinds of activities: classic espionage, sabotage activities, foreign-influenced activities and political violence, such as terrorism and domestic subversion. Certainly these categories are not those we would like to encourage in this country. However, close scrutiny of the provisions of Bill C-9 before us that attempt to cover espionage, foreign-influenced activities, terrorism and domestic subversion, raise some important questions relating to the mandate of the agency. Provision for the review of the activity of the service and the accountability of the agency are also of paramount concern.

Threats to the security of Canada are defined in Clause 2 of the Bill. It reads as follows:

(a) espionage or sabotage that is against Canada or is detrimental to the interests of Canada or activities directed toward or in support of such espionage or sabotage,

(b) foreign influenced activities within or relating to Canada that are detrimental to the interests of Canada and are clandestine or deceptive or involve a threat to any person,

● (1140)

(c) activities within or relating to Canada directed toward or in support of the threat or use of acts of violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state, and

(d) activities directed toward undermining by covert unlawful acts, or directed toward or intended ultimately to lead to the destruction or overthrow by violence of, the constitutionally established system of government in Canada,—

On the face of it, it seems right and proper that that is what it should do. However, the importance of definitions cannot be overemphasized. The definitions in the Bill are very loose and vague.

The Senate committee reminded us that that section—and this is most important—will establish for the CSIS, its Director and employees, a fundamental standard for their activities. It will enter crucially into judicial determination of whether a particular intrusive technique can be used, and it will provide a benchmark for assessment of agency activities by review bodies and by the agency's political masters, that is, by Parliament. It is very important that the definitions as to what this group of super snoopers can and cannot do are clear and understandable.

I am prepared to admit, as we all are, that the definitions in the new Bill have been tightened significantly, particularly the final paragraph excluding lawful advocacy and protest from the purview of the security service. That is a major improvement. However, the definitions remain too broad in many respects. For example, what do the words "espionage" and "sabotage" mean in the Bill? Surely it is not too difficult and would not restrict the activities of the service to define those terms. It is absolutely essential to define what those words mean.

Does the inclusion of deceptive activity which is detrimental to the interests of Canada imply that the agency can investigate economic initiatives of foreign countries operating in Canada? On the face of those words, it would certainly seem that those people could investigate, for example, the operations of a Japanese company which is trying to sell its cars. Perhaps this could be construed as being against the interests of Canada. Will our foreign trade now be carried on by a group of super snoopers or secret servicemen? That is a somewhat strange way to run our foreign trade and compete with other countries.

What exactly is contemplated by the phrase "activities within or relating to Canada directed toward or in support of the threat or use of acts of violence against persons or property for the purpose of achieving a political objective within Canada or a foreign state"? A previous speaker mentioned the possibilities which might occur as a result of this clause. We really need to look at these particular sections to ensure that we are not giving this group of secret servicemen, as proposed, too wide a mandate.

Clause 21 of the Bill gives the service extraordinary powers which are to be authorized by a combination of judicial warrant and ministerial approval. Canadians should be aware of what that clause indicates. I would like to repeat part of it because it is very important. In referring to the powers of the agency, Clause 21(3)(a) reads:

—to enter any place or open or obtain access to any thing;

(b) to search for, remove or return, or examine, take extracts from or make copies of or record in any other manner the information, record, document or thing; or

(c) to install, maintain or remove any thing.

Those are very wide powers. They are powers to enter anyone's private property without the person's knowledge. We should be very careful what kind of powers we give this particular group.

The Senate called for a balance between the gravity of the threat to security and personal liberty. That is the key to this whole area. The balance is not here. The Government claims that this balance would be provided by the Minister in accepting or rejecting an application for a warrant, but it does not spell it out specifically. For example, the relationship between the Minister and the Director of the service is not clear. While the Minister plays a direct role in the authorization of warrant applications, the Director is vested with the powers of management and control subject to the direction of the Minister. The key problem with this arrangement is found in Clause 6(2), which provides that the Minister "may" issue written directions. Does this imply that the Minister will have the power to issue oral directions? If he issues oral directions, no record of those directions will come to the attention of the review committee. These are matters on which the Bill is not clear and I say is incomplete.

Finally, let me recite some of my broad concerns about and objections to this Bill. It is my philosophy and view that no legislation should be changed unless there is a demonstrated need and requirement for such legislation; second, unless there

is an urgent and compelling reason to enact new laws. Has such a demonstrated need and a compelling reason been shown? Some may say that two royal commissions have looked at the facts and recommended such a service. On the other hand, facts speak differently to different people. I have not heard to my satisfaction the kinds of facts which would necessitate such an overblown secret service as this Bill proposes. Canada is not a world power. We do not have the requirements of superpowers for secret services. That is part of the entire question we should examine in committee: What is the need for this organization and where has it been shown?

This proposed legislation must of necessity detract from the rights and freedoms of individual Canadians. Civil police forces have a very recent history in the world. The first civil police force was set up in the 1820s. It was the metropolitan police of London, the first in the world. Since that time—and that is not that long ago—every democratic government has had to struggle and experiment with the difficulties in defining the role and limiting the powers of the police so as to not encroach unduly upon civil liberties. It is very difficult to attain that balance. In doing this, the benefit of the doubt must always go to the individual. The balance of freedom must be given to the individual Canadian citizen. It has to be that way. However, that is not so with this piece of legislation, which was designed for the super snoopers themselves. The Minister had a group of potential secret servicemen in his office and they designed the proposed Act so that it fitted their needs.

The first draft, in their own words, was the Rolls-Royce model. It would have taken them quickly to their goal. The second draft, the one before us, they now claim is a Chevrolet or a Ford but will do the job very well. That is the wrong principle. These people should be given what I would call a handyman's wreck or a mechanic's delight—something on which they have to work to make it go. That is essential here. If it does not work, let them return and ask for an amendment to the legislation. It should not be the other way around where the rights and freedoms of Canadians are trampled upon and those Canadians have to come to Parliament and ask that the legislation be amended. That process takes too long and too many rights are trampled upon.

A previous speaker mentioned that the United States has a far greater problem but that its legislation is far tighter. It does not allow freedoms to the super snoopers such as the ones proposed in this legislation. I would like to refer to an article which appeared in the February 11, 1984 edition of *The Globe and Mail*, which reads in part:

> Congressman Donald Edwards, the chairman of the House of Representatives committee which scrutinizes FBI activities, said that the "loose" definitions of threats to national security in the Canadian bill would never be tolerated in the United States.

● (1150)

Mr. Edwards, a liberal democrat from California who once was an FBI agent, said that the Canadian Bill looks like an invitation to trouble. That is exactly what it is. He goes on to say: "We used to let the FBI do these kinds of things, but not any more." Why should we in this country walk into that kind of trap when we have had the experience with the FBI in the United States? Let us close the door before we open it to make sure that we do not have an Act which allows them to abuse the rights of Canadians.

The record of this Government in respecting the freedom of rights of citizens is anything but good. We do not have to recall very far back in the past when the War Measures Act was passed. That tempest in a teapot took away the rights of all Canadians, rights which had been earned over many years. Thousands of people were jailed in Quebec, but not one was found guilty. They were jailed without a trial, and all had to be let go.

More recently this Parliament passed the elections Bill, I believe it was Bill C-169, which restricted the right of free speech in this country. As the Hon. Member for Capilano (Mr. Huntington) said in this House last week, he apologized to his constituents for being part of that. I do the same. It is another example of how, unless you really look at legislation, the government can slip through legislation restricting the rights of people. We have had recent revelations about the PMO and its eagerness to get into the super snooper business. It is an indication of why we should look at this Bill very carefully.

Hundreds of thousands of Canadians have lived under the Russian secret police, the KGB. Hundreds of thousands lived in Nazi Germany and had to deal with the SS. Other hundreds of thousands of Canadians have lived under other dictatorial governments which had a secret service. These people are very concerned. They know that the more dictatorial a government becomes, the greater need such a government has for secret service activities. People in Canada are worried about this legislation, and well they might be. I assure Hon. Members that this Party will oppose this legislation until it is changed to protect the rights of Canadians.

Mr. Robinson (Burnaby): Mr. Speaker, I wish to direct a couple of questions to the Hon. Member who has just spoken, particularly given the fact that he is the deputy spokesperson for the Ministry of the Solicitor General for his Party. The McDonald Commission strongly recommended the establishment of a committee of Parliament to oversee the operations, in a policy sense and a budgetary sense, of the new civilian security service. Does the Hon. Member support the important recommendation that we not leave the oversight function to the executive, if you will, but rather that there be a parliamentary committee established which would be responsible for overseeing those operations?

Mr. Dantzer: Mr. Speaker, I certainly agree that the key point with regard to this proposed organization is that it should be under the control of Parliament. I believe that suggestion is a good one and should be examined in committee. There may be others, but in my view it is essential that Parliament have final control over this organization.

Mr. Robinson (Burnaby): Mr. Speaker, just for clarification, the Hon. Member is supporting the establishment of such a committee to exercise that parliamentary oversight, is he?

Mr. Dantzer: Mr. Speaker, that is a good suggestion. I believe that idea will be reviewed in committee. There may be others. If others are better, perhaps that should be the way to go. I confirm my feeling that Parliament should be the final authority and should have control.

Mr. Heap: Mr. Speaker, following on the answer just given by the Hon. Member, does he feel that Parliament should have access to all material and documents in the possession of the service for the purpose of that review, including all relevant Cabinet documents?

Mr. Dantzer: Mr. Speaker, it was the recommendation of the Senate committee that the review committee should have that. I certainly agree with it. There is no reason why the committee should not have access to Cabinet documents dealing with the activities of the secret security service.

Mr. Robinson (Burnaby): Mr. Speaker, the Pitfield committee recommended, and the Government has accepted the recommendation, that the new civilian security service should have sweeping, intrusive powers, including in particular the power to open first-class mail. The Member's colleague from Vancouver South (Mr. Fraser) has strongly opposed the recommendation that the security service should have the power to open first-class mail. Can the Hon. Member enlighten the House as to his view whether it is an appropriate function for a civilian security service to be able to open first-class mail? Does he agree with his colleagues from Vancouver South?

Mr. Dantzer: Mr. Speaker, my first reaction is no, they should not have the right to open first-class mail; but on the other hand, there may be unusual circumstances which would justify the opening of mail, if there is sufficient evidence. That is a matter that has been left up in the air. There is no evidence before us. Perhaps those who take this position will justify it. Unless they do, I think the position taken by the Hon. Member for Vancouver South (Mr. Fraser) is the right one.

Mr. Heap: Mr. Speaker, is the Hon. Member in agreement with the McDonald Commission, which would require that if a judge is to be asked to issue a warrant to empower the security service to open first-class mail, one consideration he must weigh is whether the invasion of privacy is outweighed by the indication of danger to national security? That provision was recommended by the McDonald Commission. It is excluded from the Solicitor General's Bill. Is the Hon. Member in favour of having such a provision?

Mr. Dantzer: Mr. Speaker, surely the only reason it is taken before a judge is to weigh the balance between private rights and public need. I would approve of the judge doing that. That is all he can do.

Security Intelligence Service

Mr. John Gamble (York North): Mr. Speaker, when I first examined the provisions of Bill C-157, the precursor of Bill C-9, it occurred to me that we had an ideal companion piece to the Government's emergency planning order. That order of May, 1981 permitted the same Minister responsible for Bill C-9 to provide for the incarceration of civilian internees and, in the course of such planning, to arrange for the removal of prisoners from penal institutions and to move into those institutions civilian internees.

I questioned the Prime Minister (Mr. Trudeau) in the House as to the occasion when that emergency planning order might come into effect. It will be recalled that the emergency planning order was divided into two parts. The first part related to circumstances where an emergency had arisen; the second part related to those times where in case of war it was necessary to take these steps. My questions of the Prime Minister, and they are a matter of record in this House, indicated that when I asked him if he would be good enough to restrict the meaning of "war" to include only a situation where a state of war existed between Canada and some foreign nation, he sarcastically responded to me that he supposed I would be interested in hearing about a cold war. A cold war is a state of mind. The mind of the Government will determine whether war exists, if we are to believe what the Prime Minister has said.

• (1200)

Therefore, when I tie in the actions of the Solicitor general of Canada (Mr. Kaplan) under the emergency planning order with the original provisions of Bill C-157 and the residual parts thereof which are included in Bill C-9, I think this is alarming to any Canadian concerned with the security of the person and the civil liberties of Canadians.

If we add to that circumstance of linking those two pieces of legislation the new Bill introduced in the House with respect to amendments to the Criminal Code providing, as it does, for both the seizure and freezing of the property of citizens who are accused of crime without having had benefit of trial, we immediately realize that we have a beautiful triumvirate of legislation. One piece provides for the seizure of the property of the individual before he has ever been convicted on information gathered by a civilian security force which has extraordinary powers under the Bill; and the third prong of the attack against Canadians clearly is the position which would result in their incarceration.

It is alarming that we should be confronted with the type of circumstance that confronts us today. All parliamentarians should be concerned about the departure we have taken from normal practice. I know that if we believe the information provided by the Solicitor General with respect to this Bill, it is only for the purpose of gathering information. The security service will gather information and do nothing else. I rather suspect that when the Gestapo was established, it had no other purpose than to gather information and then implement it.

The great problem is that we have removed from an institution in Canada that is well respected by the citizens of the

country a service which formerly was conducted by them. I know that the RCMP has said that it is not qualified and does not in fact wish to undertake this function. I sometimes wonder whether that assertion is made with regard to the nature of the functions to be undertaken. The RCMP may prefer not to be involved in this type of activity. Something else bothers me about this assertion, Mr. Speaker. I wonder what the real position of the RCMP with respect to the removal of this function from their customary actions may be, in the event that they are able to speak freely and without the pressure of their political bosses being brought to bear upon them. We will never know that, however, as long as this Government holds office.

What is it about the Bill in specific terms that should alarm Canadians? I make a general practice of consulting with my constituents, Mr. Speaker. When Bill C-157 was introduced I communicated with them by way of my regular house-holder mailing, made comments with respect to Bill C-157 and asked a series of questions. One of those questions is as valid today as when I asked it, because the Bill does not remove all of the defects of Bill C-157. That question was: In any revised Security Intelligence Service Bill should members of that service have access to private census and tax information? I realize that census information was removed but tax information was not. Neither were medical records or information contained in a letter that may be deposited with Canada Post.

I am particularly concerned about the effect upon the tax system in Canada in the event that, contrary to the provisions of the Income Tax Act, this Bill overrides the prohibitions against disclosure by members and employees of Revenue Canada to the security service. One of the fundamental tenets of proper tax disclosure in a self-assessing system is the recognition by the taxpayer that what he or she reports is confidential and will be used only for the purpose of assessing tax. There may well be circumstances where, in obeying the tax laws of Canada, people may have breached other laws. I say quite frankly that if you wish the tax system of self-assessment to be maintained as the cornestone of our taxing arrangements, then it is absolutely vital that that information supplied by taxpayers be confidential and used only for the purpose of assessing tax.

This Bill will go a long way toward shattering the confidence—if any is left—that taxpayers have in the system administered by the Government. I do not know if the general public is fully aware of the implications of the Bill on their tax reporting system, but they certainly will be by the time we are finished with it in the House. We have an obligation to disclose to Canadians exactly what the Government is doing to them. Because we have raised issues in the House which have been elaborated upon and followed very closely by the media, we already know that the general public is aware of the ill deeds perpetrated upon the taxpayers of Canada by the Government. We can only hope that we can rectify the damage done to the system by the Government's actions.

However, if the House, in reckless fashion, passes Bill C-9 without regard to the damage it will do to the tax system, then when this Party forms the Government it will have a very difficult task trying to convince the people of Canada that it is appropriate that they honestly and fairly report all sources of income.

There is one other matter that concerns me about this legislation, Mr. Speaker. While we know that the mails are used for the purpose of transmitting drugs and other contraband products, it is my belief that the sanctity that has attached to letters being part of first-class mail ought to be maintained. A letter is but a written communication, with nothing else in the envelope. Indeed, first-class mail may include not only letters but the contents of an envelope in addition to the written material. That may well include contraband material, drug substances and the like. While it may be appropriate to examine a written communication that has attached or included with it contraband material, I submit it is not appropriate to open letters being part of first class mail. That matter has not been dealt with by the legislation. As a matter of fact, the Bill would entitle those pursuing the duties outlined for them in the Bill to open all mail, including letters in Canada, as it appealed to them.

One of the great defects that existed in Bill C-157 was clearly the lack of responsibility to the House by any minister of government who, whether he believed it or not, was responsible for the actions of this service. Thank heavens that has been remedied. It is a sad reflection upon the attitude of government that it would even contemplate the introduction of a Bill that tried to remove responsibilities from a minister of the Crown who was answerable in the House for the actions of a department of government or agency for which he should have assumed responsibility.

• (1210)

As a matter of fact, as I look at "intention", it worries me, Mr. Speaker, to find that any government would have had the audacity to attack the civil liberties of Canadians in the fashion of this Government when it introduced Bill C-157. To remove part of those offensive provisions does not, to my mind, eliminate the scorn which should be heaped on a Government which is so inclined to attack with reckless abandon the freedoms we enjoy in Canada. It so happens, of course, that it is the same Government which made much ado about a Charter of Rights and Freedoms which it attacks and assaults at every opportunity.

I am concerned about the search warrant provisions. We know that, as a general rule, mechanical functioning of oft changed provisions is left to the Governor in Council. The reason for that is that Parliament surely cannot be responsible on a daily basis for the minute changes which must be made in order to make a piece of legislation function smoothly. However, I am submitting to the House that consequent upon the delegation by Parliament to the Governor in Council under Clause 28 to pass those regulations dealing with such significant matters as warrants, is an unacceptable deletation by Parliament, and I quote from Clause 28—"governing the practice and procedure of, and security requirements appli-

cable to, hearings of applications for such warrants and for renewals of such warrants", we should know, Mr. Speaker, what the requirements ought to be. Is it a simple necessity under the intended plans of the Government that an application without more be submitted? I think not. Parliament should surely be aware of the very strict rules which should apply when the security of Canada is in jeopardy.

I wonder whether, having created a new force outside the ambit of the RCMP—which is not under the control and responsibility of the Solicitor General—we do not need some general principles which should apply with respect to those circumstances which would entitle members of the force to obtain those search warrants, which, as I indicated earlier, extend so far as to permit encroachment on the tax system, medical records and letters dispatched in the mail?

We have been told by the Government that this Bill meets one additional substantial complaint which was raised by the Senate committee which examined Bill C-157. That is that once an application has been made for a search warrant and has been turned down, the applicant cannot shop for a judge who will be more amenable to the desires of the person making the application. This Bill, Mr. Speaker, does not in fact preclude shopping for judges. All it requires is that some note be made of the fact that another judge may have accepted or rejected an application. If, indeed, the Government wishes to put an end to shopping for judges who would be more amenable to the requirements, all it needs to do is provide that once an application has been made to the court, another application may not be made for the same kind of search warrant. If the Government has the courage to do that, and I invite it to do so, we will have evidence of its alleged good intentions. If it, indeed, means what it says, let that change be made so that this Bill will remove that ominious provision which exists.

Mr. Heap: Mr. Speaker, I would ask the Hon. Member if he could comment further on the matter of Revenue Canada and confidentiality. If a person has been contributing to some organizations, perhaps a church organization or a public group which is supporting liberation movements in South Africa or in Central America, and if it were found through this kind of intrusive mail opening that the individual had applied for a tax exemption in the case of an organization which had that exemption available to it, would the Hon. Member feel that that would be an improper use of this kind of intrusion?

Mr. Gamble: Mr. Speaker, the Hon. Member is asking me a question of law as to whether or not, as a consequence of making a donation to a charitable organization so recognized, the status of the charitable organization might be removed for some other purpose. That has nothing to do with this Bill, as I see it. My objection to this legislation is—and I thought I dealt with it rather extensively—that I did not want that information to fall into the hands of persons other than those entitled to receive it for simple tax purposes. I thought the requirement was rather clear that only for the purposes of assessing tax should anyone examine information in a tax return.

This Bill, as the Hon. Member knows, in fact breaches that general provision of the Income Tax Act as it presently exists. I believe I have rather clearly indicated that, to my mind, this has a detrimental effect, not only upon the rights of the citizen who filed the information, but has a further detrimental effect upon the whole self-assessment process.

Mr. Heap: Mr. Speaker, I thank the Hon. Member for his answer which does succintly clarify his intention on that point. I would ask him as well, apart from the income tax side of it, whether he considers it appropriate that under this Bill, if it is adopted, the security service could choose to investigate by intrusive methods, such as mail opening, people who support, for example, the campaign in Africa against *apartheid*.

Mr. Gamble: Mr. Speaker, I do not believe it is appropriate, as I have indicated, to examine for any purpose letters sent by any person, including those who might have made a political contribution to sustain the democratic government of El Salvador.

Mr. Robinson (Burnaby): Mr. Speaker, as is rarely the case, perhaps I should say with respect to the Hon. Member, I certainly share many of the concerns he has expressed this morning and his philosophical approach.

Mr. Turner: John, you are in trouble now.

Mr. Robinson (Burnaby): On the question of access to information, I certainly agree with the Hon. Member that information should be held in confidence and should be used for the purpose for which it was intended. I would like the Hon. Member to elaborate on this particular point. The Hon. Member indicated clearly that it is his view that the new security intelligence agency should not have the power to open first-class mail in the absence of some suggestion that it contains some contraband, I suppose. I would like to ask the Hon. Member whether, in addition to precluding access by the security intelligence agency to records of the Department of National Revenue, he would extend that to other records which are obtained by other federal Departments, such as family allowance records, records which are obtained as a result of an application for unemployment insurance benefits and records which are obtained by the Federal Business Development Bank. Would he preclude the new security intelligence agency from having access to those records as well?

Mr. Gamble: Mr. Speaker, I identified two areas which I thought were matters of immediate concern. I based my attack upon the opening or gathering of information related to those two issues on the basis of either well established, recognized law in the general domain or statute law. What I am saying is that today it is an offence to disclose information to persons other than those entitled to use that information for the purpose of assessing tax. That would be a change in the statute law.

We recognize in Canada that treating letters in the mail as private communications has been sacrosanct. The Hon. Member asked me whether I would go beyond that and my

answer has to be this. I have not compiled, as he probably has, a list of a variety of information which would be available under this Bill but is not now available. I ask him: Is it not available because of the statute law or because of a well recognized principle known to all Canadians which ought not to be changed? If it is because of either of those two circumstances that the information cannot now be made available to the security service, then I would say it should not further be made available.

• (1220)

Mr. Robinson (Burnaby): I thank the Hon. Member for his answer. In fact, as the McDonald Commission clearly documented, it is as a result of present statutory prohibitions that this information cannot be made available. I take it that the Hon. Member would continue those statutory prohibitions. He is indicating his agreement.

I would like to ask him to elaborate on the results of the householder questionnaire circulated in his constituency. He touched briefly on that. Given the fact the Hon. Member made the effort to seek the views of his constituents on this important matter, then perhaps he might go into the outcome of that questionnaire at some greater length.

Mr. Gamble: Mr. Speaker, I would be delighted. I should have referred to it when I brought it up initially. The result of my tabulation is that my constituents opposed, by a ratio of two to one, making available to the service tax information and census material. It is true this Bill precludes the service from gaining census information. Accordingly, I suppose the result is somewhat coloured. I did not break it down in the questionnaire and ask if they were opposed to tax information and were they opposed to census information. They simply expressed the view of being opposed to both.

Mr. Robinson (Burnaby): Mr. Speaker, I was interested in the results because we have not heard from any Liberal Members except the Minister and his Parliamentary Secretary on this legislation. It seems they are not too keen to defend the principle of this Bill.

Does the Hon. Member for York North (Mr. Gamble) believe that the new civilian security service should have the power to place under surveillance—setting aside the question of opening mail and access to Government records—groups in Canada which seek to support the African National Congress campaign in South Africa against *apartheid*? Does he believe they should be placed under surveillance or that the security service should have the power to place such groups under surveillance in Canada?

Mr. Gamble: Mr. Speaker, it would depend indeed upon the circumstances involved in the activity of any representative of that group in this country. We know there are laws in Canada—I refer to the Immigration Act—which establish a number of prohibited classes of visitors to Canada. If they have come to Canada for the purpose of advocating the overthrow of a foreign government, they indeed would be, in my view, properly subject today to an examination and surveillance process instituted by the RCMP. Very clearly, then, if the RCMP can do it today, I would have no objection, having regard to the specific provisions of the Immigration Act which have some validity, to the security service doing the same kind of work in the future.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this subject matter has long been under consideration in this country. As far as this House is concerned, I suppose the problems of security were discovered when the McDonald Commission came into being. However, I can recall the decision to establish the security service under the RCMP with a civilian director. First, if I recall, it was General Dare and subsequently John Starnes.

Mr. Lawrence: The other way around.

Mr. Lambert: My colleague says it was the other way around and I stand corrected. But it goes a long way back. I think there is great confusion in the public mind, which is usually the result of a momentary glance at news headlines or some quick report on television; but there is no doubt in my mind that Canada needs a security agency. To say it is an intelligence gathering agency is to immediately stamp it, as those civil libertarians who want utter licence to prevail at all times would do, with the label of a government snoop agency burrowing into the innermost secrets of all Canadians for whatever purpose the active imagination may wish to bring forth.

Our history, Mr. Speaker, since World War II has been a joke in so far as security is concerned. Foreign governments have sent agents into this country to operate not necessarily against Canada but as a convenient base to operate against the United States. We became aware of this through the Gouzenko disclosures. But the country involved in that case, the Soviet Union, is not the only one to carry on nefarious activities in this country.

In every major security contest there has ever been, Canada has come out second simply because we did not have the resources or the determination to do something about it. I find it rather amusing that people are concerned about opening mail to see whether one supports *apartheid* or not, some church group or this or that. That is a silly froth on the subject. In so far as National Revenue is concerned, it opens mail; of course it does and it has a right to. It does not require a civilian agency to go and get a court order. I can see some people shaking their heads. They have never faced the problem of heroin importation by letter. It can be done and very simply. They have not faced the smuggling of almost pure gold in fine chains in a thick letter. They have not seen the absolute pornographic filth which comes in via the mail. It is not only mail; there are visual demonstrations of some of the most violent filth you can imagine. Perhaps some of the people who object to this privately enjoy viewing these, I do not know. I rather suspect that many of those who protest in print and otherwise protest too much. On the customs side it is not necessary. The authority is there. Under the Post Office Act it is rather stupid. The inspectors of the postal service have the

right to examine mail to see if it contains contraband. When they find contraband they write a letter to the addressee telling him there is a parcel for him coming from somewhere and to come and get it. Of course, the addressee is not going to go anywhere near the Post Office. They are then under instruction to return it to the sender. Of all the stupid things to do. I can only categorize that as stupid. That is an attempt to suborn legitimate law in the country. I defy any civil libertarian to say it is wrong to use means such as the censorship of mail by the appropriate officials to prevent the entry into Canada of narcotics and other attempts at smuggling.

• (1230)

In regard to the Income Tax Act, I agree that it has gone too far. I object to the agreement that was signed secretly between the RCMP and the Department of National Revenue and not disclosed until an admission was pulled from the lips of the then Minister, now Senator Guay, some years ago that it was possible for the RCMP to examine income tax files in an investigation of an offence under the Income Tax Act. The Solicitor General (Mr. Kaplan) knows this. Right away both the RCMP and the Department of National Revenue breached that agreement by doing something quite contrary to it.

This is precisely what many of the critics or potential critics of this Act are saying. In a criminal prosecution the income tax files of certain individuals were examined by the RCMP. The Anderson case is an example of that. That is wrong. The sooner the Solicitor General and the Minister of National Revenue (Mr. Bussières) come clean as to the exact status of that agreement today and its strict adherence, the better off we will be.

That is why I agree with my colleague from Saskatoon West (Mr. Hnatyshyn). This Act requires full examination by a committee of the House. We have seen security examined by the other place, by royal commissions and God knows what. The House of Commons, which is deemed by the people of Canada to represent them, must be able to get the views of a lot of people from one end of the country to the other. It is not sufficient for lobby groups and persons concentrated around Ottawa, Montreal and Toronto to give us the benefit of their views. A few of them give their views by way of briefs. Many of them give their views by reports of speeches, which are synthesized versions of what is said depending upon the views of the reporter.

I underline the absolute necessity, Mr. Speaker, when this legislation goes to committee, that the committee, composed of all Members of the House, shall then have an opportunity to go from Victoria to St. John's and hear what the people of Canada have to say about the important issue of a security agency for the country. By that I mean the relationship to government of what has to be a vital agency concerning individuals. We are attempting to protect the security of the country not only from boring in from the outside, but from activities within the country which include violent means, uprisings and a variety of other illegal ways to overthrow government and create national confusion.

Having said that, I do not want to come down hard on either side. I would personally tend to favour a civilian agency with a director with much more responsibility to the Minister than is required under this Act. Mr. Speaker, one of the big problems we have had in the past 20 years is that the Commissioner of the Royal Canadian Mounted Police has not been responsible directly to the Minister; he has been made responsible to a Deputy Minister. I will admit that over the years the history of the Department of the Solicitor General has been somewhat unhappy in that, along with a few other ministries, it was one of the favourite stools in the game of ministerial musical chairs. The net result was that either new boys to Cabinet or people who could not do a job properly in a more senior position were allotted to the position of Solicitor General. Subordination to the Deputy Solicitor General and the nature of leadership did much to affect the morale all the way through the force.

• (1240)

Therefore I disagree with Clause 7 of the Bill which stipulates that the Director should consult the Deputy Minister about the general operational policies of the service. I suggest that that is nonsense. He is responsible to the Minister because there must be proper political direction. That clause merely reflects part of the mandarin desire to control everything here in Ottawa.

I agree with Clause 8 of the Bill. A service that is properly run by a good Director should choose its own people. The service's employees should not necessarily be tall, blonde and 22. They would meet the requirements of the RCMP and make excellent policemen. A security service should be made up of its own full-time employees rather than people who are seconded through a backdoor from another government agency. Those who work with a security agency must possess the best possible qualifications. Their qualifications include intelligence, language and many other factors but have very little to do with being trained for a national police force. The security service should not become an independent force with the power of arrest. I personally believe that that is the purpose of the RCMP and other police forces. Any suggestion that the security agency should be allowed to arrest people or take other police action which people may fear should be set aside at the beginning.

I have some personal knowledge about the attraction of the RCMP as a career for young men and women in this country. All of the offences laid against the RCMP as a result of the McDonald Commission related to security. The besmirching of the RCMP has discouraged many good recruits from joining that force. I will admit that present economic conditions do not allow for many vacancies and we read reports about the emptiness of the Regina police school. However, that is not the whole story.

Since my time is almost up, I would suggest to Hon. Members, even those who believe a central security agency or

even the RCMP are inherently bad because they often restrict the aspired licence of some individuals in this country, that I believe the majority of people in this country are in favour of an appropriate security agency. However, since we have not heard what all of the features of that agency should be, I agree with my colleague from Saskatoon that the committee should be given the authority to conduct hearings in all parts of Canada and report back when it has completed its work.

Mr. Robinson (Burnaby): Mr. Speaker, the Hon. Member indicated that he felt the new civilian security service should have certain powers to open first-class mail, particularly when there is a suspicion that there might be contraband in that mail. Does he agree with the Hon. Member for York North (Mr. Gamble) that the security service should not in fact have the power to open first-class mail when there is a suspicion that this mail may contain messages of a subversive nature? Does he believe that a distinction should be made between the suspicion of physical contraband being in a first-class envelope and the passing of messages, as his colleague for North York does, or does he believe that all first-class mail should be subject to opening by the new civilian security service?

Mr. Lambert: First, may I say that the Hon. Member for Burnaby (Mr. Robinson) must have been looking at something else because I did not say that this agency should have the right to open correspondence or parcels with regard to contraband. There already are ample provisions within the Department of National Revenue, customs and excise and the post office for that purpose.

With respect to the suspicion of subversive messages, I find it difficult to answer that because there are pros and cons to the issue. Let us take a case in which correspondence contains codes and the results of espionage. Let us say that espionage is being carried out in the United States by another country and that a post office box in Canada is being used as a marshalling point for the transmission of such information. Surely if it became known to the security agency that this means was being used, would it not be proper for the agency to apply to a court to allow mail being delivered to a particular address to be subject to scrutiny? I am talking about national security. I can think of dozens of ways in which our country can be seen as the softest touch in the world for those engaged in international espionage.

Mr. Robinson (Burnaby): Mr. Speaker, the Hon. Member also dealt in his remarks with the question of the mandate of the new security service. He went to some length dealing with the powers that it might possess. Would he expand upon his views with respect to the mandate of the new security service? Of course, having read the legislation carefully, he is no doubt aware of what could happen to a group in his constituency under the provisions of this Bill. Take the example of a church group in Edmonton that decides it wants to send funds or other material assistance to a movement in Central America which is engaged in an attempt to overthrow one of the dictatorial, oppressive and violent governments there so as to liberate people from decades of economic and social oppression. A Canadian group or individual who wants to support that particular organization would be subject to intrusive techniques being used against it or him, even though many of us would argue that this poses no threat whatsoever to the security of Canada and Canadians. I hear the Hon. Member from Mississauga suggesting it does. I would welcome the intervention of the Member from Mississauga in this debate on that point.

• (1250)

At this juncture in the debate I would like to ask the Hon. Member from Edmonton whether he shares the view of his colleague from Mississauga that such activities by Canadians in fact constitute a threat to the security of Canada and should subject those Canadians to the full range of intrusive powers available to the nearest new security service under the provisions of this legislation.

Mr. Lambert: Mr. Speaker, on the simple basis which the Hon. Member puts it forth, there is no threat to Canada within or even without. If a Canadian citizen feels he wants to send money to a particular group in a particular country, it is that person's business. But I will say this much. If he sends it to a church group that enjoys the status of a charitable organization under the Income Tax Act, I would say right away that that organization should be disqualified because it is not carrying on charitable or religious work in the accepted sense. It is carrying on political work in some other country and that is not within the ambit of the Income Tax Act. Therefore, a choice will have to be made. As a matter of fact, some of the so-called charitable organizations front for activities outside the country which are not charitable. The Hon. Member being a man well versed in the law, I would invite him to review the legislation and the court cases with regard to what is the meaning of "charity" in the legal sense. It is not "benevolent" or "useful" but charitable within the meaning of the Act. Then that will follow.

But let us go on and develop the theme beyond what the Hon. Member suggested. He set a simplistic problem. I do not want my answer to be taken as a simplistic approval of a much bigger thesis, because there may be a point of halt. May I say that I would certainly have legislation available—and this may be something we may have to consider here—that in the event hostility should break out involving Canada, or a serious threat of hostility, all of this goes by the board. Many of these safeguards have to go by the board. The Hon. Member is too young to have gone through World War II. I can assure you, Mr. Speaker, that so many of the things that he and some of his colleagues seem to want and insist upon—I do not know, but I suppose acquired rights—in wartime just do not exist. The national will says that the thing to do is survive, and that has to be understood.

The Acting Speaker (Mr. Herbert): The period for questions has ended.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would be willing to commence my remarks now or call it one o'clock, depending upon the will of the House.

Mr. Kaplan: No, it is 12.55 p.m.

Mr. Ogle: I am happy to speak to Bill C-9 and to address the three basic questions that are in the Bill. First is a proposed mandate to set up a new civilian service in Canada for the purpose of intelligence operations. Second is to look at the powers that it is suggested the service will have. Third is to look at the oversight and accountability mechanisms that would be established in the Bill or that are established there now to see that the Bill functions and that the service is given limits of operation.

I want to address the Bill from a philosophical point of view. I would also like to use some of my experience, having lived in countries where intelligence services had a very high profile. I felt that instead of bringing security to people, it brought great insecurity.

I do believe this Bill and its notion is one that has grave concerns for many Canadians. I have addressed various audiences on the background notion of what is taking place in the Bill being proposed. I think it is important, to begin with, to look at the word "security". I personally believe its English context has changed in the last 15 years. When I was younger, security, I believe, meant a state of well-being that one experienced because of a whole variety of conditions that were present at that time in the person's life. Today security, I believe, means a process by which you guard something or set up walls against insecurity.

Let me outline a case in point. This House of Commons until recently did not have a security system. People coming to sit and watch in the galleries did not have to pass a screening to come into the galleries. People now have to go through mechanical surveillance similar to those installed at airports. However, I feel no more secure in this House of Commons from some attack against my person. In fact, I feel less secure than before.

The question has been thrown into the minds of many people, are we secure here? We had an incident a few weeks ago. A person came to the door at the end of the morning session. Our caucus was sitting here. The person tried to get in. The guards, the security people, whoever, took the person away. During Question Period the same afternoon the same person appeared at the door upstairs and had in her hand a bundle which she threw into the centre of the House of Commons. The proceedings carried on. I am sure many people watching television did not know anything had happened. It turned out the bundle was not a dangerous weapon or anything of the sort, but if it had been, that person had actually passed through security and had put us all into great insecurity.

I have watched this process grow. I have seen how people put a wall around something to make it secure. Then someone finds a hole in the wall and one then has to erect another wall. A place where this wall building has taken place is the airport at Tel Aviv, Israel. Wall after wall after wall have been put up to accommodate this word security.

I see it is one o'clock, Mr. Speaker. I will continue to address the philosophical notion behind security after the lunch hour.

The Acting Speaker (Mr. Herbert): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

OLYMPIC GAMES

TRIBUTE TO SKATER, BRIAN ORSER

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I would like to draw to the attention of the House the fact that achievements in any walk of life are a result of team effort. No man or woman achieves greatness by himself or herself, especially in an Olympic sport where it takes a complete effort by a dedicated coach who believes in the ability of his athlete, the support and encouragement of team-mates who know the individual has the "right stuff" to conquer the world, the love and encouragement of parents and relatives who know the hard work required to produce an Olympic medal athlete, and the proud support of the community which recognizes one of its own who brings honour to the community.

Those ingredients were all there last week, but they would not have come together without a supreme, championship effort by one individual, a true world champion. I ask the House to recognize the athlete himself, silver medal winner, men's figure skating champion, 1984 Olympics, from the riding of Simcoe North, Brian Orser.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FRANCO-MANITOBANS' RIGHTS

POSITION OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Gaston Gourde (Lévis): Mr. Speaker, during the weekend, the Leader of the Progressive Conservative Party tried once again to obscure the issue of French rights in Manitoba when he stated that his Party's dissenting Members had decided officially to toe the Party line. The Leader of the

Opposition forgot to tell the whole truth, however. First, this is not the first time the Members for Winnipeg-Assiniboine (Mr. McKenzie) and Simcoe-South (Mr. Stewart) have spoken out against bilingualism in Canada, and the token statement made by one of the Members sounds like a strategic ploy. Second, only one Member made a public statement last Wednesday, and the Member for Simcoe-South does not seem to have made anything public yet. Third, Canadians would like to know what is happening to the McKenzie-Stewart fund, a subject that concerns all Canadians and which demands clarification.

The Leader of the Opposition should show the same courage and firmness displayed by the Party in power. Once again for the Progressive Conservatives, it was too little, too late.

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[*English*]

LABOUR CONDITIONS

RATE OF UNEMPLOYMENT IN NIAGARA REGION

Mr. Girve Fretz (Erie): Mr. Speaker, it is high time the Minister of Finance (Mr. Lalonde) took off his rose-coloured glasses and saw the economic situation of the country as it really is. He has been raving recently about the fact that we are finally emerging from the doom and gloom of the recession, to a new dawn. In his Budget speech he quoted figures which show that inflation is slowing and that interest rates are falling.

Will he now admit that everything is not sweetness and light? Is he aware that the jobless rate in the Niagara region is now at an unbelievable 17 per cent? Even taking into consideration the traditional winter slowdown in the economy, this is too high, and unacceptable.

The human tragedy is enormous. The Liberals have been in power for four years, and today we have 514,000 more jobless than when they took over. I believe that this is, in no small measure, due to the Budgets which have been tabled during that time. The Special Recovery Program is clearly a recovery for the rich and a sham for the poor.

In the Niagara region alone there were 10,499 on welfare last month. That is a lot of mouths to feed. If these people had work, they would be more than happy to take it. Yet there is no work. The Minister of Finance has failed to address the serious issue of job creation.

* * *

POLITICAL PARTIES

POSITION OF PROGRESSIVE CONSERVATIVE PARTY ON GOVERNMENT DEFICIT

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in 1968 the Beatles released a delightful movie entitled *The Yellow Submarine*. Through song, a story was told about the struggle between the forces of good and evil. The villains in this work of fiction were the Blue Meanies, who were eventually vanquished by the good citizens of Pepperland.

It is now 16 years later, and we hear the Leader of the Opposition (Mr. Mulroney) and the Opposition finance critic, the Hon. Member for St. John's West (Mr. Crosbie), condemning the Government for not immediately reducing the deficit in last Wednesday's Budget. When asked what the Opposition would do about the deficit, the Hon. Member for St. John's West said, "You have to be mean, nasty, and do all sorts of unpleasant things . . . that's why I'm not going to outline what"—Tory policies—"would be now". From this it is clear that the Blue Meanies are back in human form, but now it is the people of Canada who face the insidious nightmare.

The chief Blue Meanie and his corpulent, evil-tempered henchman from St. John's West, are the rampage. They are joined by the "slasher" from York-Peel and the "sour sacker" from Capilano. Together they are Canada's Four Horsemen of the Apocalypse". People of Canada, rally to the defence of the social safety net, and demand that the mean, nasty and unpleasant people across the floor come clean with their plans for the future of our country.

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PARLIAMENT OF CANADA

DURATION OF PARLIAMENTS

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is not my purpose to take part in an argument. In fact I am not even trying to predict the date of the federal election, whatever that date may be. However, it seems important to me that newspapers keep the rules straight on how the date plan is decided.

In this connection I draw attention to the fact that in 1930 there was an election whereby the Seventeenth Parliament was elected. That vote took place on July 28, 1930, and it was gazetted on August 15, 1930. Four years later R. B. Bennett decided that he wanted to delay the election, but he accepted the fact that because of the rule Parliament had to be dissolved on August 14, 1935. Then Mr. Bennett set the election date for October 14, 1935. I remember the date very well. Even though I was only 27 years of age, I ran in the general election that day and lost. At any rate, the Seventeenth Parliament lasted five years and two months, from one election to another.

Then in 1940 there was voting for the Nineteenth Parliament. That election was called on Tuesday, March 26, 1940, and it was gazetted on April 15, 1940. The result of that was that in 1945 the Nineteenth Parliament was dissolved on April 16 because it was a Monday, April 15 being a Sunday. Then it was arranged that the voting would take place on June 11, 1945. That was one of the elections I won. So did the Liberal Government.

These are two examples of the Government delaying for the full term of five years and two months. There are no other occasions of this, except in 1917 for the war election during

World War I. It is an established fact that Government can wait five years and a bit longer.

Mr. Speaker: I regret to interrupt the Hon. Member, but his allotted time has expired.

Some Hon. Members: Let him continue.

Mr. Speaker: He may continue.

Mr. Knowles: I just want to make the point that the present Government was elected on February 18, 1980, and was gazetted on March 10, 1980. That means, therefore, that it has agreed that Parliament is dissolved on March 10, 1985, and it could set the election two months later, which would make it in May, 1985.

I am not trying to predict the election date. I am just asking the newspapers and those who look at this matter to understand what is the rule. The only other point I would like to make is that perhaps you, Mr. Speaker, would like to predict what will be the date of the next election. Or I wonder if you will guess it.

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PARLIAMENT BUILDINGS

EXPENDITURE ON WEATHER PROTECTION AT SPEAKERS' ENTRANCES

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, it is outrageous and unbelievable that the Government has the audacity to spend $275,000 flagrantly to build overhangs which will protect the Speakers of both Chambers from the Canadian weather, while at the same time it allows millions of unemployed and poor Canadians to face high costs, zero job availability and creation—are you listening, John—and the impending harsh reality that the present is bleak, and the future, if under the selfish Liberal Government, holds no hope for improvement.

On behalf of the poor and the unemployed of the country I condemn this irresponsible, insulting Government for its foolish extravagance, when this money could be well used in many ways to assist those who cannot afford food or basic daily essentials. Certainly most cannot afford to build $275,000 porches onto their shelters. Quite bluntly, the Government's priorities are in the wrong order and are disgusting, repulsive, and blatantly insulting to all Canadians.

* * *

● (1410)

THE LEADER OF THE OPPOSITION

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, when the Minister of Finance (Mr. Lalonde) announced the date for the presentation of his Budget, the Leader of the Opposition (Mr. Mulroney), the temporary member for Central Nova, immediately cried foul.

He went so far as to call it a cheap shot on the part of the Government to introduce a budget when the Leader of the Opposition was planning to be in Europe.

We all know the grandstanding of the Hon. Member for Central Nova. He would cancel his trip to Europe because, for him, the Budget and the economy of this country were his main concern, and discussing the Budget and the economy should be a top priority. Well, the Budget was in fact presented on Wednesday, February 15, and the Leader of the Opposition has not been seen in the House since. Would it be fair to assume that he is changing his priorities?

* * *

SCIENCE AND TECHNOLOGY

DEVELOPMENT OF COMPUTER SOFTWARE

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, Canada's fledgling computer software industry is being threatened with extinction, and two recent events have shown that the Cabinet lacks even a basic understanding of the situation.

One of these events is actually a non-event, arising from last week's Budget. It was a non-event because the Minister of Finance (Mr. Lalonde) failed to change the income tax definition in order to extend research and development benefits to the development of computer software, this despite a discussion paper and a task force that flowed from the previous Budget.

The other event of importance is the proposal currently before the Japanese Government that would require the compulsory licensing of computer software ideas from outside Japan to any Japanese company. Such a measure could decimate Canada's chances of marketing a universe of unique products, not only in Japan but anywhere in the world. Telidon is a prime example of the kind of Canadian idea that could be lost by this legislation.

When my colleague from Cariboo-Chilcotin raised this matter in the House a few days ago, the Minister of State for Science and Technology (Mr. Johnston) appeared not to know anything about it, even though numerous articles have appeared in the popular press, including *Business Week, The Economist,* and *The New York Times*. High-level delegations from other countries, including the United States, have visited Japan to make representations over this serious problem, but not a word from our Government. I know—

Mr. Speaker: I regret to interrupt the Hon. Member but his time has expired.

* * *

EMPLOYMENT

LACK OF PROSPECTS FOR STUDENTS

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, recently a book entitled "*Jobs Canada*", published by a non-profit group

in Toronto called Bridging the Gap, is being distributed to 2.5 million Canadians. It is a glossy publication. It is supposed to be non-governmental, but it contains a picture of the Minister of Employment and Immigration (Mr. Roberts), and obviously has government plans for the unemployed.

A reporter has indicated some of the jobs given in the booklet are air traffic controllers, bartenders, and newspaper editors. I would like to say that in general it is "Alice in Wonderland".

I received a letter today, and a telephone call from some students at the University of Saskatchewan in the engineering faculty. Blake Rooks indicates that of 60 mechanical engineers in his class, three have jobs; of approximately 30 civil engineers, none have jobs; there are 17 agricultural engineers, and three have jobs; of 30 geology engineers, none have jobs. That is the reality. The Government has to look to the real world where people are unemployed. There has been no recovery, certainly no recovery for students, and no recovery for those on unemployment insurance. We have to tell our Government to deal with the real world.

Mr. Speaker: Order.

* * *

FORESTRY

SITUATION OF INDUSTRY—NEED FOR ACTION

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, Canada's forest industry is suffering from a decade of neglect. The Government has demonstrated total disregard for our most precious renewable resource and our most important national industry. Only last week it was announced that negotiations between the federal Government and the Government of British Columbia had collapsed and a long-term cost-sharing agreement for forest renewal in B.C. could not be reached. Long-term planning and positive vision have given way completely to short-term patchwork programs and band-aid crisis management.

British Columbia's professional foresters met in Vancouver last week. Their general meeting was entitled "Our Forests in Crisis". They realize that the forest industry has been brought to the brink of disaster in Canada. They realize that Canada's forest industry is quickly dying. They also realize that prompt action, long-term commitments and political will can prevent the total collapse of the forest industry. They talked of standing on the threshold of the opportunity of our lifetime. They know that the social welfare extravaganza has to end and that real action has to be taken to set our priorities and preserve our lifeblood industries.

Canadians can be put back to work in productive industries like forestry. They do not have to rely on government make-work projects to survive. The time is now. We must reverse the trend and set Canada back on the track toward prosperity.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM NATIONAL ASSEMBLY OF FRANCE

Mr. Speaker: I would like to draw the attention of the House to the presence in our Gallery of a delegation of members of the Foreign Affairs Commission and the National Defence and Armed Forces Commission of the French National Assembly.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

THE BUDGET—RATIONALE FOR PROPOSED MEASURES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. At a post-Budget briefing session with the press last Thursday, the Minister said that his Budget is not having any effect on the Canadian economy and that this makes him happy. There are 1,473,000 unemployed Canadians who are not happy. With new signs of a stalling recovery, with orders for durable goods having fallen 1.1 per cent in December, factory production having dropped in November, disappointing sales at Christmas time, and CPI figures now rousing alarm about the dangers of renewed inflation, why did the Minister bring in a do-nothing Budget with the number of unemployed so high and so many signs that the recovery is faltering?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if the Hon. Member had bothered to read the press reports carefully, he would have seen that what I indicated was not that the Budget would have no impact on the economy but that there was no immediate large impact on the performance in the market, on interest rates or on the exchange value. I indicated that this is very much what I intended to see happening. I intended to make sure that the growth we had known in 1983 would be pursued in 1984, since what the country needs is stability and continuity in policy. I indicated that I expected that the rate of growth in 1984 would be around 5 per cent, after having been 3 per cent in 1983, and that employment in 1984 would grow by a strong 3.5 per cent. The reaction of the markets to the budget has been the one I hoped for and anticipated. Indeed, in 1984 I expect to see the continuation of a strong recovery and that the economy will grow from the phase of recovery into a phase of strong expansion in 1984.

UNEMPLOYMENT—MINISTER'S POSITION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, let's see if the Minister will answer a question. In his Budget of

April 17 he said his dominant concern was "to help the more than 1.5 million Canadians who want to work but cannot". That Budget did not help them; 1,473,000 are still unemployed. He is forecasting that the unemployed average will remain at 1,336,000 this year, and that in 1988 there will still be over 1,100,000 unemployed. May I ask the Minister with his do-nothing Budget, what is his dominant concern now? It is certainly not jobs for the unemployed. What is his dominant concern with this Budget, with 1,500,000 still unemployed?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member has quoted a number of figures. I draw to his attention that, on a year-to-year basis, manufacturers' shipments rose by 17.2 per cent, new orders rose by 20.7 per cent, and unfilled orders rose by 30 per cent between December, 1982, and December, 1983. There was a very strong recovery in the Canadian economy at that time.

● (1420)

The Hon. Member refers to the number of unemployed, and again I have to remind him that in Canada last year we created 400,000 jobs. It is true that unemployment has remained high, although it is declining, but we have the fastest growing labour force of any industrialized country. This is a fact that is there for everyone to see.

The Government is pursuing an active policy of encouraging the creation of jobs by the private sector as fast as it can be done. It is also providing leadership in the public sector by increasing its spending. This year, for instance, the Government will spend over $525 million more than it did last year in creating jobs directly and indirectly, in spite of the fact that it is trying to keep the federal deficit under control and under restraint.

Finally, I have to suggest to my hon. friend that perhaps he could tell the Canadian public what the tough, mean and nasty things are that he would do, and that he refused to tell the Canadian public last week after the Budget.

Mr. Crosbie: Mr. Speaker, the main nasty thing would be to kick out this Government.

ECONOMIC FORECASTS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, you cannot get blood from a turnip, and you cannot get an answer from one either. The Minister has very optimistic economic forecasts in his Budget. He forecast economic real growth of 3.8 per cent on average in the next five years. Last Thursday when he was asked about those forecasts he said, "Frankly, who knows?" with a famous Gallic shrug. "Frankly, who knows?"

May I ask the Minister if any credence can be put in these forecasts that he is basing the anticipated level of unemployment on, since he has no faith in them? If they are not accurate, what will happen to his unemployment projections which are already horrendous? What will happen to the Canadian economy?

Mr. Nielsen: Who knows?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, perhaps my hon. friend would like to take a look at the forecast given by a number of professionals in the field, both in Canada and in the United States. A few weeks ago, President Reagan tabled in the House of Representatives his own forecasts for the American economy over the next few years. The President's prediction for this year, 1985, 1986, 1987 and 1988 is a growth rate identical to that expected for Canada, namely, 4 per cent.

I may remind my hon. friend that the performance of Canada's economy often runs parallel to that of the U.S. economy, and that the forecasts presented by the Government of Canada are based on studies made by professionals in the field, as they are in the United States, or by international organizations such as the OECD, which did, in fact, predict a growth rate of 4.9 per cent, identical to my own forecast for 1984.

However, if my hon. friend thinks we can guarantee these figures for 1988, he is being less than reasonable. Nevertheless, I would like to point out that these predictions are not necessarily over-optimistic. Last year, I brought down a Budget with a number of forecasts, and the Opposition said my predictions were too optimistic. In fact, the economy performed even better than I had expected.

Consequently, I hope that by continuing the policies we have put in place and with the important measures this Government has taken in the economic sphere, we shall improve on our forecast, as we did in 1983.

* * *

[*English*]

EMPLOYMENT

JOBS CANADA MAGAZINE—USE OF GOVERNMENT FUNDS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is addressed to the Minister of Employment and Immigration. At a time when, according to the prognostications in the Budget of the Minister of Finance, the best scenario we can anticipate is 1.1 million unemployed Canadians for at least the next four years, how can the Minister justify funding and putting out the *Jobs Canada* magazine by a group called Bridging the Gap? This is a good news publication and indicates that anyone in Canada who wants work should be able to find it. And it was vetted by the Minister's officials. How can the Minister justify that expenditure of money on this kind of publication which is going to 2.6 million Canadian households, when the money could be better directed to the interests of the unemployed?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I think I can do that quite easily.

Mr. McDermid: It was a bad picture of you.

Mr. Roberts: The hon. gentleman says it was a bad picture of me. That may very well be right, but that is of absolutely no importance in terms of what we are trying to do.

Members on all sides of the House have urged us, and I think quite rightly—

Mr. Crosbie: You should have had the Minister of Finance on there.

Mr. Roberts: —to mount better efforts to communicate the range of programs that we have under the Employment and Immigration Commission so that the clientele we could potentially serve would better know what programs are available to them. In this particular case the publication put out by a voluntary group is one in which we have advertised, it is true, but far from the majority of the costs of the issue are being supported by us. The majority of the costs are being met by others.

The publication brings together very useful information for young people and others who are seeking employment opportunities and seeking to know what services the Government of Canada provides to assist them in their search for jobs. It seems to me to be extremely useful.

I think it would be silly of the hon. gentleman to urge that we should mount programs and then not undertake expenditures to ensure that those programs are communicated effectively to the public they are intended to serve. In this case I hope the Hon. Member has read the publication. I hope his question leads more people to be aware of it and to consult it. I am convinced it is the kind of information which we should provide to Canadians.

Mr. Hnatyshyn: Mr. Speaker, on the basis of the advice given in the magazine with the approbation of the Minister, he could well be prosecuted for violation of truth in advertising.

JUSTIFICATION FOR EXPENDITURE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, may I ask the Minister how he can justify another example of lavish and elaborate patronage? How can he justify this thinly transparent Liberal propaganda, indeed, propaganda possibly for the Minister's own run at the leadership of the Liberal Party? How can he justify this in a time of restraint, particularly when there is so much to do in the country for the 1.5 million unemployed? According to the Conference Board of Canada that number will rise in 1985. How can the Minister justify this kind of action?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member's questions are even more absurd than they usually are. What this is, in effect, is a means of communicating to Canadians what programs are available for their use. It has that purpose, and it is effective.

* * *

LABOUR CONDITIONS

PLIGHT OF UNEMPLOYED IN HAMILTON AREA OF ONTARIO

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Finance. The Minister will know, I am sure, that in the Hamilton area 50 per cent of all construction workers are out of work, 70 per cent of electricians are looking for employment, and 20 per cent of all steelworkers are out of work. The unemployment rate in the area is substantially higher than it ought to be. These people do not qualify for the Government's recently announced new RRSP program; they do not qualify for the reduction in income tax that the doctors, lawyers, accountants and consultants qualify for, down to 15 per cent; in fact they do not even qualify for unemployment insurance.

Given that the Minister has previously indicated his concern for those who are unemployed through no fault of their own, who do not qualify for UIC, and for whom no work is currently available, why was there nothing in the Budget to help those people?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member probably made a very short reading of the Budget, because the Budget had something. As I indicated in my answer to the Hon. Member for St. John's West, the federal Government is going to spend over $500 million more in 1984 than it spent in 1983 in direct and indirect job creation. This is a significant addition to the total amount we are providing to help alleviate the problem of unemployment. Our expenditures on training, direct job creation and capital expenditure are going to run into several billions of dollars in 1984. That addition of over $500 million is a significant addition, taking into account the constraints under which we are all operating in terms of availability of funds.

The Hon. Member says that the Budget contained nothing for those people who have exhausted their UIC, but I would remind him that programs already exist for these people. In particular there is the Canada Assistance Plan, to which the federal Government is contributing 50 per cent to the provincial Governments for whatever assistance they are providing. As a matter of fact our expenditures under that program have increased by several hundreds of millions over the last few years. These programs which are being provided by the Provinces are cost shared by the federal Government to the tune of 50 per cent.

• (1430)

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister appears to be saying that the only hope for those who cannot find employment, and who are unable to collect unem-

ployment insurance benefits because they have received unemployment insurance benefits for the last year to a year and a half, is that they go on welfare.

When people have contributed to their own well-being all of their lives, have worked every single day since they were in their teens, and now find themselves in their middle fifties out of work, unable to draw unemployment insurance benefits, with children still in school, and their spouse not earning enough to maintain the family, is it reasonable to expect that these people must lose everything for which they have worked simply because this Government is so blind that it cannot see that they need some assistance now?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is again distorting what I said. I indicated that there are a number of programs and expenditures by the federal Government in terms of direct job creation, and in terms of additional expenditures by the federal Government to the tune of over $525 million more than last year. We are doing everything we can in that regard. However, the Hon. Member also must recognize that the federal Government—any Government—cannot guarantee to every Canadian who is unemployed that he can have a job tomorrow morning, or even next month. No one can guarantee that.

What we are trying to do is to speed up as much as possible the activities taking place in the private sector. The measures I announced in the Budget, in terms of helping small business and medium size business, in particular, and the measures I announced in the last Budget, which are also effective—and many of them are going to have their main effect in 1984 rather than in 1983—all of these measures should lead to a high rate of job creation in the private sector.

In the meantime we have not only direct job-creation programs, but we have programs for the retraining of workers, and programs to help the mobility of people, helping them look for jobs in other areas. We have all those programs which are in operation and for which there are billions of dollars being made available during the course of 1984-85. We are doing everything we can because we share the concern for these people with the Hon. Member. However, the fact is that, unless one is a charlatan, one cannot guarantee that this problem will be resolved tomorrow morning. It will take time, unfortunately, and I regret it every day, but we are doing everything we can.

Mr. Deans: Mr. Speaker, the Minister may well be right. Many of those people cannot find employment because there are no jobs. That is the premise upon which I have based the questions I have asked since last December.

BUDGET'S TAX PROPOSALS

Mr. Ian Deans (Hamilton Mountain): Now, what I ask the Minister is this: is it fair to turn around and give to doctors, lawyers, consultants, accountants and oil companies, tax breaks totalling into the billions of dollars, and then to tax average Canadians this year an additional $1 billion, and say to those who are unemployed through no fault of their own and who cannot find work because, as the Minister says, there is no work for them, that they must lose everything they have ever worked for, simply because this Government would rather help its friends than help those who need it most?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is once again indulging in rhetoric and demagoguery. I may remind him that the federal Government's additional expenditures for this year, which are in the Budget I brought down last week, are directed basically to the people who are in greatest need. We have about $450 million in additional expenditures for 1984, if I remember correctly in any case, we can check the exact figures. However, what I want to point out is that the vast majority of these funds are aimed at people in need. Two hundred and fifty million dollars for Canadians over 65 who are alone and who live in poverty. One hundred and fifty million dollars for unemployed youth. Therefore, if we look at the expenditure increase for 1984-85, the Hon. Member will have to admit that practically all additional expenditures for 1984-85 will be used to help the people who are in greatest need in our country. All my hon. friend has to do is to look at the expenditure plan for 1984-85.

As far as the expenditure and fiscal plans for subsequent years are concerned, there again, my hon. friend will have to admit that this Government is trying to put on an equal footing those people who are employed by businesses and whose pensions are covered by their employer, and people who are self-employed, whether they are professionals or farmers, fishermen, small businessmen or workers who are not covered by pension funds at this time. We are trying to achieve the objective of equal sharing of opportunities within our society.

* * *

[*English*]

FINANCE

INTEREST RATE PROJECTIONS USED IN PREPARING BUDGET

Hon. Ron Huntington (Capilano): Mr. Speaker, my question is directed to the Minister of Finance. I must say that if the Minister expects the private sector to deliver a sustained recovery, lower, stable interest rates are absolutely essential.

Mr. Crosbie: Right on.

Mr. Huntington: On Friday last, Mr. Speaker, the Minister of State for Finance refused to tell us the interest rate used in the projection of debt service charges in his fiscal plan. He inferred that such information would spook the capital markets. Given the fact that United States Budget projections each year project the 91-day Treasury Bill interest rate ahead three years, and in this past Budget, ahead to 1989, at which time interest rates will be down to 5 per cent, can the Minister tell us why the secrecy here in Canada? Why can we not be trusted with this type of information, particularly when the

U.S. is prepared to publish its research and figures for the whole world to see? Is there any substance to the Minister's figures, or are we just facing more flim-flam?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I agree with the Hon. Member that it is important to bring interest rates down. The fact is that this Government has done quite a job in that regard over the last few years.

Some Hon. Members: Oh, oh!

Mr. Lalonde: Not only have we brought interest rates down—

Mr. McDermid: You had a job getting them up to 22 per cent.

Mr. Lalonde: —but we have reduced, and in fact practically eliminated the spread which existed between the U.S. rate and the Canadian rate. The prime rates today at banks in Canada are the same as in the United States. They have been the same since last fall. This is something which we have achieved. For the Conservatives to say that something must be done about interest rates, I would have to remind them about an important statement—

Mr. Nielsen: Answer the question.

Mr. Lalonde: —which was made in this House, which was, "No one wants high interest rates. So it is not the policy of the Government to have high interest rates. It is a condition which the Government cannot do anything about at the monent." That statement was made by the Hon. Member for St. John's West, who is sitting across the aisle, on November 15, 1979.

Mr. Nielsen: Answer the question.

Mr. Lalonde: It is not the policy of this Government that nothing can be done about it.

Mr. Crosbie: You have had four years to do something.

Mr. Nielsen: Answer the question.

Mr. Lalonde: We on this side of the House have done a lot about it, Mr. Speaker. As far as the point raised by the Hon. Member is concerned, I must tell him that we are following the same policy which was followed by the former Minister of Finance, the Hon. Member for St. John's West, when he was in office. These figures have been considered internal to the administration of Government and it is not judged to be in the public interest—

Some Hon. Members: Oh, oh!

Mr. Lalonde: —to provide speculators in the market with possible information as to what will happen with interest rates. Let them make their own judgment. This is the best way to protect the public interest.

Mr. Nielsen: Call an election.

INTEREST RATES ON LONG-TERM GOVERNMENT BONDS

Hon. Ron Huntington (Capilano): Mr. Speaker, in light of the fact that in the United States interest rates on 91-day Treasury Bills are published each year all the way through to 1989, at which time they project they will be down to 5 per cent, and in light of the fact that the Canadian Government is now selling five-year non-callable bonds to yield 11 per cent, nine-year bonds to yield 11.5 per cent, and 21-year bonds—non-callable, I might remind you, Mr. Speaker—to yield 12 per cent, why does the Minister say that interest rates are expected to decline in his fiscal plan?

Mr. Crosbie: Yes, answer that one.

Mr. Huntington: Why does the Minister keep saying that? Why does he keep heaping this rhetoric on the Canadian public when the facts just do not live up to what he is saying?

Mr. Crosbie: Right on.

Mr. Nielsen: Tell the truth. Come clean.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is interesting to hear the Hon. Member quote those American figures indicating that interest rates are going to decline in the United States—

Mr. Crosbie: They are going to go up here.

Mr. Lalonde: —and yet refusing to recognize that if they decline in the United States there is every likelihood that they will decline also in Canada.

Mr. Crosbie: Why are we paying 12 per cent?

Mr. Lalonde: This is what the policy of this Government has been, to try to exploit all the room possible for manœuvring *vis-à-vis* U.S. interest rates. We have succeeded in reaching a point where our interest rates are at par with or in some cases below the United States. This is thanks to the policy this Government has followed, and we intend to follow that policy. Any decline in the U.S. rates that the Hon. Member has referred to will be followed in Canada, I am sure.

* * *

• (1440)

[*Translation*]

FINANCE

LOSSES SUFFERED BY APPLE GROWERS

Mr. Gérald Laniel (Beauharnois-Salaberry): Mr. Speaker, my question is directed to the Hon. Minister of Finance.

On December 20, 1983, the Minister of Agriculture made payments to apple growers in Eastern Canada to compensate them for 50 per cent of the losses they had suffered as a result of freezing temperatures during the 1980-81 winter, through a special assistance program designed to help Quebec and

Ontario apple growers who produce the best tasting apples in Canada if not the whole world.

Mr. Speaker, we had been led to believe that these payments would be non taxable. Apparently, there is now some confusion arising from the replies made by some Revenue Canada officials. I would like the minister to clear this confusion, so that apple growers may know where they stand as they are about to prepare their income tax returns for last year. Mr. Speaker, we hope also that the Quebec government will not try to get its cut.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am happy to inform the Hon. Member that these compensation payments made to apple growers for losses resulting from frost a couple of years ago are not considered as income and are not to be included in the growers' taxable income.

The frost and the ensuing loss of apple trees have had the effect of lowering the value of these properties, so that the base for capital assessment of the said properties is lower. But as far as the compensation payments from the Canadian government are concerned, they are not added to the income of apple growers and are not taxable.

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[*English*]

NATIONAL REVENUE

AUDITORS' PERSONNEL REVIEWS—REMOVAL OF REFERENCES TO GOALS

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is for the Minister of National Revenue. When questioned on Friday as to why personnel reviews in Revenue Canada are being amended without prior knowledge of the employees, the Minister passed it off by suggesting that I attend his Estimates Committee meeting. This is too important an issue to be passed to the bureaucracy so the Minister can escape his responsibility. Both I and the Canadian people want to know who gave the order that the personnel files of Revenue Canada auditors be examined and that all references to goals be removed from their work reviews?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I shall have to check the details mentioned in the Hon. Member's question. I wanted to do so this morning but unfortunately I did not have time.

[*English*]

AUTHORIZATION FOR ALTERATION OF RECORDS

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I might be able to help the Minister. I have a personnel assessment of an auditor which was completed, signed, and receipted in August of 1983. On January 20, 1984, an amended form was forwarded to the employee, together with a covering memo which stated in part, "basically the change was an improvement over the original wording . . . something to do with an 'erroneous' reference to a set 'standard' rate".

I ask again: who gave the order to have these personnel records altered? Was it the Minister? Was it the Prime Minister? Was it the Deputy Minister? Who gave the order to remove all reference to "quotas" or to "set standard rates" for auditors? Come clean with the Canadian people.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have just indicated to the Hon. Member that I have to check the fact which he has just drawn to my attention. Considering my previous answer, he will understand that I cannot answer his second question.

* * *

[*English*]

PUBLIC SERVICE COMMISSION

OFFICE OF EQUAL OPPORTUNITIES FOR WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister responsible for the status of women. The NDP is shocked to learn that the Office of Equal Opportunities for Women in the Public Service Commission is to be closed on April 1. This will mean 95,000 women clerks and secretaries in the Public Service will lose the one central office which acts as a watchdog for their concerns within government. Will the Minister confirm that the Government intends to shut down this important service for women on April 1?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I, too, heard that rumour on Friday and was most alarmed, so I checked with the Public Service Commission and got a report on the situation. The Commission is attempting to add strength to its previous efforts by adopting new special measures and by examining the possibility of transferring the present functions of the Office of Equal Opportunities for Women into the operating branches of the Commission where more direct influence can be exerted on the operational processes such as recruitment, referral, counselling, and training, as well as in the policy-setting functions. However, there is no intention to close that office on April 1. There is a policy under way to re-examine how best the office can be strengthened within the new affirmative action program. I would like to add that the present regional equal opportunities offices functions are not under review at this time, will not be closed, and there will be no jobs lost in the procedure.

EQUAL PAY FOR EQUAL WORK

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, surely the Minister should know that the affirmative action program does not offer the extensive training, educational,

counselling and advocacy functions of the present department. I would like to know her personal position on this. It does not seem to me that to put this within existing departments achieves the function it is supposed to achieve.

Does the Minister agree that the Office is particularly important in view of the recent Labour Canada report confirming that the federal Government is not enforcing equal pay for work of equal value guidelines? Will the Minister initiate action immediately to reduce the over $7,000 wage gap which still exists between men and women in the Public Service?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am delighted that the Member has brought the subject up because it debunks the popular myth that the moment equal pay for work of equal value legislation is brought in, the world will collapse and we cannot afford to do it. It is proof indeed that the legislation must first be in place and that those affected must seek to have the rules applied. I do insist that this kind of legislation be applied throughout the country and that those women most affected make sure that in their next labour contract the equal pay for work of equal value legislation be applied. I want to reiterate that only 10 per cent of the work force is covered by this legislation, 90 per cent comes under provincial jurisdiction, and I urge the women of this country to bring about such legislation within their provincial boundaries.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DELEGATION FROM THE REPUBLIC OF COLOMBIA HEADED BY MINISTER OF FOREIGN AFFAIRS, HIS EXCELLENCY RODRIGO LLOREDA CAICEDO

Mr. Speaker: May I call the attention of the House to the presence in our gallery of a delegation from the Republic of Colombia headed by the Minister of Foreign Affairs, His Excellency Rodrigo Lloreda Caicedo.

Some Hon. Members: Hear, hear!

* * *

NATIONAL REVENUE

REPORT OF AUDITORS' CONTEST TO WIN $50 LUNCH

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the Minister of National Revenue. For the past three months he has refused to acknowledge that there is a malignant attitude existing in his Department. The most telling and striking example that I can think of was the one printed in *The Globe and Mail* last Saturday. A senior supervisory official, the Chief of Audit, sponsored a contest. The contestants were 20 groups of auditors comprising eight or nine auditors each. The prize was a $50 lunch. The standards imposed were a maximum recovery of tax dollars, maximum penalization of taxpayers, and how quickly the files could be processed. What this senior supervisor was really doing was putting a bounty on the taxpayers of Canada. Is the story as reported in *The Globe and Mail* accurate? Did such a memorandum exist? The context was that this was renewable every quarter. Is this $50 lunch still the practice of the Toronto Department?

• (1450)

Who paid for the lunch? Was it going to be the Chief of Audit or the Department? Does the Minister approve of such contests as illustrated in the story in *The Globe and Mail*?

Mr. Speaker: The Hon. Member should really ask only one question.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, in his first question, the Hon. Member asked whether the story reported in the press is accurate. It is not entirely accurate. Second, he asked how long the contest between a number of auditors went on. According to my information, it was suggested in August 1983 and it ended in December 1983. The Hon. Member also asked who paid for the prize awarded in the contest. No public funds were used. The Director of this group of auditors spent money out of his own pocket to reward the good work done by the auditing group he had to supervise.

[*English*]

Mr. Speyer: Mr. Speaker, the Minister has just substantially acknowledged the accuracy of the story. The story is absolutely the most disgraceful thing, because it puts a bounty on the taxpayers of Canada. This is the rule, not the exception, and that is what I want to get through to the Minister.

MINISTERIAL RESPONSIBILITY—REPORTING STATUS OF DEPUTY MINISTER

Mr. Chris Speyer (Cambridge): Mr. Speaker, my supplementary question has to do with ministerial responsibility. It has come to my attention that the Minister's predecessor, presently the Minister of Energy, Mines and Resources, had a conflict with his Deputy Minister. The conflict was in regard to whom the Deputy Minister reported to. Did he report to the Minister or to the Prime Minister of Canada through the Clerk of the Privy Council? I understand there was a memorandum of law composed by a Mr. William Rowe as a result of this dispute. Would the Minister inform me and other Members of the House whether, in matters of operation, the Deputy Minister reports to him or to the Prime Minister's Office? Will he table in the House the legal opinion with respect to the responsibilities of the Deputy Minister in the day-to-day operation of his Department?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, first, I believe the Hon. Member is aware of the practice that legal opinions formulated for a Minister are not

tabled in the House. I think that, with his experience in the House of Commons, he should have known that.

Furthermore, I said the story reported in the press was not accurate. I would like to point out that two factors were considered by the Director who set up the contest. First of all, penalty points were given to auditors who kept taxpayers' files for review, in their offices, for more than sixty days. I fail to see how this could harm the interests of the taxpayer. On the contrary, the auditor was motivated to finish his work quickly and to return the file as soon as possible to the businesses concerned who would need the papers themselves.

I will give another example, and I hope the Hon. Member will listen carefully. The auditors were also given penalty points when correspondence sent to taxpayers did not meet the standards of excellence set by the supervisor. Here again, we see the same concern for providing taxpayers with a good and quick service and for treating taxpayers like human beings. This is the exact opposite of the twisted picture the Hon. Member has given of the activity initiated by an audit director.

* * *

[*English*]

LABOUR CONDITIONS

LIST OF UNEMPLOYMENT INSURANCE RECIPIENTS RELEASED TO PETERBOROUGH SCHOOL PRINCIPALS

Mr. Bill Domm (Peterborough): Mr. Speaker, it was brought to my attention on the weekend that a list of the unemployed in the federal riding of Peterborough has been published and circulated to the principals of the eight high schools in my area. This list includes social insurance numbers, age, number of weeks on unemployment, number of weeks insurance was collected, along with addresses and names. The principals of high schools in my area, as a pilot test centre for Canada, have been asked to give back the lists of those people on the unemployment list.

I have here 11 sheets of a computer printout. These people are now being matched with the enrolments in the high schools in the Peterborough federal riding. Is this your policy? Did you, as Minister of Employment and Immigration, instigate this underhanded method of trying to disclose unethically the list of the unemployed in my federal riding of Peterborough?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I heard of these allegations to which the Hon. Member has referred for the first time this morning. The allegations concern me very much if they turn out to be entirely accurate. I have given instructions to my officials to ascertain exactly what the facts of the situation are, and to report to me as quickly as possible. At the moment I am not in a position to confirm, deny, or comment on the allegations to which the Hon. Member has referred. I can tell him that I have instructed my officials to ascertain the facts and report to me as quickly as possible. I can assure the hon. gentleman that I will be in touch with him as soon as I have that information.

NATIONAL REVENUE

DEPUTY MINISTER'S REPORTING RESPONSIBILITIES

Hon. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Minister of National Revenue which follows up on the question of the Hon. Member for Cambridge. Will the Minister inform the House whether his Deputy Minister, under any circumstances, reports in any fashion on any matters whatsoever through either the Prime Minister's Office or the PCO?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Opposition House Leader ought to know that the Deputy Minister reports to his Minister.

[*English*]

Mr. Nielsen: I take it that the assurance he is giving the House is that the answer to my question is no.

PRIZES FOR AUDITORS

Hon. Erik Nielsen (Yukon): Mr. Speaker, with respect to the $50 lunches a head per auditor that are set as the prizes for harassing taxpayers, can the Minister inform the House what the prize is if they nail a taxpayer and put him in jail? Is it a $500 dinner complete with entertainment? What is the prize for putting a taxpayer in jail?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member's question is so ridiculous it does not deserve an answer.

* * *

[*English*]

FINANCE

THE BUDGET—TAX PROVISIONS AFFECTING OIL COMPANIES

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to ask a question of the Minister of Finance on behalf of taxpayers who do not earn enough income to pay taxes. My question pertains to the half billion dollar blank cheque he has given to the oil companies in the form of windfall tax relief. PGRT legislation is currently before the House which would give in the order of a one-quarter million dollar return. In the Minister's Budget we are also considering the IORT suspension again which this year is $190 million.

A few minutes ago the Minister said that a person would have to be a charlatan to say that something could be done to help the unemployed. When are we going to stop giving unconditional tax breaks to oil companies when there is no guarantee they will be passed through to consumers or that they will go into investments in Canada, and when the major multinational oil companies are the major beneficiaries and could just as well pass it through as dividends to their parent corporations, or invest it in the South China Sea? In short,

when is the Minister going to start looking in the mirror and see that there are fair ways of dealing with people who need help in this economy?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member should realize that we are trying to allocate funds, either in the form of direct support by the Government or as incentives to the private sector to create as many jobs as quickly as we can. Coming from the West as he does, I do not think my friend will conclude that closing down the oil and gas industry in British Columbia, Alberta and Saskatchewan is going to be of great support to the unemployed of the country. I would suggest to him that if we have an active and dynamic oil and gas industry it will have significant beneficial impact, not only in terms of job creation in the West but all over Canada. I am sure my friend, if he reflects upon it, will find that this is the case.

• (1500)

REQUEST THAT CONDITIONS BE ATTACHED TO TAX BREAKS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, oil company profits went up 38 per cent this year to $1.2 billion. The Minister wants to give them another half billion dollars in order to improve their cash flow. Their cash flow went up 16 per cent to $3.8 billion in the first half of 1983.

The disgusting aspect of this is not that we are shutting it down; we are simply asking that he stop writing blank cheques and begin providing some conditions to any forfeiture to tax revenue, that they either be passed through to consumers or they make an investment in the area that will stimulate the economy, guarantee energy security, and provide some jobs for people in this country.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if the industry does not invest and does not spend, it will have higher profits and it will pay taxes. Those taxes will come back to the federal Government and provincial Governments. Those moneys will be used to help Canadian citizens all across the country, and particularly help the unemployed.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for York-Scarborough (Mr. Cosgrove) on Friday, February 17, 1984, meets the requirements of the Standing Orders as to form.

The petition presented by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) on Friday, February 17, 1984, does not meet the requirements of the Standing Orders as to form.

AGRICULTURE

BRITISH COLUMBIA APPLES

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I rise on a point of order. The Hon. Member for Beauharnois-Salaberry (Mr. Laniel) perhaps unconsciously misled the House in his earlier submission. He indicated that apples grown in Ontario and Quebec are the best apples in Canada but that can only be true if British Columbia and the Okanagan are no longer in Canada. By last count they are still part of Canada. We all know that they have the best apples in the world.

* * *

PRIVILEGE

MR. NIELSEN—REPORTED INVESTIGATION OF LEADER OF OPPOSITION—RULING BY MR. SPEAKER

Mr. Speaker: I am now prepared to rule on the question of privilege raised by the Hon. Member for Yukon (Mr. Nielsen) on February 15.

Any attempt to intimidate a Member with a view to influencing his parliamentary conduct is a breach of privilege. It is a fundamental principle of parliamentary law. If a Member is subjected to threats and intimidation, he or she is clearly hindered in the fulfilment of the parliamentary duties for which he or she was elected.

The Hon. Member for Yukon in his lengthy presentation covered a great deal of ground in relation to this principle. One statement which he made at page 1418 of *Hansard*, with which the Chair fully agrees, was as follows:

> For a breach of privilege to be established, it must be established that the Government attempted to intimidate or obstruct the Leader of the Opposition by threatening to release information about his conduct in his role as a private citizen.

He then went on to say, that "intimidation was the Government's intention". However, this statement reflects the Hon. Member's own judgment and he presumably does not claim it as a proven fact. The Chair has to decide, on the basis of the facts presented, whether there is enough evidence to substantiate a prima facie basis to this assertion.

The presentation of the Hon. Member for Yukon creates certain difficulties for the Chair. On the one hand, he is raising a question of privilege on behalf of his colleague, the Hon. Leader of the Opposition (Mr. Mulroney). However, in elaborating the case, the Hon. Member for Yukon seemed to be complaining that all members of the Opposition were working under the shadow of threats and intimidation. He alleged that "Members of the House can no longer rise in the House to ask questions of the Ministry without fear of reprisals for their actions". He referred to incidents not directly related to the question of privilege he was raising, such as an incident arising on January 24 involving the Hon. Minister of Finance (Mr. Lalonde). He claimed that the question of privilege arose out of the exchanges during the Question Period, although the presentation ranged beyond the principal issue which was raised during the Question Period, namely the

collection of information concerning the Hon. Leader of the Opposition. A great deal of preparation had clearly gone into the Hon. Member's submission.

The Hon. Member for Rosedale (Mr. Crombie) stated during his intervention that there was no dispute about the facts. What was in question was the interpretation. I believe that this accurately sums up the situation. The Chair must consider the facts which are before it.

What we do know for certain is that among the files maintained in the Prime Minister's Office is one concerning the Hon. Leader of the Opposition. We know that certain employees of the Prime Minister's Office have collected information concerning the Hon. the Leader of the Opposition which is in the public domain. This information, as far as can be determined, is freely available to anybody prepared to go to the trouble and expense of seeking it. There is no evidence that the file on the Hon. the Leader of the Opposition contains anything other than press clippings and other information available to the public. There is no evidence that anything on the file was illegally obtained or that it was the kind of information to which public access would be restricted.

Another fact before us is a newspaper article published in *The Globe and Mail* on February 15 which made certain allegations which can be summed up in the opening paragraph:

> The Prime Minister's Office employed two people at taxpayers' expense for covert intelligence gathering aimed at finding embarrassing information on the business background of Conservative Leader Brian Mulroney.

A number of questions were based upon this article and the allegations were unequivocally denied by the Deputy Prime Minister (Mr. MacEachen) when answering those questions. Because of the seriousness of this matter I think I should quote from some of these answers.

In answer to a question by the Right Hon. Member for Yellowhead (Mr. Clark) alleging that a covert operation had been mounted by officials of the Prime Minister's Office, the Hon. Deputy Prime Minister said as reported at page 1408 of *Hansard*:

> That is quite untrue, and quite false. There was no such covert intelligence operation conducted by the Prime Minister's Office into the conduct of the Leader of the Opposition and into his background before he entered public life. There was no such covert operation, and I deny it completely.

In answer to a question by the Hon. Member for St. John's East (Mr. McGrath), the Hon. Deputy Prime Minister said at page 1409 of *Hansard*:

> There was no investigation into the personal conduct, nor would I condone if it were ever brought to my attention any such investigation into the conduct of the Leader of the Opposition.

Answering a question from the Hon. Member for Oshawa (Mr. Broadbent), he said at page 1410 of *Hansard*:

> Mr. Speaker, on the first point I want to assure the Leader of the NDP that this particular research exercise had nothing to do with the private life of the Leader of the Opposition.

In answer to a question from the Hon. Member for Rosedale, he said at page 1411 of *Hansard*:

> I tell you, Mr. Speaker, that I would condemn as being totally without justification any such investigation by the Government into the private life of any Member of Parliament. That is for the police if they want to do it, but not for us.

And finally, in answer to the Hon. Member for Cambridge (Mr. Speyer), he stated at page 1413 of *Hansard*:

> There is no investigation whatsoever into the personal lives of Members of Parliament.

We therefore have a situation where a newspaper has made certain allegations and a member of the Government has categorically denied them. This is hardly the basis for a question of privilege. We are bound to take the word of the Hon. Deputy Prime Minister that there is no foundation to the allegations made.

I would refer the House to Citation 19(1) in Beauchesne's Fifth Edition:

> A dispute arising between two members, as to allegations of facts, does not fulfill the conditions of parliamentary privilege.

Finally, I would emphasize the the essence of a breach of privilege of the kind alleged by the Hon. Member for Yukon lies in the obstruction or hindrance suffered by a Member of Parliament in the fulfilment of his duties. There has been no evidence of any such impediment in any of the exchanges which have taken place in this House. Members have freely made statements, asked questions, expressed their views and attacked the Government without any inhibitions. As I said in the course of an earlier ruling, we have seen Parliament in the full exercise of its privileges.

On the basis of the evidence before it, the Chair is unable to find that a prima facie case of privilege has been established.

MR. COOPER—ALLEGED INTIMIDATION BY CANADA POST OFFICIAL—RULING BY MR. SPEAKER

Mr. Speaker: I am now ready to rule on the question of privilege raised by the Hon. Member for Peace River (Mr. Cooper) on February 6. Before doing so, may I appeal to all Hon. Members, when giving notice of a question of privilege, to assist the Chair by indicating in the notice the nature of the complaint they wish to raise.

I should first like to state a general principle which is a key factor in this case. There is no question that any attempt to threaten, intimidate or bribe a Member with a view to influencing his or her conduct in the House or in one of its committees is a breach of privilege. This is so fundamental that it hardly seems necessary to quote from the authorities. However, in support of this principle I would refer to pages 156 to 158 of Erskine May's Twentieth Edition and to Citations 67 and 74 of Beauchesne's Fifth Edition.

The Hon. Member in his submission stated that an official of Canada Post Corporation telephoned his office and, in a conversation with a member of his staff, attempted to influence his actions in the House of Commons by way of threats and insults. Specifically the Hon. Member asserted that the official threatened to withhold co-operation concerning the operations of the Corporation unless questions to be asked in the House concerning the Corporation were first cleared with

the President's office. As reported at page 1103 of *Hansard*, the Hon. Member said, *inter alia*:

I was very definitely offered an advantage if I behaved in a manner acceptable to Canada Post and conversely threatened with a disadvantage if my office failed to co-operate.

● (1510)

A threat emanating from any government department or public corporation to withhold information or co-operation from a Member of Parliament would undoubtedly hinder that Member in the fulfilment of his or her parliamentary duties and therefore constitute a breach of privilege. By the same token, an offer of favourable treatment on condition that questions are first cleared with the office concerned would also violate privilege in an equally fundamental way.

The Hon. Minister of Labour (Mr. Ouellet) undertook to investigate the incident and on February 9 reported to the House that there was no foundation to the allegations of the Hon. Member for Peace River. He asserted that the Hon. Member's complaint was based on hearsay and stated:

I have personally been in communication with this officer and have been assured that at no time during the conversation were any threats made which could have conceivably inhibited the Hon. Member from performing his role as a spokesman of the Official Opposition or which could deny co-operation from Canada Post.

On February 14 the Hon. Member for Peace River, replying to the statement made by the Hon. Minister of Labour on February 9, reiterated the facts as he had stated them on February 6. We are therefore faced with a conflict of opinion as to what actually happened.

Before dealing further with this conflict as to facts, I should like to deal with the hearsay aspect of this question. On September 4, 1973, the Hon. Member for Kingston and the Islands (Miss MacDonald) complained that police officers had entered her office in her absence and interrogated her staff without her permission. The Hon. Member for Kingston and the Islands was not in her office at the time, yet the Chair found that a prima facie case of privilege existed and the matter was referred to the Standing Committee on Privileges and Elections. The committee concluded in its report of September 21, 1973 that the question of privilege was well founded. It is therefore the view of the Chair that an action which amounts to a form of intimidation does not need to be directed at the Member in person in order to constitute an offence in terms of privilege. As the Hon. Member pointed out in his submission, and as stated at page 158 of Erskine May's Twentieth Edition:

Conduct not amounting to a direct attempt to influence a Member in the discharge of his duties, but having a tendency to impair his independence in the future performance of his duty, will also be treated as a breach of privilege.

We all know that the word of an Hon. Member may not be questioned. Therefore, the Chair accepts that both the Hon. Member for Peace River and the Hon. Minister of Labour are stating the facts as they honestly believe them to be. As the Hon. Member for Yukon (Mr. Nielsen) quite rightly pointed out, it is not for the Chair to pronounce on which of the versions as to what occurred is the correct one. However, in a case where an Hon. Member claims that his ability to function is being undermined, the Chair must take full account of the evidence presented, in this case the categorical assurance of the Hon. Member for Peace River that the events took place as he related them. The circumstances leave the Chair with no choice but to find that a prima facie question of privilege has been established so that the House can determine whether or not the matter should be referred to the Committee on Privileges and Elections for investigation. The Committee would have the opportunity of examining all parties involved in this matter and reporting its findings to the House.

I suggest that this is the only course which would enable the House to determine exactly what happened. I therefore call on the Hon. Member for Peace River to move his motion.

Some Hon. Members: Hear, hear!

Mr. Albert Cooper (Peace River): Mr. Speaker, first may I thank you for your ruling.

I move, seconded by the Hon. Member for Yukon (Mr. Nielsen):

That the matters raised as a question of privilege on February 6, 1984 by the Hon. Member for Peace River and the responses made thereto by the Minister of Labour on February 9, 1984 be referred to the Standing Committee on Privileges and Elections and that the committee submit its report not later than June 25, 1984.

Mr. Speaker: The Chair has reservations about the condition concerning the time when a report is to be made. The Chair has a motion before it. The Chair has no difficulty accepting the motion, but the condition attached to it to the effect that the Committee submit its report not later than June 25 does raise a question in the mind of the Chair. If the Hon. Member will delete that portion of the motion, the Chair will find it in order.

Mr. Cooper: I am prepared to delete that, Mr. Speaker.

Hon. Erik Nielsen (Yukon): Mr. Speaker, I understand the reservations the Chair has. Perhaps the reference to the date of limitation could be deleted, leaving the requirement to report.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, on the same point, the Hon. Member is free to move the motion he wants. We are free to support it or not. If he wants to withdraw what he has moved, he needs unanimous consent, with respect, Mr. Speaker. Therefore, I would like to know whether it is in order to move in a motion that there is a limit for debate of a report. That I would like to know. Maybe you would want to take this matter under advisement and report tomorrow. If not, Mr. Speaker, we will have no other choice but to vote against the motion.

Mr. Speaker: The Chair has not accepted the motion as presented. Therefore, the Hon. Member does not have anything to withdraw. The Chair did not accept the motion in the form in which it was presented. The Chair invited the Hon. Member to present a motion. The form in which it was presented originally was not acceptable to the Chair. Now the Hon. Member is presenting a motion in a form that will be

acceptable by a change of wording. The motion will now be as follows:

That the matters raised as a question of privilege on February 5, 1984 by the Hon. Member for Peace River and the responses made thereto by the Minister of Labour on February 9, 1984 be referred to the Standing Committee on Privileges and Elections for report.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Cooper) which was negatived on the following division:

(*Division No. 17*)

YEAS

Messrs.

Althouse
Andre
Anguish
Benjamin
Blackburn
Blenkarn
Bradley
Cardiff
Carney (Miss)
Clarke
(Vancouver Quadra)
Coates
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crosbie
(St. John's West)
Crouse
Dantzer
Darling
Deans
Dick
Domm
Ellis
Epp
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Hawkes
Hnatyshyn
Howie
Huntington
Jarvis
Jewett (Ms.)
Kilgour
Knowles
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
McCuish
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Miller
Mitchell (Ms.)
Mitges
Mulroney
Munro
(Esquimalt-Saanich)
Murphy
Neil
Nickerson
Nielsen
Oberle
Ogle
Orlikow
Paproski
Patterson
Reid
(St. Catharines)
Riis
Robinson
(Burnaby)
Roche
St. Germain
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Siddon
Skelly
Speyer
Stevens
Stewart
Taylor
Thacker
Thomson
Towers
Vankoughnet
Wenman
Wilson
Wright
Young—95.

NAYS

Messrs.

Appolloni (Mrs.)
Axworthy
Bachand
Baker
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell
(Cardigan)
Chrétien
Collenette
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
de Corneille
Demers
Dionne
(Northumberland-Miramichi)
Dubois
Dupont
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Flis
Foster
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Ouellet
Parent
Pelletier
Penner
Pepin
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Schroder
Simmons
Tardif
Tessier
Tobin
Turner
Veillette
Watson—106.

● (1810)

Mr. Speaker: I declare the motion lost.

It being 6.14 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2(1).

At 6.14 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, February 21, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 16, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Crosbie p. 1445; and the amendment to the amendment of Mr. Riis p. 1448.

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, any budget is important and, therefore, any budget debate is important. I believe this Budget is particularly so, Mr. Speaker, because it indicates the Government's intentions in a pre-election period. One would have thought that with the kind of country we have, the opportunities, the natural resources, and the kind of people, the Budget would be a chance for the Government to show some direction, leadership and hope for the future of this country. We did not really see any of that in this Budget.

It is interesting to note, and rather sad, that the lack of response to the new Budget sits well with the Minister of Finance (Mr. Lalonde). I quote from an article in *The Globe and Mail* of February 17:

> Finance Minister Marc Lalonde says his new budget is not having any effect on the Canadian economy—and that that makes him happy.

I find that an incredible statement. What it indicates, Mr. Speaker, is that it does not bother him that there is a million and a half people unemployed and that the unemployment rate for young people is 20 per cent. When we have this kind of economy, it is sad for a Finance Minister to come forward with a Budget which shows no response to the plight of the economic community in this country, and to say that suits him fine has to be literally a disgrace, Mr. Speaker.

I see the former Minister of Transport is in the House. He is a very fine gentleman for whom I have a lot of respect. I am sure he has the respect of all Hon. Members. I see him shaking his head, but I am sure, as an economist, he would have to agree with me when I ask the question: Given the kind of situation we have in the country today, if the Minister of Finance must come forward with a Budget which actually does nothing, why would he come forward with a Budget at all? I suppose it is politics. It is almost axiomatic that you must put the best light on everything. Had the Minister of Finance been responsible for the sinking of the *Titanic*, I wonder if he would have responded by saying: "I am glad to see that the law of gravity still works". I feel that is the kind of attitude of this Government.

• (1110)

I do not like being critical all the time, Mr. Speaker, but I will make one other point which concerns me and the farming community. That is the way Section 31 of the Income Tax Act is applied, the so-called hobby farmers section. This affects the people who work off the farm and use the income earned against expenses incurred on the farm. They are allowed to deduct $5,000 of their income against expenses incurred on the farm. That has been causing a lot of problems in the farming community. The Minister of Agriculture (Mr. Whelan) has been concerned about this. He spoke recently at the annual meeting of the Canadian Federation of Agriculture in Edmonton and this is what he is quoted as saying regarding Section 31. He said: "It should either be drastically changed or preferably wiped off the books. I think the law is obsolete". A lot of us would agree with that. However, this man happens to be in Cabinet and we wonder, if he agrees with us that this section needs to be changed and says it is obsolete, why can he not do something about it? He happens to be in the Cabinet. He said: "I would rather see part-time farmers than absentee landlords". I agree with him totally, no question about that. But what does he do? Nothing. He reminds me, Mr. Speaker, of an old gomer bull in a pasture. There is a lot of ranting and raring and roaring and pawing the ground, but when it comes to getting the job done he is absolutely useless. That is what a lot of us realize when we look at what is in the Budget for agriculture, and it makes us sad.

Let me point out a few things I think were useful in the Budget and try to put them in context. There are some good things relating to simplifying paper work for small business. No question that that needs to be done. Unfortunately, we need more than simply a study. What are we getting here? More paper work. Surely we are entitled to have some action rather than just 75 or 80 pages of additional paper. We are not so much unhappy with some of the things in the Budget; it is the fact that they are all going to be studied.

However, a step in the right direction is the fact that the Government recognized the problems with capital gains taxes on farm land. Unfortunately, I am not so sure it goes far enough, but it is something worthwhile. There are some useful things on pension reform in the Budget, but again it is simply going to be studied.

For the rest of my time, Mr. Speaker, I want to talk a little bit about Canadian agriculture, a very important sector of the Canadian economy. I will give you some figures which will hopefully point out the validity of what I just said. If you include all the various sectors of agriculture, it accounts for one-sixth of all the economic activity in the country and 18 per cent of the work force. If you break it down further, a little over 4 per cent of Canada's population is engaged directly in farming. That gives you an idea of how efficient Canadian agriculture has become over the past number of years.

In nine of the ten provinces agriculture ranks in the top three contributors to gross provincial product. In 1982, the last year for which figures are complete and available, agricultural exports were approximately $9.5 billion, including over $6 billion from the sale of grain. At least 50 cents out of each dollar of Canadian farm income comes from exports. If you break out the prairie provinces, something like 60 per cent of grains produced on the Prairies are exported.

To break it down further, in Saskatchewan almost 80 per cent of the farm income is from cash crops, most of which are exported. If you understand simple figures, Mr. Speaker, that should tell you agriculture is a very important part of the economy. Yet there is hardly anything of any substance in the Budget with regard to agriculture. I have to wonder why. Is it because our present Minister of Agriculture does not understand, care or have any clout in Cabinet? The simple fact is that nothing is happening as far as agriculture in the Budget is concerned. That does not mean there are no problems in agriculture. Agriculture is facing basically the same kind of problems as far as economic activity is concerned as any other part of the economy.

• (1115)

I would like to point out another example which disturbs a lot of us. Over the past summer there was a major economic initiative as far as agriculture is concerned in Bill C-155, commonly known as the Crow Bill. Yet it was largely carried by the Department of Transport. The Department of Agriculture had very little input into what went on. I find that incredible in terms of the importance the Bill had with regard to Canadian agriculture.

I see the former Minister of Transport shaking his head. I have to disagree with him. I sat on the committee all summer. I think I missed two or three out of 66 committee meetings. The evidence presented by the Department of Agriculture was very minimal as far as I could see. I find that very sad because Bill C-155 is going to have major effects on agriculture. It was in fact an agricultural initiative. A case could be made, Mr. Speaker, that it could almost have been a Bill shepherded through the House by the Minister of Agriculture. Yet as far as we who attended the committee meetings could see, there was very little input from the Department of Agriculture. It is a sad state of affairs.

Mr. Pepin: There is a difference between the preparation of a Bill and its passage through the House and committee.

Mr. Mayer: I would like to make some points about some of the things the Government could have put in the Budget which would not have cost a lot of dollars. The Government likes to berate the Opposition, saying that we want to have increased Government programs and at the same time cut down on the deficit. That is sometimes the case. However, I would like to point out some areas in which the Government could have moved which would not have cost the Treasury very many dollars, and in some cases no dollars at all.

Before I do that, I would like to make one brief point. The Government berates the Opposition, saying that the cutting we would do would be in the area of social programming. That is not the case at all. One of the best social programs you can have in the country is simply a job. People that have jobs are not in need of a lot of social programs. From my experience with people who have been unfortunate enough not to have jobs, I believe they would much sooner have a job than rely on government for social assistance. Anything that this Government can do to create jobs in the country by implication negates the need for social programs. If we are ever given a chance to form the Government of the country, Mr. Speaker, one of our first emphases will be on jobs. One of the best ways to attack the need for social assistance in the country is to provide people with jobs.

I would like to return to what the Government could have done with regard to agriculture. I pointed out that a large portion of Canadian farm income is earned through exports. That means that if we are going to become competitive we have to have input prices very similar to the United States, which is our biggest competitor. The U.S. is our very close neighbour and ally, but it is also our competitor when it comes to world markets for agricultural products. For almost six years the border has been closed to the importation of farm chemicals. It is my understanding that there is still quite a difference in price between farm chemicals available across the line in the United States and the ones in Canada.

The Government could have considered opening the borders to give Canadian farmers access to less expensive chemicals. This cannot be done now in the spring of the year when a lot of people in the farm chemical business have laid in supplies which are more expensive than similar American products. However, there is a time of the year—I suggest the fall or the early new year—when the Government could consider opening up the border and it would not cost it anything as far as expenditures are concerned. I am told that the reason the border was closed in the first place was to allow Canadian manufacturers and suppliers to gear up production so they could compete with suppliers from other parts of the world. Surely six years is long enough. I had the opportunity to talk to some people in the farm chemical business. They agree that it would help everyone if there was an open border to farm chemicals.

• (1120)

Let me talk about farm fuel because we have heard several concerns raised about its high cost. Although it is difficult to

determine the exact figure, approximately 25 per cent to 30 per cent of the cost of farm fuel in this country is associated with federal tax. This is a high cost to farmers. When one considers the overall amount of fuel used in a farming operation, approximately 25 per cent of total farm costs are associated with energy. This shows how significant energy costs are to such an operation. This is an area where the federal Government takes an excessive amount of tax.

Government members opposite will say that if the taxation is reduced the deficit will increase. Let me point out that farmers and fishermen are allowed a seven cents per gallon or one and a half cents per litre rebate. They pay the tax and then apply for the rebate. If the Minister of Finance was serious about doing something, he could have implemented a system whereby, instead of applying for the rebate, farmers and fishermen could swear a type of affidavit indicating that the fuel they purchased would be used only for those purposes that would permit a refund. While this would not have amounted to a net reduction in the amount of tax that farmers pay, it would have removed that seven cents a gallon tax when they bought their fuel initially.

Farmers and fishermen find it very annoying and cumbersome to apply for refunds. This procedure is typical of how the Revenue Department is operating currently. I have had occasion in our farming operation to have conversations with auditors and others in the Revenue Department. They want all kinds of invoices and additional information that I do not believe is necessary. Many people simply give up and do not apply for the refund, which means that there is taxation by default.

If the Government had taken its Budget seriously it could have considered not collecting the seven cents a gallon initially and doing away with the refund. It would save the Government money in administration and save farmers some initial costs. When there are problems with bankruptcies and fuel dealers having to collect their bills, this would be seven cents a gallon less that they would have to worry about collecting. This would have been beneficial to everyone but it makes too much common sense to the Government to consider it.

The Hon. Member for Willowdale (Mr. Peterson) is shouting something at me from the back row. If he would listen I think he would agree that what I say makes common sense. I hope he would talk to his Minister of Finance and his Parliamentary Secretary, who are not here, unfortunately, to see if they would consider some of these ideas. If they did so perhaps people would have more respect for the Government. It makes common sense in terms of how the Government administers its affairs and would cut down on the amount of paper work for the Revenue Department. It would decrease the amount of the contact between the Department of Revenue and taxpayers. It would help farmers and fishermen in terms of their initial outlay.

Let me talk about the agri-bond concept. Financing is a very important part of agriculture today. I believe there is room for the Farm Credit Corporation to operate similar to how CMHC used to operate. It could act as a re-insurer, as a go between the buyer and the seller, take 1 per cent or 2 per cent as a mark-up, and guarantee the loan. That would significantly help in finding capital to put new farmers on the land.

I could also talk about advance payments legislation. We have encouraged the Government for some time to increase the amount of advanced payments available under legislation. In many ways it costs the Government a minimal amount of money. It is a program that has worked well and it would put cash into the farmers' hands sooner than normal.

In conclusion, I would simply urge the Government to proceed as quickly as possible with the red meat stabilization program in this country. Four provinces have agreed to it in principle. In fact, many people are saying that the federal Government has lost its leadership in this area. If the Government were to show some interest and pursue this program, I believe the balkanization that is taking place in the red meat industry in this country could be stopped by having a national, uniform program for stabilization from coast to coast. Unfortunately, as a result of the lack of direction shown by the Government, its Budget does not take that into account. The Budget is very unfortunate for a country that has so much potential and a promising future. I will have no trouble at all in not supporting the Budget and voting against it.

• (1125)

[*Translation*]

The Acting Speaker (Mr. Guilbault): A ten-minute period is now allowed for comments or questions relating to the Hon. Member's speech. Debate. The Hon. Minister of National Health and Welfare (Miss Bégin).

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, job creation was a major concern of the Hon. Members who spoke previously, as it was in the Budget, and rightly so, since it is the main concern of all Canadians.

[*English*]

Besides job creation and in parallel, I think it is very urgent for Canadians to start addressing, not just debating, the question of pensions. We do so as well in the Budget.

Let me explain, if I may. First, public pensions. I think it is important for everyone in Canada to know once and for all, although some other improvements are possible, that the basis for public pensions in Canada is now established to my great pleasure by the Government in this Budget of the Minister of Finance (Mr. Lalonde). It means single pensioners, three-quarters of them being women, who receive the supplement, even if they receive a small part of the supplement, are people in need. We do not like to say it and we do not even like to admit it, but they are really people in need. That replaces the much smaller, wealthier group which the provinces would be paying for. When a person reaches 65 years of age one becomes a pensioner. If that person is in need, he or she gets help through the federal Government and through what is called the supplement.

All single pensioners under the supplement will now receive $50 more per month from now until Christmas on top of the three cost of living increases which they will receive every three months as usual. That boost will bring pensioners up over a decent line of income in order to protect them once and for all. In other words, we will have two increases of $25 more a month. The first one will be in July and the other one in December, on top of the usual indexation to the cost of living. That money will go to roughly 750,000 Canadian pensioners, single, alone, most of whom are women. Since it will lift the level of income over which people qualify for help, it will bring in about 25,000 new pensioners who will start to qualify for some modest supplement to help them fill the gap in their other income. I think this is extremely good news.

On top of that, I will introduce in the House in the spring this year, in the same Bill probably, something to help immigrant seniors. We changed pensions for immigrants in 1977 to make things more equitable. Before it was all or nothing for them. We observed that we may face some disparities in the future. We now have a fair system. By this new amendment we will make it not only fair but practical. All immigrant seniors, even if they are in Canada for a short period of time only, can be assured by this Budget that now they will be on the same basis as all Canadian pensioners. That is what this Bill I will be introducing will do. I think it is very good news and is why I was able to state at the beginning of my speech that I think public pensions will be okay in Canada for a long time to come. They are indexed to the cost of living and will continue to keep their real value. That is very good news as well.

• (1130)

Also we announced in the Budget and in summary booklets, as well as in the technical explanation, that we want to see pension reform started in Canada. What do we mean by that? I think it is the key dossier. We are now talking about medicare. I do not want to presume but we will pass—and the Parties have promised it—the new Canada Health Act. Therefore Canadians will not be required to pay extras when they are sick, must go to a doctor or to hospital. That will be so for years to come, for decades to come.

But what is the next important issue which we in Canada will have to discuss, to address and to solve in the area of social affairs? I would submit that it would be the dossier on private pension plans. There are people in the galleries who are from Ottawa and perhaps other parts of Canada. There are people listening to the debate in the House of Commons. They hear what the politicians are discussing. Some of these people are employed by companies, be they public or private, municipal governments, small private companies or large multinationals. They are people either with or without pension plans. They may be people with good pension plans or bad ones.

The reality in Canada today which we have to face is that 55 per cent of Canadian workers or the majority—and I am just talking about workers on payrolls—do not have company pension plans; they do not have private pension plans. If they were unable—and I guess that includes the majority of Canadians—to build little private pension plans for themselves, to put some savings aside or to buy homes, at age 65 they will experience a sudden drop in income of at least $10,000 on average. They have been paid better wages, they reach the age of retirement and their income will drop very abruptly to that of the public pension.

We are lucky to have a universal public pension. Only two countries in the world have it—Sweden and Canada. Once public pensions are fixed and are good for everyone, it is important to ensure that the vast majority of Canadians, the middle class, do not lose through a sudden disruption in income the good standard of living which they have been able to build for themselves over the years. That is what the Government is addressing in the Budget which the Minister of Finance presented on Wednesday of last week.

We are addressing pension reform. We have only started. We could have been bolder, but as Canadians agree we should try to develop jobs first and then slowly build in good pensions for the future. We have started first with the Canada Pension Plan because it is our direct responsibility. At the same time we will negotiate with the provinces in order that they confirm their agreement. I understand they have given indications to that effect. We propose that better pension rights should be given to homemakers or survivors at home. This means that we propose compulsory credit sharing on marriage breakdown, unless both spouses agree to forgo that right. Otherwise it will become the rule of the game. When both people have reached age 65, the credits will be automatically split between them and those who remarry will not lose their survivor's benefits. That is excellent news for women in particular as well as for many Canadians.

Then we will propose a series of amendments—and I think this will be done by the Minister of Finance later this spring—to a federal piece of legislation called the Pension Benefit Standards Act. This is not the time to get into the technicalities; they will be discussed with all Hon. Members in due time, when the Bill is presented. However, in a nutshell the amendments to this federal legislation will make ideal, if I may say, the pensions of Canadians whose jobs fall under the federal Government. For example, I am referring to people in banks, in transportation companies, in broadcasting and communications companies, et cetera.

These pensions will be ideal because we will make it mandatory that they have perfect portability when people change jobs. They will have survivor's benefit pensions at 60 per cent of the pension of the working spouse and they will have a measure of protection against inflation, vesting after two years of work. It belongs to the worker and follows the worker through various jobs in his working life.

Then there will be the division of pension credits on marriage breakdown in order to be more fair to the two spouses who, after all, helped build the pension. And, at long last, we will eliminate the infamous sex discrimination in the actuarial tables. In other words, we will have unisex tables to calculate the benefits of women so that they will be identical to those offered to working men.

I admit that this is both very good and very limited. It gives to people working under federal jurisdiction ideal pensions. This is our job and our responsibility as the federal Government. We will honour it and do it. But how can we equip millions of other Canadian workers who do not have private pensions in the first place with pensions? That is the biggest challenge of the eighties. I think it is fair to say—and I see Hon. Members on both sides of the House nodding in approval—that this will be the major challenge in the social welfare field for years to come. It will not be done overnight.

We have offered all people of Canada a course of action. We will make—and again it is directly under our jurisdiction—the federal tax system the best possible and most attractive one for Canadians to have opportunity to build for themselves private pension plans. They usually do this through RRSPs. We are now heating about them all over the place because everyone is advertising that they should be purchased before the end of February. We will make them even more attractive, and the Minister of Finance will table a Bill later this spring which will create another possible plan, RPAs. These plans will be locked in. This means that the funds cannot be withdrawn before retirement. They are locked-in bank accounts which produce interest and give tax benefits—let us call it by its name—to attract people into building their own pension plans.

Will that be enough? I do not think it will but we have to start on that route. It will probably not be enough because we will have to see—and I cannot prejudge the future—if the backbone of the Canadian economy, namely small businesses, pick it up. One feature which will make it very attractive is that another person will be able to contribute in the name of a worker. This means a small private company can choose to open RRSP-RPAS in the names of its employees. We will have to see if it works and if it is picked up by Canadians. Then we will judge how to proceed for all other Canadians workers who do not have a pension.

• (1140)

How do we have a company pension for everybody? How did it happen in other countries? It is difficult to use the United States as a comparison because the situation there is a bit like Canada with the majority of workers not having a pension in the first place. At age 65 they receive a public pension from the state, which is a bit unsatisfactory. People are not ready for a major disruption in their income, nor do they want it. How do we ensure that we get to the situation where the Europeans are, for example?

[*Translation*]

Mr. Speaker, since 1979 I have asked a lot of questions about pensions, a subject I deal with constantly as Minister of National Health and Welfare. It is a fact that European countries have had proper pension funds since the last World War. After experiencing the horrors of two world wars, the unions—Europeans being more extensively unionized than Canadian workers—immediately decided that pensions would be their first priority in negotiations with employers. Pension funds were set up for all workers in all European countries. Once this had become general practice and 90 per cent of the workers, as was the case in France, had company pensions, the Government decided to make pensions compulsory by law. As a result, the 10 per cent who did not have a pension fund got one right away, so that everyone was covered by private pension plans. I do not think we can take the same approach in Canada, since in this country, the majority of workers are not unionized and because—and I am not saying this to criticize, because the unions fully support the development of pension plans—our unions did not see pension plans as their first priority in the bargaining process. I think it is fair to say they worked hard to get very good cost-of-living indexing. In other words, they opted for immediate returns instead of longer term gain. We have now reached the point that, as a country, we have to ask ourselves what we are going to do. The issue must be discussed with the provinces who play a key role, and together we must decide what the best approach is and how many years it will take to provide all Canadian workers with a good pension.

[*English*]

How are we going to do that? I think it is fair to say that people usually talk only about two avenues, even though there are more than two. There are groups that say they are all for the private sector, let the private sector do it. We will see. The private sector is getting one more chance with these good tax offers. They can start developing plans for their employees, particularly those in small business. Otherwise, it will have to be mandatory for all Canadians, of course with the agreement of the provinces which have the jurisdiction.

We could go the route of the CPP or anything else around the CPP. Over the years we could double or enormously increase the CPP. The great advantage is that it will provide benefits a few years after the law is passed. If you go the private sector route, you have to wait for the plans to mature, which involves a time frame of 25 to 30 years. Canadians must know that. There is nothing good or bad about one over the other. However, people need good private pension plans.

There is another route I would offer Canadians for consideration. Where a company has a good pension, that company could get the approval of government and carry on with it. Only those who do not have a private pension plan would have to go the route of an enlarged CPP or whatever.

I see that my time is up. I would simply like to bring the pension reform in the Budget to the attention of Canadians because we cannot do like *l'autruche, la tête dans le sable.* We must face that challenge and find and answer *à la Canadienne* for all of us.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I have a question for the Minister of National Health and Welfare (Miss Bégin). It concerns the measures that she has been speaking about on pension reform. I have in my hand the Throne Speech of April

14, 1980, four years ago. It says this at page 5 of *Hansard* for that year:

> Work must begin immediately to design better methods of providing flexible, portable, and secure pensions both in the private and public sectors. To start this process, my Government will soon release a major study on the Canadian pension system.

That was four years ago; four years in which people have not seen that system come forward; four years in which the Minister and her colleagues promised to begin that work immediately. Why have we had to wait until this time in the life of a government to see even the most modest, as the Minister admitted, restrictive and limited measures with regard to pension reform? Why after four years of neglect is the Minister able to stand there and say this is what we are going to do? Why the four-year wait?

Miss Bégin: Mr. Speaker, the answer is extremely simple. Let me rapidly explain to the Hon. Member. There are two main reasons. First, I again assumed this portfolio on March 3, 1980 after we once more formed the Government. In March, 1981 we had the first national conference on pension reform. That was organized with all the parties, including all governments, the private sector, volunteers, seniors and the academes. That was a fantastic realization. It brought into the open the problem which experts had been studying behind the scenes.

In December, 1982 we brought forward the green paper, co-signed by the Minister of Finance and myself, launching a parliamentary task force to make a study and recommendations. The report was received just a few months ago, two months ago, I believe, and the first measure appeared in the Budget. That is the first concrete measure that will change people's lives.

There are two things the Hon. Member does not understand. I do not think there is anything wrong with my saying that there is massive private interest in that dossier, in the vicinity of $60 billion. That is what we are talking about. I do not know if the Hon. Member, who was not long in government, knows what that means. How do you move an elephant of $60 billion and more with private interests when we want to provide equitable coverage for everyone? That is part of the problem—it is as simple as that—with the huge lobby that ordinary Canadians workers do not easily have to countermatch.

The other problem is the recession. How can the Hon. Member ask us to jump on the pension bandwagon when Canadians need jobs first? The answer is very easy. We are working without interruption and at the same time at a wise pace doing the work to achieve pension reform and the work that is needed to pick it up faster when the recession is fully behind us.

● (1150)

Mr. Friesen: Mr. Speaker, the Minister mentioned the proposal in the Throne Speech for vesting a pension plan after two years. I assume that the Government has done actuarial studies to show the viability of that proposal and, if so, I hope she will table them at the earliest possible time so that we can understand how sound the proposal is. Attractive as it may be, let us see how financially sound it is.

The Minister also mentioned pensions for immigrants. I take it they will be paid for out of the Consolidated Revenue Account. There is a group of immigrants who have been waiting for reform in their pension scheme under the agreement with the United Kingdom, and those Canadian citizens who have been pensioned in the U.K. but whose pensions have not kept up because of the inflationary difference between the U.K. and Canada. Those people are suffering as a result.

If it is the intention of the Government to pay pensions out of general revenue for a group of people in Canada who have not qualified previously, and since there does not seem to be the possibility for an early agreement with the United Kingdom on this matter, if the Government can do this for one group of people, why can it not update the pension agreement and pay for it out of general revenue?

Miss Bégin: Mr. Speaker, I think the Hon. Member for Kingston and the Islands (Miss MacDonald) who spoke earlier should see in the comments of her colleague, the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen), exactly the kind of representation we receive on pension reform. I feel like saying to the Hon. Member, just let me ask him one question in return: Is he for or against pension reform?

When people start asking is it sound, and have we done the actuarial work, we all know what that means; it means that they do not believe in it. They want all the tables to prove that it is sound to give a pension to every Canadian worker. We are not sure that it is sound. Of course, we have a good pension. For the others, however, we are not sure it is sound because if it were sound it would have been done. With reasoning like that, 55 per cent of Canadian workers still do not have a pension.

I have not said it is an insurance, as the Hon. Member remarked. I said that we are going to open up even more tax opportunities for Canadians to pick it up. That is the last chance of the private sector to do its homework and take its responsibilities. It probably went with all the good big pension plans and made good profits. It is a business and that is fine, but it should do its job and be more inventive and show a bit of imagination for Canadians in other kinds of companies, such as small business which is the backbone of our economy.

The Hon. Member referred to pensions for immigrants but from the way he spoke I think he is not familiar with the way this works. He should know that immigrants to Canada get a pension according to the number of years they have been here, with a basic 10 years. That goes to British or any other immigrants. The only thing that will be improved is that those who would be below the poverty line because they do not have enough years will be assured of the minimum that any Canadian receives. In other words, although that has nothing to do with the British pension, it will go to British pensioners if they are very, very poor.

The British pension system is a dossier on which I have been working for six years without much success yet. Both the Labour government and Conservative government in Great Britain up to now have not agreed to index their pensions. I think they owe it to the British pensioners wherever they are in life or geographically because they have already paid for it through income taxes. Every chance that I have or that Hon. Members have—and I must say that has been done very well in Canada—to press upon Great Britain the urgency of giving their own pensioners indexation of their own pensions is appreciated and much needed. I am confident that we will succeed and that some unblocking of the dossier will take place.

I think pressure is needed to make the British Government understand that this is not a privilege but a right, in the sense that these British pensioners living in Canada have paid for an indexed pension. Therefore where is the indexation of their pension?

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order! The Hon. Member for Laval.

I must point out that there is only about one minute left for questions and comments.

Mr. Roy: Mr. Speaker, I shall be very brief. I am particularly concerned about the portability of pension plans within the private sector. I would like to ask the Minister how the portability of pension plans within the private sector was received by employers at the hearings conducted by the Committee throughout the province. What was the attitude towards the portability of pension plans in the private sector?

Miss Bégin: Mr. Speaker, although I do not have a summary of the hearings before me, I can inform the Member for Laval that generally speaking, this is the point the private sector has the least trouble with, namely, portability when a person changes jobs and has vested interests, because the two go together. In English this is called portability investing, and according to our model, it would be after about two years. Right now, the rule in the private sector is that after ten years if the person is 45 years old or over, that person will recover what he paid into a pension fund. Now we want this to be the rule after two years.

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in discussing the Budget I cannot help but go back to the Budget afternoon when I thought, as I listened to the presentation, how disappointing the document was. Over the course of the last year I had identified in my mind where the serious problems of Canada's economy lay. You will recall that on numerous occasions my colleagues and I raised the questions of unemployment, the difficulties of people whose incomes were not sufficient to meet their needs, the problems of those who had been on unemployment insurance but who no longer qualified for it. We tried to put before the House the bleak and dismal future that many of those people faced. It did not matter whether they were workers who had devoted 10, 15, 20 and sometimes 30 or more years to a job; they were facing the loss of it and, in the process, found themselves without income because they had exhausted their unemployment insurance benefits. They found themselves without income because they had exhausted their unemployment insurance benefits. They found themselves in the situation where, even if the spouse was working, it was often a part-time job at the minimum wage. The amount earned was insufficient to allow them to maintain their residence and provide for their family in the way they had not only become accustomed to but which would allow them to meet their obligations.

We expected that the Government would recognize that problem, which is a very serious one. In bringing forward its proposals for the fiscal management of the country and in its response to the serious problems of the country, we expected that the Government would at least have come to grips with the difficulties that those people face. It was not so. It was not there. There was nothing to give those people any hope.

On two or three occasions, the latest one yesterday afternoon, the Minister admitted that there was no likelihood of the economy being able to produce the number of jobs necessary for the 1.5 million people who are now unemployed. The Minister of Finance (Mr. Lalonde) made it quite clear yesterday and last week, and in the weeks preceding the Budget, that he did not expect that the public or private economy would be able to create in sufficient numbers the job opportunities to meet the needs of the youth who were coming out of the educational system with high hopes. There will be no opportunity for these young people to utilize the education that they worked so hard to attain.

• (1200)

We in this Party thought that perhaps there would be some suggestion in the Budget which would address the shortfall, those people who stand between the number of jobs which can legitimately be created and the number of people who are unemployed, and that shortfall would undoubtedly be up in the hundreds of thousands. But there was nothing for them. I tell you, Mr. Speaker, that I was very disappointed on Budget day; then I became angry, and by the time I raised my question with the Minister of Finance yesterday. I was back to the point of feeling total frustration in trying to get through to the Government what its responsibilities really are.

I pointed out yesterday that some 50 per cent to 60 per cent of all construction workers in the Hamilton area are now unemployed. The unemployment rate among electrical workers is 70 per cent. The unemployment rate for steelworkers, the backbone of the community I represent and of the surrounding communities, is 20 per cent. These people do not have the money for additional payments into RRSPs. They do not have an income which allows them to sock away some money for their old age. They do not have a job which will enable them to meet their day-to-day commitments, let alone to put away some money for the future in some kind of tax relief scheme.

These people do not qualify for a reduction in their federal income tax—from the 45 per cent level to a 15 per cent level—

which was given to doctors, lawyers, accountants and consultants. These people expect to pay their tax, whether or not they have an income. Their spouses, perhaps earning $80 to $100 a week, will be taxed at the personal income tax rate for that particular class of individual. Yet the Government, failing to recognize the tremendous problems which those people face, has the audacity to come into the House of Commons and propose that those who already have sufficient income, those who already live high off the hog, those who can afford to pay their mortgages and provide for their families, should be given further tax breaks. But those who are unemployed, who no longer qualify for unemployment insurance benefits, those who find themselves, faced with an inadequate income base, not able to meet their commitments, will be expected to continue to pay their tax. For them there was absolutely nothing in this Budget which will ease the burden of pain which they carry around with them on a daily basis.

There was a pittance in the Budget for youth employment. It was an amount which would provide jobs—if the jobs can be provided—for 10,000 young people. That is 10,000 people out of the 400,000 people who fall into that category, who are looking for work. One cannot help but feel a sense of frustration and anger when one sees the Government's reactions to the legitimate problems of people. It has money for the oil companies; they received $190 million immediately in tax relief. But there was no money for those with no income who still had commitments. There was money in the way of tax relief for the professional class, but there was no money for those who have used up their unemployment insurance benefits, who can no longer pay their mortgage commitments and who have no future to look forward to. There was money in tax relief for those whose incomes were in the $50,000, $60,000 and $70,000 a year bracket by way of more openings for RRSPs, but there was no money for the people who were unemployed through no fault of their own, who are unemployed primarily as a result of this Government's economic policies in the past two or three years. There is no money for the unemployed, those who are without the prospect of a job, who no longer qualify for unemployment insurance benefits and who find themselves losing everything they have worked for.

This Government is out of touch. One cannot help but ask, if the Government is going to allow hundreds of millions of tax dollars, perhaps billions of tax dollars, not to be collected as a result of the changes which were made in this Budget, and if the cost of government continues to increase, who then is going to be asked to carry the additional tax burden? When the tax rate for doctors, lawyers, accountants and consultants is reduced from 45 per cent average to 15 per cent average, someone else has to pay the difference, and it will not be the 2,000 people who earned $50,000 or more last year and who did not pay one single, solitary cent in tax. Neither will it be the 287 people who each earned over a quarter of a million dollars last year and did not pay a single, solitary cent in tax.

The people who will be asked to pick up the tax burden so that the already well off can be better off will be the people who go out and punch a clock at seven in the morning, work eight hours every day and have their tax deducted at source. They do not have the opportunity to write off any of these loophole benefits which this Government produces and provides. Those people, Mr. Speaker, who earn the minimum wage will still have to pay their taxes. They will not have the money to buy an RRSP. They will not have the opportunity to take advantage of deductions in their tax rate, as will the professional classes which this Government is cosying up to at the moment. I recognize that farmers and certain fishermen will benefit and that is fine, because in the main those people's earnings are considerably below what one might reasonably expect in a country such as ours.

A doctor in 1982 had a net income of $50,000; his federal tax payable was $12,220, his provincial tax payable was $5,886, for a combined tax burden of $18,086. In 1985, given that he now qualifies, for some unknown reason, as a result of this Budget, for a small business tax rate, and given that in 1985 he is able to put an additional $4,500 into an RRSP, the same doctor earning $50,000 a year will pay a federal tax of $6,825, a provincial tax of $4,550 in the Province of Ontario, for a combined tax of $11,375.

• (1210)

Do you know, Mr. Speaker, that the tax saving for that one doctor is almost equivalent to the total UIC payment for a full year for one unemployed person. That tells you something about the priorities of this Government. If this Government has sufficient revenue to be able to give these kinds of tax breaks to those individuals, then, by God, it has the revenue to give some kind of relief to those who are unemployed.

Some Hon. Members: Hear, hear!

Mr. Deans: This same Government in its Budget, out of the kindness of its heart—should we ever find where its heart is—gives pensioners an additional $600 a year. Doctors get almost $7,000 a year in tax relief and they do not really need it. Lawyers get almost $7,000 a year in tax relief. All these consultants who troop around the Parliament Buildings on a regular basis get tax relief of $7,000 a year. Accountants get tax relief of $7,000 a year on already inflated incomes. But all we can afford for a pensioner is a $600 a year increase. The unemployed, who are hurting the most, get nothing. Not one red cent. That tells you something about this Government.

Mr. Riis: They get a tax increase.

Mr. Deans: As my colleague says, there is a tax increase in store for them. The Government will raise $1 billion more this year through personal income taxes. That is not going to worry the doctors or the lawyers; they are getting a good break.

I often wonder just what the relationship is between that particular tax arrangement worked out carefully behind scenes, in the dead of night, and the Canada Health Act. On my way in this morning I read a billboard which said that your health may be in jeopardy as a result of the Canada Health Act. If that is not a threat, I do not know what is. I cannot

help wondering if the doctors took into account the significant pay increase they just got on Wednesday afternoon last.

Mr. Pepin: You answered your own question.

Mr. Deans: Maybe the message did not filter down quickly enough, but that will ease the pain for them. Presumably they will not have to extra-bill; they have already been able to dig into the taxpayers' pocket through this move by the Government. That is wrong and the Hon. Member for Ottawa Centre (Mr. Evans) knows it is wrong. That is not the way to provide equity. That is not the way to assure there will be growth from the bottom up, to guarantee that people will be given an opportunity not only to provide for themselves but a chance to work.

What else happens? It is not only the doctors, the lawyers, consultants or accountants; oh no, we have even given Eaton's a break. Eaton's really need a tax break. I could tell they were in dire straits. There they were just limping along from million to million; all of a sudden we decide they need a tax break too. Where the hell is the tax break for people? No tax break for people; another billion or more in taxes this year that the average family will have to pay. Where is the guarantee that the next tax break for Eaton's and others like them will also be passed on to the consumer? No, there are never provisions to guarantee that.

I say to you, Mr. Speaker, that this is a sad, sad state of affairs we are confronted with now. I feel totally frustrated by the way this Government has gone about its business in trying to do what should be done, if it is trying at all.

I listened to the lead-off speakers for the two Parties, and my colleague who made much the same argument I am making here this afternoon. The Hon. Member for St. John's West (Mr. Crosbie) rose and told jokes. He and the Hon. Member for Yukon (Mr. Nielsen) continuously say they are not going to tell the public what they would be because, if they did, the public would not vote for them. The Hon. Member for St. John's East (Mr. McGrath) says that we need more money for jobs, and he is right. Then we have the Hon. Member for St. John's West saying we have got to cut the Budget, and he is wrong. That shows you the conflict that must be going on, and that worries me. That is why we cannot change things or make an impact on the Liberals, because there are two conflicting messages coming from the Conservative Party.

Mr. Mayer: Read the polls; the message is getting out.

Mr. Deans: The polls do not reflect what is happening here.

The Acting Speaker (Mr. Guilbault): Order. I regret to interrupt the Hon. Member but his time has elapsed. Questions or comments?

Mr. Thacker: Mr. Speaker, it is just incredible to listen to the NDP. Everyone knows they brought on the election in 1979 because they felt they were going to get more seats, but all they did was bring the Liberals back in.

Some Hon. Members: Oh, oh!

Mr. Fisher: Good guys, those NDPers.

Mr. Thacker: The very people they purport to represent have really been grievously injured since 1980 as a result. We know the trend line of the national debt has been going up. The most critical part is that the percentage of tax revenues just to service the debt, that is the interest, goes only to people with enough wealth to lend to their own Government with no risk or responsibility. Where would the Hon. Member draw the line as to the percentage of tax revenue that goes to service the debt? It started at about 10 per cent and now it is up over 30 per cent. Does he see it going to 50 per cent, 60 per cent, 70 per cent? Where would he draw the line?

Mr. Deans: Mr. Speaker, I think we made it quite clear that a significant part of the debt resulted from the very high interest rates which developed during the early part of the 1980s. We stood here in the House of Commons and demanded legislative action to bring interest rates down while the Conservative Party were saying all across the country that high interest rates were a necessity.

Mr. Mayer: That is not true. Be fair.

Mr. Deans: I am going to be absolutely fair. I am always fair.

Mr. Mayer: Sometimes less than others; that is the problem.

Mr. Deans: The hon. Member from Etobicoke, then the Conservative Party finance critic, was in Montreal at the time interest rates were about 20 per cent.

Mr. Thacker: We are dealing with that now.

Mr. Deans: The Hon. Member stood, I believe, before the Montreal Board of Trade and said that high interest rates were necessary. He supported the Government's high interest rate policy and he was prepared to live with the consequences.

I say to the Hon. Member who asked me the question that if the Conservatives had taken our advice, if we had taken the steps necessary to bring interest rates down, and if they had supported us in our efforts to do just that, we would have had fewer families lose their homes, fewer people lose their businesses, fewer farmers lose their farms, and we would have had a lower cost of servicing the debt than we now have.

• (1220)

For the Member to rise and ask such a question shows he has not done his homework. I suggest he go back to the records of the House of Commons and look with care at what his own Party has been advocating. On the one hand the Hon. Member for St. John's West has been arguing continuously for slashing, cutting and reducing expenditures. He is supported almost without exception by the Hon. Member for Capilano (Mr. Huntington), whose sole goal is to reduce the size of the Public Service, notwithstanding that that may cause great hardship.

On the other side of the coin the Hon. Member for St. John's East, whom I respect, is demanding more expenditures

to take place on a regular basis. We used to have the Hon. Member for Nepean-Carleton, God rest his soul, continuously defending the value of the Public Service. Anyone listening to the question and my response would realize that the conflicts within the Conservative Party make it virtually impossible for any kind of rational policy development.

The answer to the Hon. Member's question is simply this.

Mr. Mayer: Now we are going to get the answer.

Mr. Deans: If the Hon. Member and his colleagues had supported our attempts to hold interest rates down, we would not be faced with the situation we are now faced with.

Mr. Thacker: Mr. Speaker, if the Hon. Member for Hamilton Mountain (Mr. Deans) had forced interest rates in Canada down artificially, the value of the Canadian dollar would have dropped. The very people the Hon. Member purports to represent suffer when the Canadian dollar drops to 60 cents or 65 cents. The cost of imports goes up enormously when the Canadian dollar drops. So this is just hogwash.

The Hon. Member for Hamilton Mountain cannot get around the fact that today over 30 per cent of tax revenue goes to service the debt. This means the wealthy become fabulously wealthy and the middle class is eaten away. I would like him to tell me where he would draw the line. Would it be at 30 per cent, 50 per cent, 60 per cent or 15 per cent?

Mr. Deans: Mr. Speaker, there must be some problem with the acoustics here. We are not far apart geographically. Distance does not seem to be the problem; it must be perception. I would like to suggest again that the reason it costs 30 per cent to service the debt is because of the Liberal-Conservative alliance on fiscal policy.

Some Hon. Members: Hear, hear!

Mr. Deans: If the House of Commons had supported—

Mr. Mayer: Be fair.

Mr. Deans: I am being fair as always.

Mr. Mayer: You did not listen to what I said this morning.

Mr. Deans: No, but I have listened to you often. I only have to hear your speech once. Mr. Speaker, you know as well as I that if the Conservatives had had their Members here to join with us in those numerous occasions when defeating the Government would have been possible, we could have gotten rid of this motley crew. More importantly, if they had decided to vote with us on those important items we might have had an impact on the fiscal and monetary policy of the Government. Even more importantly than that, if they had supported us in our job creation programs, all of which would have been of considerable value to the future growth of the country, we would have had more people working and paying tax and therefore have had more revenue for the Government. It would have had to borrow less. We would therefore would not be in the situation we are now in.

It is because the spokesman for the Conservative Party continuously supported the Liberal thrust at every single turn that we have a deficit today in the order of $29 billion. It is because the Liberals and Tories together did not understand the impact of the high interest rate policy and therefore supported it over many months and drove people into unemployment that we are faced with the deficit. It costs us $1 billion a month to maintain the unemployment insurance program.

If we could have had Conservative support for our measures, such as building homes for people, we could have created 280,000 man-years of work. The Tories said we could not afford it. When we were proposing to go on with the auto task force report and create 80,000 jobs in Canada over the next five years, I heard not one single whisper of support from the Conservative Party. When we were talking about completing the east-west pipeline and creating self-sufficiency in the country, at the same time putting people back to work in the steel and construction industry, there was not one whisper of support from the Conservative Party.

Mr. Riis: Silence, just silence.

Mr. Deans: When we were saying we had to come to grips with the lack of an agricultural implement industry, a forest industry and mining implement industry, we heard not one single word of support from the Conservative Party. The Conservative Party has been one of the major contributing factors to the problems that confront the majority of people in the country. When they suddenly start crying about the state of the economy, it makes us realize they are not telling the truth.

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, when one hears the Hon. Member for Hamilton Mountain (Mr. Deans) espousing his theory of economics, one begins to wonder whether James Laxer was right after all that they are still back in the sixties. I have had occasion to travel to some countries that have socialist governments. It is true they do provide a great deal. In Canada the NDP neglect to mention that they take something like 56 to 60 per cent of the GNP to provide everything everybody in a particular country demands. That would never have made Canada great. We would have been sitting on our duffs not doing anything but saying the Government will provide. That is the difference in the philosophy of the Conservatives and Liberals as opposed to the socialists in the corner. Canadians are a people of the free enterprise intellect. They want to have an opportunity to develop, and this is the greatest country in the world. As the former Minister of Immigration, I can tell you, Mr. Speaker, that there are 800,000 to 900,000 people a year clamouring to get into this country. We must be doing something right despite all the socialist rhetoric we have heard this morning.

There is not only $150 million directed to unemployment in Canada, there is $3.5 billion. The Hon. Member wants to ignore previous Budgets and Throne Speech debates and focus on this amount of money which is directed primarily to youth unemployment. The amount of $150 million is hardly piddling.

I think the Hon. Member better read Mr. Laxer again. Frankly, I do not agree with Mr. Laxer either, but I think he is a little closer to the seventies than the present rump of the New Democratic Party which we have here.

The Hon. Member decries the fact that we make funding and tax concessions available to large corporations. Who works for these large corporations? It is the ordinary person who is making a salary, building on a pension and has a steady job which will be more secure as a result of the concessions made to corporations. I welcome the moves made by the Minister of Finance (Mr. Lalonde) rather than decrying the fact that as the Hon. Member would suggest, not as much was done. In fact, much more was done.

When I hear the Hon. Member saying he wants to be fair, I think that is fair, I think that is fair as compared to good and excellent. He may have reached fair, but his speech certainly did not reach good and was a long way from an excellent critique of the Budget. I thought we would have something in more positive vein from the Hon. Member, something that we could listen to and maybe even adopt. We have not been shy about adopting good ideas in the past. We have the Conservatives so worried that they will not come out with any policies. They are afraid that if they find a good one we might take it over, and so we have no policy from them.

The economy in Canada is in recovery, Mr. Speaker. We have come through a great recession. Fortunately, neither the Conservatives nor the Liberals listened to what the socialist hordes were telling us about interest rates. If we had, the Hon. Member for Lethbridge-Foothills (Mr. Thacker) is correct in what he said about the Canadian dollar. Heaven knows where the Canadian dollar would have stopped. He talked about 65 cents or 60 cents. If we had given in and allowed our money to flow out of the country because of higher interest rates in the United States, I suggest we would have seen an increase in the cost of the product and fewer companies able to compete. That would have meant significant layoffs. Canadians would be trying to buy imported goods with a 40-cent, 50-cent or 60-cent dollar. We certainly did not accede to the request of the NDP and I am happy that the Conservatives did not either.

● (1230)

Presently we have an inflation rate that is approximately 5 per cent. Who were we told was being hurt the most when inflation was at 16 per cent? It was the ordinary Canadian. The best thing we did for the ordinary Canadian was to get the inflation rate down to the level it is today. They are the people who are helped the most by this invidious factor of inflation. We have done a great deal for the ordinary Canadian.

The fact that unemployment is rising because fewer people are working is something that is of real concern to every Member of the House. It is encouraging now to see a slight reduction in the unemployment rate and in fact there are 400,000 more people working today than were working last year. I suggest that 1984 will see an even greater increase than 400,000 more jobs. I think it is encouraging to the unemployed person to see that there are jobs available.

There is almost a backhand form of compliment in that there is greater participation in the labour force. People are coming back into the labour force because they have confidence and are building confidence in the economy. As a result of the increased participation rate it is very difficult to get the unemployment rate down overnight. The Minister of Finance was quite correct when he said that no government, whatever the political stripe and the best intentions, can get that unemployment rate down overnight and then try to overheat the economy by throwing money at it, as the New Democrats would have us do. I think we are moving in the right direction at the right time.

I think this Budget is appropriate for the circumstances. We are not in a circumstance in which the recovery is on us and we are moving toward a greater growth in the GNP. We are on the road to an economic recovery in Canada. When we reach that stage more money will be available for social programs, for senior citizens and those on the guaranteed income supplement.

We chose a priority. We said that there will be a raise for those in need. There will be an increase of $50 a month to people who are drawing the guaranteed income supplement. I think that is to be welcomed.

I hear the socialists saying that nothing is being done for the unemployed. With a casual wave of the hand they wipe out $8 billion that was spent last year to help unemployed Canadians. They have talked about Canadians whose unemployment benefits have run out. Let us not forget that many of those people had those benefits at a time when they needed them and are back at work. Unfortunately, there are Canadians whose benefits have expired and we must find training programs and other projects to help them get back into the labour force. Since a great deal is being done there should be confidence among the unemployed. The economy is at a stage where there are 400,000 more jobs than last year and I suspect there will be many more this year.

It is fascinating to watch the Budget process. The Opposition Parties have automatically made up their minds to oppose all or some of the items in the Budget. The Government Party Members place their confidence and faith in the Minister of Finance that he will bring down a budget that they can not only defend but promote. That confidence was not misplaced, either in April or in this particular Budget. The Minister of Finance has been fiscally responsible. The Budget is one designed for a Canadian economy in recovery. It is interesting to see that some critics consider it so good that they are calling it a pre-election Budget. That is what I would call praise.

It is not a stand-pat Budget. The moves in the immediate and short term are geared to the economy as it is today, recognizing that we have come through a difficult recession period.

The Budget provides the action and what we are receiving now is the reaction, some of it of a knee-jerk variety by the

Opposition Parties and some of our critics in the media. It was interesting to see how our old antagonist, Diane Cohen, could hardly wait to get her 60 seconds on CBC immediately after the Budget, without really having time to digest all of the documents during the time of the lock-up. We have come to accept that there are certain critics who will appear on television or write articles damning the Budget out of hand. Sure enough, Diane did not let us down this time. There she was, with all the froth that she could muster.

I have already indicated that we have been told we are not doing enough for the unemployed. I pointed out that $3.5 billion directed at that particular target is certainly a significant figure and that the $8 billion that is made available through the unemployment insurance fund is hardly ignoring the unemployed.

One of the greater incentives I have seen in this Budget is the gain-sharing for a stronger economy. I believe that members from both sides of the House have suggested from time to time that there should be more gain-sharing, where the person who is working on the floor or working in the plant can understand the requirements of a business in order for it to succeed. By putting them on the board of directors or being placed in this gain-sharing operation they will have a greater interest in the corporation for which they work.

Let me quote from a segment of the Throne Speech because I think labour and the Canadian public should be aware of this philosophy:

> Labour has been and should continue to be a full partner in the process of economic recovery. Workers deserve a fair share of the recovery benefits and an equal voice in the resolution of issues like technological change and productivity improvement—greater productivity results from a combination of progressive management, ingenious technology and high employee morale. It is the main long-term guarantor of increased real wages for Canadians.

Employees, therefore, sharing in profit-participation plans is a splendid move and I approve of it. I hope that Mr. McDermott would some day bury his NDP bias and serve only one master. Presently he is trying to serve the NDP and the labour movement. He is not an ignorant man but a man with great talent. I suggest, with respect, that he concentrate on the labour movement and focus his talents and abilities on protecting his real constituency, the members of the Canadian Labour Congress and the workers he aspires to represent. He would be doing better. He must deal with Liberal governments from time to time, for which he has apparently little regard. While he has a little more regard for the Tories, he rather damns them with faint praise. I am not sure that I would want to be in that particular bailiwick.

In the section dealing with small business, the proposals for tax simplification will of itself relieve small business of a huge paper burden and I say we should pursue this because unnecessary paper work and record keeping hits at productivity.

The cumulative deduction account has been abolished. There is no question in anyone's mind that it was placed there initially to do a specific job, which was to prevent inappropriate use being made of the small business tax provisions. But I think, in the final analysis, that the Minister of Finance has recognized that it was an inappropriate move and I credit him for removing it. I should point out that this is no small improvement because 300,000 small businesses will be relieved of this particular chore.

These and other proposed changes will allow the Government to reduce two-thirds of the existing legislation dealing specifically with the taxation of small business. It is the right move at the right time.

One of the areas that has been a constant irritant to senior citizens is the necessity to make quarterly payments because income tax is not being deducted at source. It is an irritant because our senior citizens are of a generation which paid their taxes and their debts. Not being aware of this particular requirement has found many of them having to pay not only interest but a penalty. To their chagrin and annoyance, this requirement is placed upon a generation of people who honoured contracts. It is a generation that I suspect has very little in the way of indebtedness today. The increase of the $50 per month is the GIS was, of course, welcome news to everyone.

In the broader international field, the Aid-Trade Fund move is first-class. It is one area where we can combine aid to the Third World countries with the opportunity for Canadian businesses to become involved in worthwhile and yet revenue-producing operations.

● (1240)

The home owner protection plan is a realistic approach to the problems faced by people who may be met with prohibitive costs as a result of high interest rates occurring just when they are about to renew their mortgage. It will also help those who are securing or are about to buy their first home and place their first mortgage. It will give them some indication that they will be protected from any sudden increases in interest rates. It is appropriate in the circumstances and fortunately we are not faced with the prohibitive cost of the ill-fated but not lamented Tory plan.

Can you tell me how much time I have remaining, Mr. Speaker?

The Acting Speaker (Mr. Guilbault): You have until 12.47 p.m. to complete your remarks.

Mr. Hnatyshyn: He has seven more minutes.

Mr. Cullen: I thank my hon. colleague from Saskatoon West (Mr. Hnatyshyn). He is quick off the mark with those figures. It is the only way I can count that high!

As a former Minister of Revenue I know that the vast majority of people in that Department are proud of the work they do, and are capable and conscientious. Given the fact that the Department is dealing with some 16 million taxpayers and accordingly has to have a large number of employees to do this particular work, mistakes are bound to be made and some overzealous approaches taken by individual members of the Department. But overall, this Department does a splendid job

and helps to maintain our system of voluntary compliance and confidentiality.

It is ironic, I suppose, that people who are sending these messages in brown envelopes place the Minister in the position of defending those who are releasing documents to the detriment of the Department and to the detriment of their fellow employees. I welcomed the sensible initiative of the Minister in securing a task force surveillance of the workings of the Department of National Revenue and calling for a report on this particular subject. I know that most people who work for the Department of National Revenue are proud of their position and recognize that they are hardly the most popular people in the world, even going back to biblical times.

In the vast majority of cases you will see approaches made by the Department to a delinquent taxpayer, and only after all of these initial moves, sometimes five or six, are made does the audit section set deadlines and terms, probably in the interest of catching the taxpayer's attention. For my own part, I have had great co-operation from the director in London, Ontario. We have had some difficulties where, if the facts were as indicated in the media, one overzealous employee went too far, and for that reason I have asked the Minister to have the task force examine that kind of an approach. As a lawyer, I find it is often better to listen to both sides of the issue rather than one. I think the task force idea is a correct move in the right direction.

There seemed to be some suggestion, for example, in the particular case I am referring to in Sarnia and London, that it was appropriate to have a demand letter and to indicate the amount of taxes due and owing. I cannot see that as being other than an infringement of a taxpayer's civil rights. In any event, the proper way is to have it examined by the task force to determine what has been done, whether it is appropriate, whether it was done pursuant to the present law, and then to make recommendations about whether the present law should be changed.

I am pleased with the awarding of $1,000 costs against the Department. I think this is a good first step. This is an award in the event the taxpayer is successful in his appeal, and hopefully in future budgets this amount will be increased so that the Department will be on notice that if it does lose a particular lawsuit, it could be in the position of having to pay a significant part, if not all, of the costs of a successful claimant.

Changes made, for example, calling for security rather than cash, again in my view are a giant step forward to equity in dealing with tax appeals.

I commend the Minister for opening up the Budget process, having not only pre-Budget but post-Budget consultations, and then following the post-Budget consultations and before his next Budget is brought in to go back to these groups and to ask them for their recommendations. There are some items, by their very nature, that must be of a secretive nature, but I think there is a good deal to be gained by proper consultation and discussion before Budgets are brought down.

We had Ministers in the past trying various methods. Walter Gordon brought in three people from the business sector. Unhappily, in that case the emphasis was not on the fact he was trying to get from the business sector more information in bringing down a budget that would be more appropriate for the times; the focus at the time and the criticism was on the three people who were brought in. Had they been cleared? Did they have a conflict of interest? Had they taken a particular oath?

Then I sat through the Benson white paper situation where all the suggestions and recommendations that might have been adopted were put into a white paper, not to be in there for adoption but to be looked at and discussed. From that could have been culled what could have been a good budget presentation. Unfortunately, the focus was: "Your Government is going to do this; your Government is going to do that". Nothing could be further from the truth. Both the Minister of Finance in the Conservative Government and Ministers of Finance in Our Government, when they have come out with ideas on deindexing and how that might be applied, unfortunately have been attacked for introducing measures against the ordinary Canadian despite the fact that protections could be built in. I think we lose a lot when we do not have this kind of debate, because then governments are either forced to back off completely from something that may not be appropriate or they will move in such a direction without the benefit of a good and legitimate debate.

As I said at the beginning, there is a wish on the part of Government members, obviously when a budget is brought forward, that it is a budget that we will be able to support, defend and promote. I say in this instance that the Minister of Finance has excelled on all three requirements.

Mr. Hnatyshyn: Mr. Speaker, I would like to address a couple of questions to the Hon. Member for Sarnia-Lambton (Mr. Cullen), who has my respect and the respect of Members in this House for his common sense approach to many of the issues. However, I am afraid in his speech he fell into the trap of being a party to those he accused of pursuing a blind and thoughtless position *vis-à-vis* the Budget.

In effect, he was saying that the Opposition had a knee-jerk reaction, was totally critical and almost had its speeches ready before the Budget was brought down. On the other hand, the Hon. Member stood in his place and said he is unequivocal in his support for this Budget. I find that hard to believe.

Just to make his life a little more pleasant, I want him to know that I am prepared to be complimentary as far as this Budget is concerned as a member of the Opposition. I found the Budget was good and original. Unfortunately, what was good was not original and what was original was not good. Any ideas that were good were matters brought forward by way of suggestions by our Party's spokespeople.

The Hon. Member for Sarnia-Lambton was Minister of Employment and Immigration at one time and has knowledge of the responsibilities of that Ministry. He knows when he was Minister that I questioned him with respect to the use of social

insurance numbers. He talked about attitudes in the Department of National Revenue and in various Departments. What does the Hon. Member think of the recent disclosure with respect to the use and distribution of lists by the Unemployment Insurance Commission to school authorities and school boards? What about the public disclosure of confidential social insurance numbers by officials of the Department of Employment and Immigration? I know when the Hon. Member was Minister he undertook to ensure the confidentiality of the social insurance numbers and of the information on the records of that Department. I assume he will be as distressed as I am with respect to this incident, which shows there are no safeguards.

While the Minister may dismiss this allegation as being an isolated incident, what does he think should be done in that Department to ensure there will be no recurrence of the disclosure of confidential information, particularly as it relates to the young unemployed in communities across this country?

Mr. Cullen: First, Mr. Speaker, I dissociate myself from the Hon. Member's comment that what was original was not good and what was good was not original. I will say to him that there are a lot of good ideas and I am happy to hear that he supports this Budget, at least in principle. He probably will not vote that way on second reading of some of the Bills.

This Government brings forth its ideas for debate. *The Toronto Star* is not very impressed with the Hon. Member's finance critic. We read "Whom is Crosbie kidding?", and the article suggests all of the things he is going to cut and things he is going to do. People are beginning to wonder when we will have some programs. It is not right for the Hon. Member to say that his finance critics are really putting ideas on the table which the Progressive Conservative Party has. I have not heard too many yet.

The Conservatives are opposed to the size of the deficit, and so am I. I would like to find a way to bring it down as quickly as we can without disrupting the economy. That is something upon which we have to focus.

● (1250)

In so far as social insurance numbers are concerned, I do not think they should be used for anything other than for what they were intended in the first place, which was to identify people under the unemployment insurance scheme and for tax purposes. Whether this is an isolated incident or whether there are 50 or 60 such incidents across the country, it is wrong and should be stopped. To the credit of the Minister of Employment and Immigration (Mr. Roberts), he indicated that when it was first brought to his attention he told them they were to cease and desist in this particular approach. It is wrong, and he hopes, as I do, that it is an isolated incident. Isolated or not, it should be stopped cold turkey.

Mr. Thacker: Mr. Speaker, I would like to ask the same question of the Hon. Member for Sarnia-Lambton (Mr. Cullen) as I asked the Hon. Member for Hamilton Mountain (Mr. Deans). Today the amount of tax revenue which goes to service the debt is over 30 per cent. I think it is close to 35 per cent of revenue. That is another way of saying that people with enough money to lend to their government can do so without any risk. Therefore the rich become fabulously rich and it chips away at the middle-income class. A few years ago it was as low as 10 per cent and 20 per cent.

Given those facts, could the Hon. Member indicate where he feels that this upward trend has to stop, level off or drop back? There is no doubt that it has been rising over the last few years.

Mr. Cullen: In part the Hon. Member for Hamilton Mountain indicated that, having come through a recession and the high interest rate cycle, obviously the deficit is much higher now than anyone would like to see it. I consider it at the present time, whether it is $31 billion or $29 billion, to be probably barely manageable. I hope it will not go any higher; however, I think there are some cycles involved. In other words, if 12,000 Inco employees who were drawing unemployment insurance are now gainfully employed and back at work, they will not be drawing upon UI and will be paying income tax. As a result there is an improvement in the economy which will have the impact of bringing down the deficit. I would like to see that happen.

As a former Minister of Employment and Immigration, I conducted a study and endeavoured to get more funding into particular areas which I thought were appropriate. In 1945 the percentage of the GNP related to the deficit was actually higher than it is today. When I say it is barely manageable, I think I am correct in that.

Naturally I would like to see the deficit reduced. Most of us would like to see our mortgages paid off, no money owing on our cars or on the furniture in our homes. Thank God a social economic net was in place over the last four years. Given that fact and weighing it against the size of the present deficit, I can live with it; but we have to make every effort possible to bring down the deficit as quickly as we can without being disruptive.

My problem is how we go about it and where we cut. We are not talking about cutting old age pensions or the guaranteed income supplement. It may be in the area of unemployment insurance where we are now paying 60 per cent rather than 66 and two-thirds. Perhaps that should be dropped a little and we could save a bit in that area. However, I think we all owe it to find some areas where we could make significant cuts in order to bring down the deficit. Of course, a strong economy will work faster than anything because people will be working, paying their way and paying their income tax, and we will be able to afford that which we have in place. Hopefully single women over age 55 will be helped. I think they are the forgotten people. If I had a focus, it would be on single women over 55 years of age. They should be helped the next time we have funding available to make such a social move.

Mr. Riis: Mr. Speaker, I have a double-barrelled question for the Hon. Member. It concerns his comment that the Budget would certainly assist Canadians and get the recovery

under way. Could he explain how, by giving a special tax break to lawyers, he feels the economy or the recovery will be assisted and how the fact that the Government has increased average personal income taxes by $200 to $300 per family will help?

Mr. Cullen: I believe the April Budget indicated where that money would be spent and what kinds of things it would be used for. It was to be used for the benefit of ordinary, average Canadians, by putting into place nets which have to be there to help people when the economy runs into a snag, such as the recession we have experienced over the last three or four years. The people who are hurt most by that are those in the income category about which the Hon. Member talks.

In so far as providing benefits to lawyers, etcetera, perhaps it is appropriate at long last and has not come too soon. We do not have any problem recognizing that a hockey player with talent and brilliant skills can make between $300,000 and $500,000 over the years and that there should be some tax break for him, whether he incorporates himself or whatever he does. I say that is appropriate; I am not knocking it. However, lawyers and accountants are usually not in that particular position, so we made a concession to them.

It seems significant when we talk about the salaries to which the Hon. Member referred that I have a letter on my desk today which indicates that the average lawyer in downtown Regina makes $35,000 a year. It is not as though they are all making vast sums of money, but it does give them an opportunity. The Hon. Member uses the example of a lawyer who makes $200,000 or $300,000. I never made anything like that in the small community in which I live.

Mr. Riis: How does it help the economy?

Mr. Cullen: We have to recognize that just as athletes train and put a lot of time into developing their skills so that they can become professionals, doctors and lawyers require post-secondary education and beyond. Not only that, they are constantly in a position where they are required to upgrade their skills. There should be some recognition of this. Quite often doctors do not graduate until they are 30 years of age. Often they work their way through school. From the time they are 18 years or 19 years of age until they are 30 years to 32 years of age, they are not making money. In fact, they are paying out money. We have to recognize that professionals in this country should also be rewarded for that kind of sacrifice.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I will call it one o'clock in just a moment, but before I do so I want to indicate briefly that I will be responding to some of the statements made earlier today by the Minister of National Health and Welfare (Miss Bégin). One thing she said in dealing with the subject of pension reform was that there were a number of elephants which had held back any progress in this field in the last four years. She cited among other things the business community. I say to her that the major elephant which blocked progress in this vital field of pension reform in the past four years, and once again in this Budget, is the Minister of Finance (Mr. Lalonde).

Also I say to the Hon. Member for Sarnia-Lambton (Mr. Cullen), who has just spoke so eloquently about the need for something to be done for single women over the age of 55 that while he and his Government condone various tax breaks to people in higher income brackets, they had the choice to set the priority as to whether it should be that group who have been so well served by this Budget, people between the ages of 55 years and 65 years, or, as the task force on pension reform recommended, single elderly persons between the ages of 60 years and 65 years who should have had something done for them in this Budget but were completely ignored. That is the tragedy of this Budget.

May I call it one o'clock?

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NATIONAL REVENUE

DEPARTMENT'S TREATMENT OF COMMUNITY COLLEGE STUDENT

Mr. Joe Reid (St. Catharines): Mr. Speaker, Revenue Canada has just published a nice glossy booklet at taxpayers' expense entitled "Inside Taxation" emphasizing, as it would, the integrity and fairness of that Department. It is still a nickel and dime outfit. Aside from the general harassment of waitresses who are caught in the gratuity squeeze, a Niagara College student took advantage of the inquiry service of that Department and tells this story.

For two years he had tried to earn a living as a commission salesman. The market was slow. He used his own car. He paid for the coffee. He was in effect selling all the time, but finally his money ran out and so he started back to school on student loans and grants. After his first full year as a student, he had questions about his return, so he called the taxation office. You guessed it. He ended up being reassessed for the years 1981 and 1982. They need vouchers, who, where, and what. They want a daily mileage record, and what geographical area he covered.

S.O. 21

The Income Tax Department, its assessors and collectors are spending your money in their quest for tax dollars, knowing there is not any there to be found, only to force this community college student into bankruptcy before he even finishes school, and no recovery will be made either for taxes or the student loans. In the interest of treating all taxpayers fairly and equitably, chalk up—

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

* * *

AEROSPACE INDUSTRY

CONTRACTS SECURED BY MISSISSAUGA AREA FIRMS

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Avro Arrow was destroyed by the Diefenbaker Government 25 years ago. In Mississauga, shock waves of industrial collapse and unemployment followed this incredibly shortsighted policy. Today, thanks to a partnership between business and Liberal Governments, the aerospace industry in Malton and Mississauga has been restored.

At McDonnell-Douglas we have built every set of wings flying on DC-9s and DC-10s across the globe. We have helped with de Havilland's Dash 7s and 8s, world leaders in STOL aircraft. At Spar Aerospace we designed the space arm for the U.S. space shuttle. DAF Indal has just become the first Canadian company to win a prestigious U.S. Navy Award for its top quality work on helicopter equipment. Orenda Engines has a new generation of jet engine repair technology to use on the CF-18s. We helped to put a man on the moon in 1969, and today we have got a brand new industry with LTA ships.

Mississauga's experience is repeated across Canada. Liberal Governments have helped to rebuild an industry where the Tories brought only mindless destruction 25 sad years ago.

* * *

[*Translation*]

BILINGUALISM

SERVICES FOR FRANCOPHONES IN HAMILTON-WENTWORTH REGION

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I would like to bring to your attention a matter that is of great concern to me, as it should be to all Members of this House. I am referring to the elimination of services in French at the Canada Employment Centre on Hamilton Mountain.

I have received several complaints from francophones in the area, which are very valid ones. The authorities have looked into the matter. The problem was that if there was only one bilingual employee in the Mountain office and that person happened to be ill or had to attend a meeting, there would be no one to deal with francophone clients.

It was decided that the best solution would be to designate four or five bilingual positions at the CEC office downtown, on Rebecca Street, and two bilingual positions in Burlington.

Mr. Speaker, I feel this is totally unacceptable. Only 6 or 7 per cent of the population in Hamilton-Wentworth is French-speaking, but at least two-thirds of this group lives on Hamilton Mountain, which means the majority. I would ask the Minister of Manpower and Immigration to reinstate bilingual services on Hamilton Mountain.

* * *

INDIAN AFFAIRS

RELOCATION OF KILLINIC INUIT

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, last weekend in Fort Chimo, which is in my riding, I had an opportunity to meet local Inuit leaders as well as the Minister of Indian Affairs and Northern Development, who happened to be there on Sunday. Mr. Speaker, I would like to ask the House, and especially Cabinet, to lend a receptive ear to a request formulated by the Inuit of Fort Chimo, about relocating the people of the village of Killinic as soon as possible. Killinic is about 300 miles north of Fort Chimo. These people speak only Inuktituk, and their village was closed in 1977. They were then relocated in a number of villages along Ungava Bay, and they have practically no rights under the James Bay Agreement, Mr. Speaker. Therefore, even if they are few in number, about sixty, I think the Canadian Government has a duty to be fair, in principle and in practice, to all its citizens, and the Killinic Inuit should be relocated in their former village, with all the usual services their situation requires.

These proposals were submitted to me on the weekend in Fort Chimo, and I promised I would raise the matter in the House. I hope the Ministers will be very receptive when the Minister of Indian Affairs and Northern Development raises the matter in Cabinet.

An Hon. Member: Hear, hear!

* * *

[*English*]

SOCIAL DEVELOPMENT

FUNDING FOR SOCIAL SCIENCES RESEARCH COUNCIL

Mr. David Orlikow (Winnipeg North): Mr. Speaker, last week the Minister of Communications (Mr. Fox) announced a supposed increase in the funding for the Social Sciences Research and Humanities Council. I say supposed increase, because the Minister in fact ended the funding for Canadian studies. Therefore, what the Social Sciences Research and Humanities Council faces is a reduction of more than $1

million in its funding. The Government has been increasing its funding for graduate studies in science and technology. For that it should be commended, but it seems to be doing that by cutting back on assistance for social sciences.

We face a large number of very serious problems which have to be considered and studied, such as aging, unemployment, and the impact of microtechnology on employment. All of these need to be studied by people who have been trained in these fields. The Minister is saying we have to cut back on the number of graduate students who will be assisted in social sciences.

In the 1950s and 1960s when our universities were expanding, we did not have the trained people in Canada so we imported from other countries. By the 1990s many of our professors will retire, we will again have shortages and have to import people because of the shortsighted policies of the Government. I call on the Government to rethink its policy and to increase its funding for the social sciences.

* * *

TOURISM

RECEPTION ACCORDED FLORIDA OFFICIAL BY CUSTOMS OFFICERS

Mr. Tom McMillan (Hillsborough): Mr. Speaker, each year Canada's deficit with other countries in the tourist trade is some $2 billion, causing a massive loss of Canadian jobs and capital. At a time when the Canadian Government is stressing that hospitality is the key to capturing a larger share of tourism, some Canadian customs officials—not all, maybe not most, but some—are undermining the industry by being inhospitable at border crossings.

A case in point concerns Barry Pitegoff, Director of Marketing Research for the Florida Division of Tourism, who entered Canada to address the annual meeting of the Tourism Industry Association of Canada this week in Charlottetown. Mr. Pitegoff was detained, his visiting rights were severely restricted, and he was made to feel unwelcome by customs officials, for no apparent reason.

I urge the Minister of Employment and Immigration (Mr. Roberts) and the Minister of State for Tourism (Mr. Smith) to collaborate on a program to sensitize customs officials to their role as goodwill ambassadors for Canada at border crossings. The first impression visitors have of our country should not be that which Mr. Pitegoff received. Instead, it should be one of welcome and eagerness to please, so that those visitors will return to Canada again and again.

* * *

EDUCATION

STUDENTS' KNOWLEDGE OF POLITICS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, in a study ten years ago by Magnami of the Ontario Institute for Studies in Education, 1,005 first-year university students in eastern Canada were interviewed with the aim of correlating political knowledge with their socio-economic status, their gender, their perceived social class, and their political attitudinal variable.

Some disturbing observations were made. It was found that high socio-economic status males who defined themselves as upper class were more represented in the high political knowledge category, while women in a similar situation had very little political knowledge. Women who considered themselves as revolutionaries demonstrated a higher level of political knowledge than other youths, whereas men who defined themselves as revolutionaries fell into the category of politically uninformed individuals.

● (1410)

Another worrisome observation was that the young people who are expected to be the best educated in the country were very uninformed about the political authorities and organizations that are controlling their everyday life. Only half could answer correctly more than 25 per cent of the questions, and of these only 10 per cent could answer more than 11 of the 25 items—items which had been recently given wide representation in local media.

The suggestion was made that most of the youth in the sample studied would go to the voting booth and vote for the party or individual that impressed them most recently in terms of political propaganda. The study concluded that the outcome of national elections is decided more by political sloganeering and the emotional use of media, than by carefully reasoned solutions to socio-economic problems.

Mr. Speaker: I hesitate to interrupt the Hon. Member, but his time has expired.

* * *

[*Translation*]

FEDERAL-PROVINCIAL RELATIONS

SIGNING OF AGREEMENT ON SUBSIDIES FOR MUNICIPALITIES

Hon. Roch La Salle (Joliette): Mr. Speaker, for the third time I would like to emphasize the importance of signing an agreement between Quebec and Ottawa on grants earmarked for municipalities. Mr. Speaker, we are well aware of the fact, and all my Quebec colleagues regret, that as a result of the absence of such an agreement, the municipalities cannot receive these grants.

It seems that an agreement between Quebec and Ottawa is now possible, and has been since January 23 of this year. The Minister responsible announced last week he was waiting for the Right Hon. Prime Minister (Mr. Trudeau) to arrive, to discuss the signing of the agreement.

Mr. Speaker, allow me, on behalf of 1,200 municipalities in Quebec, to ask the Right Hon. Prime Minister of Canada and

the Ministers from Quebec to urge the Minister responsible to sign this agreement, which would be in the best interests of the Canadian economy. There are projects involved that would promote job creation, and apparently, this agreement could be signed without prejudice to federal and provincial jurisdictions.

Mr. Speaker, I shall if I may urge my Quebec colleagues once again to recognize the importance of this question and to realize that the 1,200 Quebec municipalities would applaud the signing of this agreement. I therefore trust that Cabinet, which is to examine this question, perhaps today or later this week, will give the affirmative response we have been waiting for in Quebec.

* * *

[*English*]

PROVINCIAL AFFAIRS

BRITISH COLUMBIA BUDGET PROPOSALS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, yesterday the B.C. Social Credit Government announced a vindictive Budget that slashes essential social services, ignores the more than 200,000 jobless British Columbians, and greatly increases income taxes. At the same time as the Government cuts health services and grants to post-secondary education, it is giving a tax bonanza to big business. Mr. Speaker, this is the "tough, mean and nasty" budgetary policy suggested by the federal wing of the B.C. Socreds, the federal Conservative Party.

The Tory Member for Etobicoke Centre (Mr. Wilson) said recently about these Reaganite economic policies that it is something they would be doing if they were in government, something they will do when they are in power again. The Leader of the Official Opposition (Mr. Mulroney) said that obviously Bennett is going the right way. B.C. Tory MPs have remained shamefully silent on the Socred attack on economic and human rights.

People of British Columbia, be warned. You have been given a taste of federal Conservative policies by the B.C. Social Credit Government. Never forget the words of the official Tory finance critic, the Hon. Member for St. John's West (Mr. Crosbie), who said that you have to be tough, mean and nasty, and do all kinds of unpleasant things, and that that is why he is not going to outline what their budget measures would be, now.

For the sake of our children, the poor, the elderly, the sick, the unemployed, and the powerless in our society—

Mr. Speaker: The Hon. Member's time has expired. The Hon. Member for Prince George-Peace River (Mr. Oberle).

MINES AND MINING

ABSENCE OF ASSISTANCE MEASURES FROM BUDGET

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, in the wake of last week's Budget the prime resource sectors of our economy are heaving a sigh of relief. They did not get any help, but at least there were no unpleasant surprises.

One group that is not happy is Canada's mining sector. Desperate for measures which will help it fight back against lagging markets and increased competition, the mining sector looked forward to the Budget with some hope. Unfortunately, the steps the Government should take to help our mining community are not sexy, like high-cost, high-profile projects in urban areas. They are, instead, adjustments to our tax system to encourage investment, to reduce non-profit taxes which are strangling the industry, and to put in place a northern benefits system and package which will help Canadians cope with the higher costs of working and living in our North.

None of these measures were included in the Budget. In fact, nothing that could be seen as helpful to this massive and vital industry, which operates at 50 per cent capacity, was included in the Budget. This begs serious and painful questions. Can it be that the Government has given up on mining and considers mining a sunset industry? Is it the newly appointed Minister's mandate to help the industry regain its strength, or to preside over its demise?

The mining industry is a vital part of the backbone of our economy. Every region of the country is affected by its present weakness. When the Liberals demonstrate their indifference to it, they are demonstrating their incompetence as economic managers.

ORAL QUESTION PERIOD

[*English*]

ENERGY

CANCELLATION OF JAPANESE PARTICIPATION IN BEAUFORT SEA EXPLORATION

Miss Pat Carney (Vancouver Centre): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I should like to address my question to the Minister of Finance. The Japanese, who loaned Dome Canada and Dome Petroleum $400 million for oil and gas exploration in the Beaufort Sea, are cancelling further participation in the project, according to an announcement in the Japanese Diet.

The Canadian taxpayer has invested $486 million in Dome through PIP grants. In view of the Japanese withdrawal, what steps is the Minister taking to ensure that the Canadian taxpayers' investment in the Beaufort is secure and is not at risk?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Minister of Energy, Mines and Resources should be in the

House very shortly, and his Parliamentary Secretary is in the House, I believe.

Mr. Speaker: Does the Hon. Member for Vancouver Centre want to defer?

Miss Carney: No, Mr. Speaker. I should like to point out that the PIP grants were a subject matter introduced by the Minister of Finance, so he should be able to support his own legislation.

PETROLEUM INCENTIVES PROGRAM GRANTS PAID TO DOME CANADA

Miss Pat Carney (Vancouver Centre): Mr. Speaker, Dome Canada says it has invested $910 million in the Beaufort in the years 1982-83, but only $35 million was funded by the company. The bulk of the rest of the $910 million was funded by the federal Government and the Canadian taxpayer. If the company will not put up more of its money to explore for oil and gas, how can the Government justify giving Dome more money in PIP payments than any other company in the oil patch?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Minister of Energy, Mines and Resources has arrived in the House and I am sure that the Hon. Member will be happy to ask him questions.

I should like to point out to her, however, that the PIP grants are used for exploration purposes. The money has been spent on research for oil and gas resources in Canada's offshore and northern Territories. The money has been spent in Canada by a Canadian controlled company, to find oil and natural gas in this country. The money has not been wasted; it has been used for that particular purpose.

As to her second point, I remind her that the PIP grants replaced the previous system which was even more generous and in some instances allowed some companies to get extremely large compensation; as a matter of fact, some would argue even more than they were actually putting in. What we have done is institute a system which favours Canadian owned and controlled companies which the Leader of the Opposition wants to do away with, which the Leader of the Opposition has said he would remove in order to treat the multinationals in the same way as Canadian companies. We have said that we are going to favour Canadian companies, and this is what we have done and will continue to do.

Mr. Dick: You lie.

Mr. McDermid: When did he say that?

CANADIAN OWNERSHIP CHARGE

Miss Pat Carney (Vancouver Centre): Mr. Speaker, although the Minister of Energy, Mines and Resources is now in the House, I feel that my third supplementary is more properly directed to the Minister of Finance.

Through the Canadian Ownership Charge on gasoline, Canadians have built up a $500 million safety net specifically earmarked for refinancing Dome Petroleum which, as the Minister knows, has not yet signed a deal with its banks. In last week's Budget the Minister of Finance said it was unlikely that Dome would require federal assistance and that the $500 million earmarked for Dome was lumped in with general revenue. How can the Minister justify withdrawing the safety net which was specifically earmarked for Dome's use in an emergency situation, which it may now face?

● (1420)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have provided a fund to help Dome, if it is needed. I said in my Budget that it was unlikely that the company would need it because it has taken steps to refinance itself purely through private arrangements. However, we have an agreement with Dome and with the banks involved in financing Dome, which would provide for a safety net. If it is required, obviously we will live up to that agreement. However, at the present time the Dome corporation has indicated that it was not interested in this particular arrangement which was arrived at and that it was working at arriving at another arrangement, without government support and participation, which we welcome.

TRANSFER OF CANADIAN OWNERSHIP FUND INTO GENERAL REVENUE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Minister of Finance. When the Canadian Ownership Charge was instituted in 1980 in the Budget of that year, the Government said that the Charge would go into a separate fund, the Canadian Ownership Fund, and I quote, "And this would in no way affect the Government's deficit." However, in the Minister's Budget of less than a week ago, the Minister has not only taken $500 million from the fund earmarked for Dome, but he has abolished the fund and put all of the proceeds for this year, $840 million, into general revenue in order to reduce his deficit. How is that justified in view of the purposes of this fund? How can the Minister take the risk?

How can he say, as he said, "It is very unlikely that Dome Petroleum will require federal assistance", when just six days later it is becoming evident that Dome Petroleum will very likely require federal assistance, and the $500 million is gone, taken by the Minister to reduce the deficit artificially?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have just indicated to the previous speaker that in the view of the Dome corporation, it was not going to need the support which had been provided for in a previous agreement arrived at a couple of years ago. We have acted, and we are still acting on that basis. As I stated, it is unlikely that the support provided for will be required and, if it were to be required, obviously the Government would live by the agreement which we arrived at before.

As far as the use of the funds is concerned, the Hon. Member will remember that in the Budget of last year I indicated that the purpose of the Canadian ownership tax would be broadened to cover the general area of energy self-sufficiency. The funds are going to be used for the purpose of ensuring energy self-sufficiency in this country, particularly in the area of oil and gas. We have made tremendous progress in the last three years in that regard, and we want to ensure that we will continue to make progress. This is the purpose for which that tax will be used.

Mr. Crosbie: Mr. Speaker, this is a continuance of a tissue of deception. The Minister has launched a smash and grab raid, unauthorized by this House of Commons, on that fund.

SIZE OF GOVERNMENT DEFICIT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister shows in his Budget statement of six days ago that the Budget deficit will be $31.5 billion. To get it down to $31.5 billion, he has taken $500 million which was allocated in that fund for Dome. If the Minister has to pay the $500 million out to Dome, the deficit will go up to $32 billion. Will the Minister tell the House what the deficit is for the year which ends at the end of March? When is he going to stop deceiving, misconstruing, and deluding the people of Canada? When will we get honest counsel and honest accounting?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the deficit for this year is forecast to be $31.5 billion. The Hon. Member asks me what the deficit will be at the end of March. I will be able to give him the exact figure as soon as it is computed at the end of March, or later on. He will remember that the deficit figures last year varied considerably, depending not only on the expenditures which the Government incurred in March, but also on the receipts which came from corporate and personal income tax during the month of March. I do not know exactly what those figures will be—

Mr. Crosbie: There is $500 million.

Mr. Lalonde: —but I will be very happy to provide my friend with the exact figure as soon as it is available. At the present time it is forecast to be $31.5 billion—

Mr. Crosbie: And it could be anything.

Mr. Lalonde: In the meantime I am still waiting for the Hon. Member to tell the Canadian people what the mean, nasty things are he would do—

Mr. Crosbie: You are a mean, nasty thing I would eliminate.

Mr. Lalonde: —to them if that Party were in office.

Mr. Crosbie: Five hundred million dollars you have stolen from that fund.

THE ECONOMY

PLIGHT OF LOW-INCOME FAMILIES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance. Figures released today show that in Ontario, the richest province in Canada, 17 per cent of all children, or close to 400,000, are living in poverty. Across the country, we are told, children as young as five are lining up at soup kitchens, sometimes without their parents, just to get enough to eat. Their parents have no hope of getting jobs. Does the Minister think that it is fair or tolerable that children are the main victims of the recession? Why has he ignored their plight, the plight of low-income families? Why, instead, has he chosen to give some $675 million in tax breaks to people who can afford to put $15,000 a year into a savings plan?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, again I refer the Hon. Member to the Budget of last year, as well as to my announcement this year, that all the family allowances and tax credits are going to be fully indexed starting on January 1, 1985. The Hon. Member will remember that last year I appreciably increased the tax credit for families. In addition, I have to remind the hon. lady that the Provinces have a significant responsibility in that regard, as well in terms of Children's Aid and the various programs which are under provincial responsibility, particularly, social assistance.

Ms. Mitchell: Mr. Speaker, the Minister, who was a former Minister of Health and Welfare, should know what happens to children who are brought up in poverty. He brags about a safety net. These children are not safe; they are at risk. Poverty begets poverty. He should know that. He does know it. He does not want to admit it.

TAX REFORMS RECOMMENDED BY NATIONAL ANTI-POVERTY ORGANIZATION

Ms. Margaret Mitchell (Vancouver East): Would the Minister tell the House why, when he was preparing his Budget, he did not adopt the family benefit tax reforms which were recommended by the National Anti-Poverty Organization, which would not have cost him another cent, so that the money could be converted to increase family allowances for children? Tax credits at the end of the year are not useful to poor people. It is a monthly family allowance they need. The Minister could have increased this if he had paid any attention to the NAPO recommendations.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, there is no doubt that poverty begets poverty. The Government has taken steps. Of all of the industrialized countries, including the socialist Governments which are referred to so often by my socialist friends opposite, the Canadian Government has been the only one which has not cut back on social security and on social programs.

The Hon. Member comes from British Columbia. She can make quite a comparison as well between the behaviour of her provincial Government and the behaviour of the Canadian Government during that period. I would like to remind the Hon. Member that we have not only maintained our support for people in need during this period of recession, but we have increased it, and in the last Budget we used the funds we had available to come to the assistance of those most in need. We did it last April by improving the tax credit for children. We have done it this year by coming to the assistance of single, retired citizens in need, and young people looking for work.

There are still many areas where improvement is possible, and this Government will continue to address these areas in order to ensure that Canada will continue to have one of the best social security systems in the world.

Ms. Mitchell: Mr. Speaker, that is absolute b. s.—

Some Hon. Members: Oh, oh!

Ms. Mitchell: There is no way in this Budget—

Mr. Speaker: With all due respect to the Hon. Member, I would invite her to withdraw that expression. It hardly contributes to the dignity of this place.

• (1430)

Ms. Mitchell: I would be glad to say that it is absolute garbage, if that is better.

There is no question at all that this Budget helps the rich, not the poor, especially the poor children of Canada. The Minister knows we have almost one million more people living in poverty in 1983 then we had in 1981. Obviously that is because Canadians do not have jobs. Welfare rolls are going up; he has to pay for half of it, he should know that.

Mr. Speaker: Order. The Hon. Member is on her second supplementary. The Chair notes these are far ranging questions for Question Period. Will the Hon. Member ask her question?

REQUEST THAT MINISTER RESCIND TAX BREAK FOR CORPORATIONS

Ms. Margaret Mitchell (Vancouver East): Will the Minister rescind the $600 million tax break for corporations and put the money into direct job creation for the unemployed, particularly for those with young children?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I was not offended by the reference of the Hon. Member; I was assured that, by using the language she did, she was referring to herself as a "benevolent socialist".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Lalonde: The Hon. Member says the last Budget did not help the poor. I would like her to say that to the 750,000 single, retired citizens, three quarters of whom are women living in poverty, who are going to see their GIS increased by $50 a month this year.

* * *

NATIONAL REVENUE

CONTEST FOR KITCHENER TAX COLLECTORS—MONTHLY DAY OFF WORK AWARD

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is for the Minister of National Revenue. Yesterday we asked questions concerning the free lunch for auditors in Toronto. I would like to bring to the Minister's attention another contest last November and December. The contestants were the tax collectors in the Kitchener district tax office. The rules were that they received five points for collecting an account in excess of $1,000 plus one point per $1,000, four points if it was under $10,000, and the reward was one day off per month. In November the winners were a Mr. Keith Purves, and in December a Mr. Walter Perreault.

Games are being played here, and the word "games" was used in the memo of Mr. Stinchcombe in the Toronto incident. He called it a game. There is a game being played in Kitchener, a game being played on the plight of Canadian taxpayers who are in a state of distress.

The chief concern I have, Mr. Speaker, is that the Minister does not recognize what is happening in his own Department. Does he approve of games being played, such as the one I illustrated yesterday and the one I just brought to his attention? What disciplinary action was taken with Mr. Stinchcombe and with the supervisors who imposed quotas? What action is the Minister going to take today?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I pointed out to the Hon. Member yesterday that in the matter involving Mr. Stinchcombe in Toronto, I had looked into the situation. I told him when this exercise had taken place and when it was stopped, and I also informed the Hon. Member that he was twisting the facts, as did the newspaper article, incidentally, when he was judging the way this local manager wanted to reward employees for outstanding performance. Today the Hon. Member, and that is what he is supposed to do, has now submitted another item. I would have appreciated being informed beforehand, in order to know the facts. I am wary of his way of changing the facts and especially the way he interprets them. I cannot, therefore, comment on a situation I have not had time to look into, especially when I do not know exactly what happened.

[*English*]

TORONTO SUPERVISOR'S ACTIONS

Mr. Chris Speyer (Cambridge): Mr. Speaker, may I ask the Minister whether or not he approves of the methods used by

Mr. Stinchcombe in Toronto? Does he approve of what Mr. Stinchcombe did?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have already pointed out that Mr. Stinchcombe put a stop to this practice. Furthermore, I do not intend to pass judgment on a new case being brought to my attention, because I have not had time to look into the matter. Since as in the first case, the practice has been stopped, I would like to point out to the Hon. Member that we have a group of experts, the Woods Gordon group, that is conducting a study at the present time and looking into departmental practices, even those that have been stopped, including a practice aimed at rewarding people for outstanding performance. The study will cover those occurrences, and the group will then be in a position to submit an objective assessment.

[*English*]

REQUEST FOR REPEAL OF SECTION 31 OF INCOME TAX ACT

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, my question is directed to the Minister of Finance who admitted last week in the Budget speech that the application of Section 31 of the Income Tax Act is causing problems. Since 1978 a Canadian Bar Association joint committee on taxation and the Institute of Canadian Chartered Accountants have advocated repeal of Section 31, saying it is ambiguous, poorly drafted, and that the issue is clearly addressed under Section 248 of the Act. Canadians are suffering because of inconsistent and arbitrary application of Section 31 by Revenue Canada. The Minister often tells this House that he always seeks advice before bringing down a Budget. Why did he not take the advice of Canada's lawyers and chartered accountants on Section 31?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Before tabling my Budget, Mr. Speaker, I did meet with a group of representatives of the two organizations mentioned by the Hon. Member. We discussed this question and it was generally agreed that the implementation and interpretation of Section 31 referred to by the Hon. Member do create difficulties. Everyone agreed that there is a real problem which must be addressed and that we must avoid extending preferential treatment to so-called hobby farmers to the detriment of full-time farmers, in the sense that if too many farms are bought by people whose principal occupation is not farming, this will have a speculative impact on the price of agricultural land and harm full-time farmers. It is a real problem with which we must come to grips, and that is why I said I will establish an advisory committee of farm organizations and other groups to look closely into that situation before making changes which will not be harmful to full-time farmers, namely those whose sole occupation is farming and who want their children to take over their operations.

[*English*]

Mr. Greenaway: Mr. Speaker, that is the same kind of action we got with the fishermen in Newfoundland two years ago when this Government appointed a one-man commission, a Mr. William Rowe, to report on their problems. His report was never published or acted upon. That is the kind of action we get from over there; nothing but smoke.

REQUEST FOR MORATORIUM ON PROSECUTIONS

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, my supplementary is directed to the Minister of National Revenue who knows the problems Section 31 is causing. There are cases before the courts, and we now have a consulting group to be appointed. The Minister of Agriculture said just a few weeks ago that the Section should be drastically changed, or preferably wiped off the books. That is what the impotent old bull said to the people of Canada. Will the Minister call a moratorium on these cases until the consulting body has reported, so that when Section 31 is repealed or amended these people who are caught in limbo will not suffer?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to remind the hon. gentleman that we have had a number of consultative groups doing work on the Budgets over the last two years I introduced, which have produced excellent reports and have been put into effect. This has taken place with regard to the taxation of charities and foundations. This has taken place with regard to research and development, investment tax credits, and the Indexed Securities Investment Plan. All of this has taken place in the last year. It has led to action by the Government which has been beneficial to all concerned. I intend to proceed with the process of consultation with and participation of those most involved, and with action which will have the support of all concerned.

* * *

● (1440)

BILINGUALISM

MANITOBA CONSERVATIVE PARTY'S AMENDMENT TO CONSTITUTIONAL RESOLUTION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. Last fall all Parties in the House united to pass a resolution encouraging the Manitoba Government in its initiative to protect the rights of the French-speaking minority in that province. The Conservative Party in that province has prevented the Legislature from meeting to pass the necessary legislation and the constitutional amendment necessary to protect those rights. Earlier today the Leader of the Conservative Party in Manitoba proposed a subamendment which would restrict the constitutional amendment to validating the laws which have been passed only in English over the last hundred years. That amendment by the Conservative Party in Manitoba would not protect the existing

rights of the French-speaking minority in that Province. What is the Prime Minister's position on that proposal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the position of the Government, and I believe that of all Members of the House, certainly all Leaders of the Parties in the House, as stated in the resolution of last October, was to affirm our intention to support the spirit of an agreement which had been reached last May with the Government of Manitoba and the *Franco-Manitobains*. That is still the position of the Government.

I do not know of this latest amendment. If it is like the amendment put forward last December by the Leader of the Conservative Opposition, which would have had the effect of striking out Section 23(1) I believe, giving rights to French-speaking Canadians, then obviously it would not be acceptable to the Government nor, I take it, to the Leader of the Opposition. I will wait to see what new proposal has been made, Mr. Speaker.

We have hesitated to intervene in the Manitoba situation because I believe it was the intention of the parties there to have a made-in-Manitoba solution to their problem. We have to keep in mind that any constitutional amendment would come before this House ultimately. I can say unequivocally that this Party would not support any amendment which went against the spirit of last May's resolution, which was not supported by the *Franco-Manitobains*.

POSITION OF FEDERAL GOVERNMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, the proposal made by the Conservative Party in Manitoba is to take away Section 23(1) which prevents future Manitoba Legislatures from extinguishing already existing rights. We in this Party reject that. Will the Prime Minister say that he, as the Leader of the Government of Canada, also rejects that proposal?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if that is the intent of the amendment it seems to me it is a repetition of the attempt made before Christmas. I repeat that we would reject such an amendment unequivocally. If such an amended resolution were to come before the House, we certainly could not support it. I would like the Government and opposition Parties in Manitoba to know that.

I hate to make a proposal which I am sure will be judged to be a political interference, but I think it might be useful if the Leaders of the three Parties were to meet again to discuss whether we should re-assert our position which very firmly is not backing down from the agreement of last May. If that is helpful to the Government and people of Manitoba, I would certainly be prepared to entertain a repeat of the resolution we had in the last Session. I hope that would be the case with the Leader of the Opposition.

INDUSTRY

PETROCHEMICAL TASK FORCE REPORT

Hon. Bud Cullen (Sarnia-Lambton): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The petrochemical task force under the chairmanship of Mr. Bolger and Mr. Reimer reported to the Minister and his colleague, the Minister of Regional Industrial Expansion, a little over a week ago. Will the Ministers be meeting with these particular members of the task force? They have been meeting with the caucuses of the various Parties in the House. Will the Ministers be meeting with the members of the task force? Is the Minister in a position to tell us today how soon he anticipates being able to make a response to that particular task force report?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I do not know when I will be able to make a report on a solution to this very complex problem. The other Minister and myself intend to meet with the members of the task force very soon.

* * *

LABOUR CONDITIONS

DEPARTMENT'S RELEASE OF NAMES OF PETERBOROUGH UNEMPLOYED

Mr. Bill Domm (Peterborough): Mr. Speaker, yesterday I drew to the attention of the House the illegal use of the social insurance numbers of the unemployed of Peterborough. Since that time I have had an opportunity to examine the list. I am saddened to report that the Supervisor of Investigations and Controls within the Ministry of Employment and Immigration has published the list of all the legitimate unemployed. This means there is very little protection for the innocent and legitimately unemployed in the federal riding of Peterborough when the social insurance numbers become public information.

The Minister of Employment and Immigration announced to the House that yesterday was the first he had heard of this situation. Would he now stand and confirm that what he said was correct?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I am not exactly sure which words the Hon. Member is asking me to confirm. I will stand in the House and say that, as a result of the information brought to my attention yesterday, in consequence and following his question in the House, I have asked for a report from my officials, and have received that report. I am told that these events, which I very much regret, were an isolated incident. They were contrary to the policies of my Department and may very well have been in contravention of the Privacy Act. I regret very much that they happened. It was a result of administrative error. As far as I am able to determine, it was an isolated case. I have ensured that instructions have been issued to try to prevent the recurrence of such an event.

Oral Questions

DISCLOSURE OF SOCIAL INSURANCE NUMBERS

Mr. Bill Domm (Peterborough): Mr. Speaker, the Director General of Employment and Immigration confirmed to the media yesterday that he was knowledgeable of the situation and had ordered a stop to it yesterday. Is this no different from the situation within Revenue Canada in which the Minister is not aware of what is going on in his Department in that you, as Minister of Employment and Immigration, are not aware of what is going on in your Department?

On behalf of the unemployed in Canada, whose names are on computer printout lists which indicate that Big Brother is watching them, I ask the Minister to issue a directive immediately to all Ministers on the government side of the House to instruct their officials not to disclose the social insurance numbers of any citizens in Canada.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman is asking me to issue directives and orders to all of my Cabinet colleagues. While I am not temperamentally averse to such an idea, it is not within my area of responsibility to do so. I have acted promptly in relation to my responsibilities. Once this situation was brought to my attention the proper steps were taken to investigate it and ensure that such a matter was not repeated. If, as the Hon. Member asserts, the Director General of the region was already aware of the situation and had taken steps to remedy the situation, that official is to be congratulated and not pilloried.

PROSECUTIONS INQUIRY

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I too have had constituents whose personal confidential information has been published by the Department. That information has been sent to officials of the Board of Education, to principals, teachers, and staff members. Would the Minister ascertain and report back to the House if prosecutions will take place in respect of the publication of this personal and confidential information, which I suggest is not only contrary to the Privacy Act but as well may contravene other statutes of this country?

● (1450)

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I will certainly take the Hon. Member's request under advisement.

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VETERANS AFFAIRS

REJECTION OF EXCEPTIONAL INCAPACITY ALLOWANCE APPLICATIONS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. Is he aware that the Canadian Pension Commission has been taking an extremely hardnosed attitude toward applications for exceptional incapacity allowance? Out of 17 applications by the War Amps of Canada, 17 were turned down by the Entitlement Board. Upon review by the Review Board, 16 of the 17 were accepted.

Has the Minister seen to it that the Review Board will be commended for this and that the Entitlement Board will be made aware that their negative decisions have been overruled entirely by the Review Board, and they should start playing from the same music?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I am aware of the concern which has been expressed by the War Amps with respect to the cases before the Entitlement Board for exceptional incapacity allowances. I have consulted with the Executive Director of the War Amps, Mr. Chadderton. He is presently out of town but he will be meeting with me just as soon as he returns, to discuss his concerns in those areas.

Mr. McKinnon: It is a question of how much time gets lost in these needless appeals.

DELAY IN PROCESSING PENSION APPLICATIONS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, in answer to a question in committee, the Chairman of the Pension Commission gave us some details on the length of time it takes to get a pension these days. Between the time a case is ready and the time a case is heard by the Entitlement Board, there is a delay of 190 days on average. After the Entitlement Board—this was the case with these War Amps—if an appeal is made to the Review Board there is another average delay of 277 days. Seeing that the final decision comes only 619 days after the first request, could the Minister tell us of any steps he has taken to ensure that this unconscionable delay will be stopped?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, it has always been my interest to see the cases of veterans dealt with as quickly as possible. But I am sure the Hon. Member also appreciates that, while we are using average times, there are cases which are lengthy in preparation because of the need to secure the necessary documentation to ensure that the individual veteran has the best possible chance of success when the case is heard.

Of course, there is the question of scheduling Entitlement Boards or Assessment Boards in the area closest to where a veteran lives. Certainly it is my interest and my effort to ensure that all cases are dealt with in the shortest possible period of time while respecting the necessary preparatory work to ensure that a veteran's case, when heard, has the greatest possibility of success.

ENERGY

WITHDRAWAL OF JAPANESE PARTICIPATION IN BEAUFORT SEA EXPLORATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns the pullout by the Japanese from the Dome Petroleum project in the Beaufort Sea. In the last two years we, as Canadians, have committed $1.73 billion in PIP grants to the Beaufort, and one-half billion dollars through a bailout contingency fund, bringing the total investment in that company to roughly $2.3 billion. The Japanese withdrew support on the grounds that they were not going to strike oil in the Beaufort. Could the Minister give us the assurance that the Government will not spend one more dime until—

Mr. Speaker: Order. I must ask that a display in front of an Hon. Member's desk be removed from the House.

Some Hon. Members: Remove.

Mr. Speaker: If the Hon. Minister proposes to table something, there is an appropriate time to do so. This is not it.

Mr. Skelly: The proposal of the Government to spend $2.3 billion in funding Dome Petroleum to drill dry holes in the Arctic is very questionable. Certainly the Japanese have now left $400 million on the bottom of the Beaufort Sea, and left Dome Petroleum high and dry with the statement that it will not strike oil in the Beaufort. Yet the Government will continue for another two years to pump money down that dry hole.

Can the Minister give us the assurance that the Government will not spend one more dime on Dome Petroleum until it verifies the facts that the Japanese have laid out, that "there ain't any oil down there"?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, the Japanese made a deal with Dome Petroleum to invest $400 million in exploration in the Beaufort Sea. Of course, the money has been invested in Dome, and it has drilled with it. They have decided not to proceed with further investment, but there was no such plan. They made an investment of $400 million and decided it was enough for them to invest in the North.

However, there are many other corporations that are anxious to invest in northern Canada. We sign agreements with corporations regularly. Of course, when you drill, no one can tell you ahead of time if you will find oil, gas, or anything. That is the name of the game.

There is oil in the Beaufort Sea. The question now is that we do not know if there is enough to produce commercially. Over the years there have been many finds of oil in the Beaufort Sea but, because of the difficulty of the climate and the region, we need great quantities to make it commercial. We have not arrived at that level yet. In order to achieve self-sufficiency and security of supply, it is very important to look everywhere in Canada where there is the potential for oil and gas.

REQUEST FOR PUBLIC INQUIRY INTO DOME PETROLEUM CORPORATION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Minister is refusing to come to grips with the fact that the Japanese have assessed the data and said there is no oil. That is why they left. Dome is $4.2 billion in debt. It owns mines, shipyards, and conventional petroleum reserves. If that company collapses it will leave a tremendous black hole in the Canadian economy from which it will be very difficult to recover. It may take a chartered bank with it.

I ask the Minister to stop fooling around and get serious with the House. We need a public inquiry into the operation of Dome Petroleum immediately, as well as a commitment that not one more dime of public money will be spent on that company until there is an assessment of the facts.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I think the Hon. Member does not have his facts very straight. Dome is not the only company drilling in the North. There are Imperial, Esso, Gulf Canada, and many other Canadian companies. There are PanArctic Oil, Shell, and Petro-Canada. Many corporations are signing agreements. We have signed many new agreements this year with companies that want to keep drilling in the North.

You cannot find oil and gas if you do not drill. It is exactly on that basis that people are still drilling in the North. If we were to follow the policies of the Tories and the NDP, the drilling would stop in Nova Scotia and Newfoundland. The Hon. Member should talk with the provincial Governments there to see if it is a waste of money to ensure that we find some oil and gas offshore, just like in the North.

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FINANCE

FORECASTS OF GOVERNMENT SPENDING

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is directed to the Minister of Finance. In the past 16 years there have only been two years under Liberal government when government spending did not rise in excess, and sometimes well in excess, of the rate of growth of the economy. Yet in his Budget last week his projections show spending next year to increase at a rate of 2.7 per cent less than the national income. In the next year it will be 4.0 per cent less; the year after 3.5 per cent less, and the year after that, 2.3 per cent.

Could the Minister tell the House what change in government policy or disciplines have been made to make these spending estimates believable? Can he tell us why we should believe him, particularly when in the last year—the year of six and five and economic growth—government spending increased 3.7 per cent faster than the rate of growth in the economy?

● (1500)

Hon. Marc Lalonde (Minister of Finance): First, for the very good reason that last year the rate of growth was appreciably lower than it will be this year as an average over the year. Second, the Hon. Member is aware of the policy of restraint which the Government has announced and followed. As the recovery is going to transform itself into a significant expansion of the economy, there will be less need for the large expenditures that we have incurred in order to alleviate the effect of the recession. As the Hon. Member also knows, there will be opportunities for some increase in revenues. As far as the growth of expenditure is concerned, the President of the Treasury Board will be tabling the Estimates today. The Hon. Member will have an opportunity to look at them in detail, and he will have to reach his own conclusion and come to his own judgment.

The Hon. Member will know that last year we performed better than most of the forecasts that I had put forward. As far as our policy is concerned, it has been stated quite clearly and is the one we intend to pursue.

Mr. Wilson: Mr. Speaker, this business about a government restraint or a policy restraint is more and more of a bad joke every day. All we are seeing is more deception and more delusion.

SIZE OF GOVERNMENT DEFICITS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, last year the Government estimated government spending for next year, 1984-85, to increase by 5.8 per cent. Now, one year later, the estimate has increased 8.3 per cent. Should we expect the same sort of increase in all these future projections of spending? If we do, the increase in the budget deficit on average will be $8 billion a year. If that is not the case, what concrete steps is the Government introducing that will make these projections come true? Otherwise I say the Minister is cooking the books and misleading the Canadian people.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member better make up his mind. On the first question he was arguing that the expenditures for this year were going to be 2.7 per cent lower than the rate of growth of the economy in nominal terms. Now he is complaining that it will be over what we forecast it would grow last year. Either he wants to rejoice or he wants to cry. But let him make up his mind.

In effect, what we have done for 1984-1985 is to ensure that the total growth of government expenditures will be lower than the total growth of the economy, thereby leaving more room for the private sector and for individual citizens. The share of the Gross National Product being taken by Government is not going to expand in 1984 as a result of increasing expenditures by the federal Government above the growth of the economy. We will make sure that our total expenditures will be lower than the growth of the economy.

ROUTINE PROCEEDINGS

[*English*]

JOB STIMULUS PROGRAM

TABLING OF LIST OF PROJECTS

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, in accordance with Standing Order 46(2), I wish to table two copies of a comprehensive list of over 50,000 projects approved for funding under the Government of Canada's Job Stimulus Program, including the list of Special Employment Initiatives Projects.

Some Hon. Members: Hear, hear!

Mr. Speaker: I would draw to the attention of the Hon. Minister that Beauchesne's Fifth Edition, Citation 333, provides:

> Speakers have consistently ruled that it is improper to produce exhibits of any sort in the Chamber.

With all due respect to the Minister, the Speaker would have been much happier had there been no red ribbons attached to what is not supposed to be an exhibit.

Some Hon. Members: Hear, hear!

Mr. Speaker: This is not to be regarded as a precedent.

Hon. Erik Nielsen (Yukon): Mr. Speaker, I rise on a point of order. Paragraph (4) of the same Standing Order which enabled the Minister to launch his showboat requires the Minister, in tabling that document, to designate the standing committee to which the pile of material is to be referred. I would invite the Minister to comply with Standing Order 46(4) and to designate that committee now.

[*Translation*]

Mr. Speaker: Order! The President of the Privy Council, on the same Point of Order.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, regarding this Point of Order, it certainly takes a fantastic amount of mental gymnastics to reach the conclusion that what we have here is a report, return or other paper laid before the House in accordance with an Act of Parliament.

The Minister tabled these papers pursuant to S.O. 46(2). This has no connection with reports, returns or other papers tabled in accordance with an Act of the Parliament of Canada, and in the circumstances, paragraph (4) cannot possibly apply. I think the Member for Yukon (Mr. Nielsen) has been trying . . . I can see him smiling! He is very clever, but I think we should not be misled by this invitation, because it is pretty obvious that the Minister did not act pursuant to 46(4). He did not table "a report of his department" in accordance with an Act of Parliament. He tabled "papers" dealing with the administrative responsibilities of the Government, as set forth in S.O. 46(2).

Mr. Speaker: The Hon. President of the Privy Council mentioned earlier the number of the Standing Order involved. Could he perhaps repeat it for the Speaker of the House?

Mr. Pinard: Mr. Speaker, when the Minister rose in the House, he tabled the papers under S.O. 46(2), and in his point of order, the Member for Yukon (Mr. Nielsen) referred to S.O. 46(4). I shall refrain from repeating the difference between the two Standing Orders by reading the text. As the saying goes in Latin: *patet*.

[*English*]

Mr. Speaker: The President of the Privy Council has indicated that the tabling was in accordance with Standing Order 46(2) and not Standing Order 46(4). In the circumstances, if it is tabled, as it appears to have been, by the Minister in accordance with Standing Order 46(2), there is no automatic requirement that it be referred to a committee.

Mr. Nielsen: Mr. Speaker, I am certain that the Minister would want to see an examination before the standing committee of that load which he dumped in his efforts to launch his leadership campaign. Perhaps he might request unanimous consent now to refer that heap to the relevant standing committee so we can give it the scrutiny it deserves.

Mr. Pinard: Mr. Speaker, the Leader of the Official Opposition (Mr. Mulroney) has a political staff, very well paid, that could do the work the Hon. Member is asking a committee to do. That may be a change from inquiring into the Prime Minister's private life.

Mr. Speaker: I take it there is not unanimous consent.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I rise on a point of order with respect to the display we have had from the Minister of Employment and Immigration (Mr. Roberts) in tabling these documents. It is a new point of order.

Mr. Speaker: Order, please. The Chair has dealt with the matter. The Chair accepted it but pointed out that it was not to be a precedent and that the use of red ribbon for the tabling of documents should be avoided in the House. It was a difficult enough decision.

Mr. McDermid: It has a lot to do with the performance of the Government. It is always in the red.

Some Hon. Members: Oh, oh!

* * *

MAIN ESTIMATES, 1984-85

A message from His Excellency the Governor General transmitting Estimates for the financial year ending March 31, 1985, was presented by Hon. Herb Gray (President of the Treasury Board) and read by Mr. Speaker to the House.

Main Estimates, 1984-85

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I would also like to table in support of the Estimates Part I, the Government's expenditure plan, and on behalf of my colleagues Part III, consisting of 65 departmental expenditure plans.

● (1510)

Mr. Speaker: Order! The President of the Privy Council (Mr. Pinard).

REFERENCE TO STANDING COMMITTEE

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, pursuant to the provisions of Standing Order 63, I move, seconded by the Hon. Minister of National Health and Welfare (Mrs. Bégin):

That the Main Estimates for the fiscal year ending March 31, 1985, laid on the Table of the House today, be referred to several Standing Committees as follows:

Considering that the allocation of the Main Estimates to the various Committees is detailed and that the list is quite long, if the House agrees, I would ask that it be printed in *Hansard* as if it had been read, according to common practice.

[*English*]

Mr. Speaker: The House has heard the suggestion of the Hon. President of the Privy Council. Is it agreed?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Agriculture

Agriculture Votes 1, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50, 55 and 60

External Affairs Votes 15 and 20

To the Standing Committee on Communications and Culture

Communications Votes 1, 5, 10, 15, L20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85 and 90

Secretary of State Votes 1, 5, 10, 15, 20, 25, 30, 35 and 45

To the Standing Committee on External Affairs and National Defence

External Affairs Votes 1, 5, 35, 40, L45, L50, L55, 60 and 65

National Defence Votes 1, 5, 10 and 15

To the Standing Committee on Finance, Trade and Economic Affairs

External Affairs Votes 10, 25 and 30

Finance Votes 1, 5, 10, 15, L20, 30 and 35

National Revenue Votes 1, 5, 10 and 15

Privy Council Vote 20

Regional Industrial Expansion Votes 1, 5, 15, 20, L25, 50 and 55

To the Standing Committee on Fisheries and Forestry

Environment Votes 1, 5, 10, 15, 20, 25 and 30

Fisheries and Oceans Votes 1, 5 and 10

To the Standing Committee on Health, Welfare and Social Affairs

Consumer and Corporate Affairs Votes 1, 5, 10 and 15

National Health and Welfare Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50 and 55

Social Development Vote 1

To the Standing Committee on Indian Affairs and Northern Development

Indian Affairs and Northern Development Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, L50, L55 and L60

To the Standing Committee on Justice and Legal Affairs

Justice Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45 and 50

Main Estimates, 1984-85

Solicitor General Votes 1, 5, 10, 15, 20 and 25

To the Standing Committee on Labour, Manpower and Immigration

Employment and Immigration Votes 1, 5, 10, 15, 20, 25, 30 and 35

Labour Votes 1, 5, 10 and 20

To the Standing Committee on Management and Members' Services

Parliament Vote 5

To the Standing Committee on Miscellaneous Estimates

Finance Vote 25

Governor General Vote 1

Labour Vote 15

Parliament Votes 1 and 10

Privy Council Votes 1, 5, 15 and 25

Science and Technology Votes 1, 5, 10, 15, 20, 25, 30 and 35

Secretary of State Vote 40

Supply and Services Votes 1, 5 and 10

Treasury Board Votes 1, 5, 10, 15, 20, 25 and 30

To the Standing Committee on National Resources and Public Works

Energy, Mines and Resources Votes 1, 5, 10, 15, 20, 25, L30, 35, 40, 45, 50, 55, 60, 65 and 70

Public Works Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60, 65, 70, 75, 80, 85, 90, 95, L100, 105, 110, 115 and L120

To the Standing Committee on Northern Pipelines

Economic and Regional Development Vote 5

To the Standing Committee on Privileges and Elections

Privy Council Vote 10

To the Standing Committee on Regional Development

Economic and Regional Development Vote 1

Regional Industrial Expansion Votes 10, L30, 35, 40 and 45

To the Standing Committee on Transport

Transport Votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, L60, 65, 70, 75, 80, 85, 90, 95, 100, 105, 110, L115, 120 and 125

To the Standing Committee on Veterans Affairs

Veterans affairs Votes 1, 5, 10, 15, 20, 25 and 30

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

Some Hon. Members: Agreed.

Motion (Mr. Pinard) agreed to.

EXPLANATORY STATEMENT BY PRESIDENT OF TREASURY BOARD

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, the documents I have just tabled provide the details of the Government's expenditure plan for 1984-85. Last Wednesday, the Minister of Finance (Mr. Lalonde) presented in his Budget the basic outlines of an updated expenditure plan for the next year through 1987-88. The documents tabled today elaborate on this overall plan for 1984-85 and on the policies, programs and activities underlying them. In particular, Part II and the related Part III documents, which together are generally known as the Main Estimates, provide detailed information on the major portion of the plan, that portion for which we are now seeking authorization from Parliament. Along with the Budget presented last week, the documents will provide a framework for conducting the business of government during the next year.

[*Translation*]

Mr. Speaker, the detailed plans in the Main Estimates for which we are seeking parliamentary authorization are the result of the government's intensive review of departmental programs over the last few months. They take into account the assumptions about economic conditions that were presented last week by my colleague, the minister of Finance.

[*English*]

Before touching upon some of the highlights of the detailed expenditure plans for next year, I would like to comment briefly on the documents themselves which are presented again this year as a group of volumes—Part I, the Government expenditure plan itself; Part II, the Main Estimates proper or the blue book; and Part III, departmental expenditure plans.

[*Translation*]

In its fourth annual edition, Part I is becoming firmly established in parliamentary tradition, providing us with an overview of federal government spending. It deals with the broad policy areas to which resources will be allocated by the Government, and is aimed at facilitating an overall understanding of government expenditures.

[*English*]

While the focus of this overview is on 1984-85, information is provided on the full multi-year expenditure plan through to 1987-88 presented in last week's Budget. This represents a return to the practice of previous years from the single-year focus of last year's Part I, which was in that form because it was presented before the Budget of April, 1983 which contained this multi-year information.

I have tabled on behalf of my colleagues 65 volumes of Part III for 1984-85, adding 18 new plans to the 47 tabled last year. Next year, when Part III will be complete, departmental expenditure plans will be available for all Departments and agencies. These documents are prepared by individual Departments and agencies with guidance from the Office of the Comptroller General. They contain a wealth of information on government programs; most important, they outline what the Government expects to achieve with the money it plans to spend once the Estimates are approved. The blue book, Part II, supports the items which are expected to be included in the Appropriation Act for the Main Estimates.

I would now like to comment upon the details of the Government's expenditure plan contained in the documents just tabled. Members will, of course, be familiar with the basic outlines of the updated multi-year expenditure plan set out in Part I, since they were presented to Parliament only last week by the Minister of Finance. They will recall that he forecast for 1984-85 planned total outlays of $98.2 billion, an increase of 8.3 per cent over his revised forecast of $90.6 billion for 1983-84. I would draw to the attention of the House the fact that this is the lowest rate of growth of total outlays in six years. I would also note that the Minister of Finance has projected in his Budget even lower rates of growth for total outlays for the next three years. These lower rates of growth

reflect both our current economic recovery, which is removing pressures from some of our major income support programs, and more optimistic forecasts for inflation.

Within our total outlays, total planned expenditures of $98.2 billion for 1984-85, we are at this time seeking authorization from Parliament to spend amounts totalling $96.5 billion which are detailed in the Main Estimates; that is to say, the blue book and the related Part III documents. This total is 10.4 per cent higher than the 1983-84 Main Estimates total. This represents a substantial decrease compared with last year's 17.9 per cent increase over the 1982-83 Main Estimates.

[*Translation*]

Mr. Speaker, beyond the expenditure total for which details are provided in the Main Estimates, our overall Expenditure Plan also includes $3.1 billion in reserves which are allocated across various policy sectors or envelopes, and a special reserve of $800 million to cover any necessary adjustments to current forecasts for statutory programs. The envelope reserves serve two purposes. The first is to cover the costs of planned initiatives that have not been included in the Main Estimates, that is to say the increases to the Youth Opportunity Fund and the Guaranteed Income Supplement for single pensioners announced in the Budget, as well as other initiatives on which final decisions have not yet been taken by Cabinet. The second is to cover cost adjustments to existing programs that could not be anticipated at the time the Main Estimates were being prepared. In either instance, parliamentary approval will, of course, be sought through Supplementary Estimates or other legislation.

[*English*]

Our planned total outlays of $98.2 billion are exclusive of, are net of, two items which total $2.2 billion. The first of these is to account for forecast repayments on loans issued in previous years. The second is an adjustment to account for the fact that some authorized expenditures will not be made and will lapse since Departments and agencies cannot legally spend more money than Parliament authorizes and in fact always spend less.

I would now like to direct the attention of the House again to the $96.5 billion in expenditures provided for in the Main Estimates. I would first note that $2 billion of this total is for loans, investments and advances. Of the remaining amount, eight items account for two-thirds of the $8.9 billion increase over 1983-84 Main Estimates. National Defence expenditures are up $927 million to meet Canada's commitment to NATO to increase the real growth of defence expenditures by 3 per cent annually. A large part of these funds will be devoted to the re-equipment and modernization of the Canadian Forces, including the CF-18 fighter aircraft and Canadian-built patrol frigate programs. These activities will also provide stimulus to key sectors of the Canadian economy.

● (1520)

Second, there are the transfers to the provinces under the Established Programs Financing arrangements which support the financing of health care and post-secondary education. These are up by $886 million compared to last year's Main Estimates. Of course, apart from and not included in last year's Main Estimates are the special payments of more than $500 million announced by the Government in December, resulting from revisions to the national income and expenditure accounts by Statistics Canada.

Transfers to the provinces under the Canada Assistance Plan are up by $556 million. Payments under the Petroleum Incentives Program, made primarily to Canadian oil companies to support oil and gas exploration and development, show an increase of $450 million. Payments under this program contribute to the overall level of economic activity, particularly in the natural resource sector. Also, the Old Age Security payments, guaranteed income supplement and spouses' allowances are up by a total of $430 million.

In addition to this amount, more funds will be required as a result of the announcement in last week's Budget of the substantial increase in the guaranteed income supplement for single pensioners. Parliament will be asked to approve this increase through legislation soon to be introduced by the Minister of National Health and Welfare (Miss Bégin).

There are also transfers to the provinces, primarily in the form of equalization payments, which are up by $339 million. There are two payments to Canada Post, one for $350 million pursuant to the Canada Post Corporation Act to cover operating requirements and one for $170 million to provide for capital costs associated with the mailing of certain Canadian publications. These are included in this year's Main Estimates. The payments have until now been presented in supplementary estimates.

Public debt charges account for $1.8 billion of the increase. This increase will result from higher debt levels that are partially offset by lower average interest rates on the outstanding debt. The Minister of Finance pointed out last week that the deficits leading to higher debt levels have come from additional expenditures to assist individual Canadians and to promote job creation and economic activity generally, through the difficult period of the recession and the beginning stages of recovery. With recovery well under way and investment activity on the increase, the Minister of Finance last week reiterated the Government's commitment to bring the deficit down, but in a phased manner that does not damage our economic prospects.

[*Translation*]

Mr. Speaker, I would remind Hon. Members that the Estimates documents and related press material contain a wealth of information on these and many other changes. Therefore, I now would like to describe how the continuing economic recovery, and this government's initiatives in support of that recovery, have very profoundly affected today's Main Estimates and the government's Expenditure Plan.

[*English*]

I want to deal briefly with four areas in particular: Special Recovery Capital Projects, unemployment insurance, Estab-

lished Programs Financing and the guaranteed income supplement.

I mentioned earlier that eight items account for two-thirds of the year-over-year increase in budgetary Main Estimates. Of the remaining $3 billion increase this year, about one-third is for Special Recovery Capital Projects. These are aimed at accelerating federal spending on economic infrastructure projects to facilitate Canada's economic recovery. These are part of the Special Recovery Program announced in the April, 1983 Budget and which the Minister of Finance pointed to again last week as a key link in the Government's efforts toward establishing partnership in the establishing of jobs through a healthy and growing economy. Excluding national defence spending and expenditures on these Special Recovery Capital Projects, the operating and capital expenditures of Departments and agencies are increasing in the order of only 7 per cent.

Last year, as we were just beginning to recover from the recession, we faced a very sharp increase in the Government's contribution to unemployment insurance. I am pleased to note that, based on economic forecasts, this year's Main Estimates figure of $2.7 billion is $227 million less than last year's Main Estimates forecast figure, a reflection of our improving economic circumstances and of improvements in the level of employment in particular.

Under the Established Programs Financing arrangements, the federal Government defrays approximately half the cost of financing hospital insurance and medicare and slightly more than half the cost of financing post-secondary education. This contribution takes the form of cash payments to the provinces and of the value of the potential to exact taxes which is turned over to them by the federal Government. An increase in the value of this tax portion is automatically offset by a decrease in the federal Government's cash contributions under the formula set out in the Act.

The total to which the provinces are entitled for 1984-85 is expected now to increase by 8.4 per cent over the current forecast for 1983-84, exclusive of adjustments for prior years. However, the value of the tax portion is expected to increase by more than 13 per cent, so that the cash portion need only grow by 4 per cent. This is indeed a welcome sign of increasing economic health and is a direct analogue of the healthier growth in budgetary revenues indicated in the fiscal plan tabled last week by the Minister of Finance.

I also wish to review briefly forecast expenditures under major income support programs for the elderly, as reflected in the Main Estimates. Old Age Security payments are made to all Canadians over the age of 65. The guaranteed income supplement is paid to those Canadians receiving Old Age Security who qualify on the basis of an income test. These payments are normally indexed to the growth in the consumer price index. Under our six and five program, however, the indexation of Old Age Security payments was limited to 6 per cent in 1983 and 5 per cent in 1984.

This limitation did not apply to the guaranteed income supplement, which indeed not only continued to be fully indexed but was modified to compensate its recipients should there be any loss of income resulting from the limit placed on the indexation of Old Age Security. Last year's forecast of expenditures for the guaranteed income supplement assumed indexation rates for inflation in excess of the six and five limit and also included a provision to offset the capping of indexation for eligible Old Age Security recipients.

We should all be pleased that the assumptions about inflation turned out to be higher than the rates actually achieved through the efforts of all of us working together to reduce inflation. This means, of course, that all the funds set aside for the reasons I have just explained were not needed; but more importantly, it illustrates in a tangible way the success we have had in reducing inflation through our co-operative efforts. These factors also explain why the 1984-85 Main Estimates forecast of expenditures for the guaranteed income supplement is actually lower than the 1983-84 Main Estimates forecast.

[*Translation*]

I would also note that for the first time in many years, expenditures related to major transfer programs like unemployment insurance are growing more slowly than total spending this year. Again, this is largely due to improving economic conditions.

[*English*]

Before completing my remark, I would like to speak briefly about the size of the public service as measured by the number of person-years under the direct control of the Treasury Board. The Main Estimates documents before the House indicate a 1984-85 total of 260,370 person-years for Departments and agencies whose personnel requirements are controlled by the Treasury Board. This represents an increase of only 1 per cent over the comparable 1983-84 Main Estimates level of 257,678. This latter number, I would remind Members, includes the reduction in authorized levels made by the Treasury Board just prior to the tabling of the Main Estimates last February but which, as a result, did not show in last year's blue book.

The limited increases in authorized person-years reflect the commitment of this Government to continuing restraint in the growth of the Public Service, and to ongoing efforts to achieve improved productivity in the delivery of services to the public.

• (1530)

If we analyse the areas where the larger increases occur, the Government's interest in maintaining and increasing services to the public becomes apparent. The person-year level of Revenue Canada Taxation will increase by 1,044 over 1983-84 to provide enhanced services to the public. The additional personnel will be allocated entirely to four activities: about 17 per cent to handling telephone and over-the-counter inquiries from the public for tax information, 53 per cent for processing tax returns, 15 per cent for tax adjustments requested by taxpayers, and 15 per cent for dealing with formal appeals of assessment registered by taxpayers. These additional resources will be allocated to all regions of the country. No additional person-years have been approved for audit, enforcement, collection or administration. As a complement to these increases

in human resources, financial resources are being made available to improve telephone and computer facilities so that services can be provided more rapidly and more effectively to the public.

The Correctional Services program has had its authorized level increased by 666, primarily because of growth in the number of penitentiary inmates. The Department of Transport levels are up by 403, largely to provide for regulatory activities related to air safety and to meet staffing requirements for the Canadian Coast Guard fleet. While maintaining and even increasing services to the public generally, it has still been possible to reduce person-year resources in some areas; the number of authorized person-years is down for 22 departments and agencies. For example, authorized levels for the RCMP have been reduced by 175 person-years because of decreased demand for police services from provinces and municipalities. While some of the decrease of 158 person-years shown for the Department of Veterans Affairs reflects the phasing out of temporary requirements related to the relocation to Charlottetown, a part of the reduction is being made possible by the installation of a modern, computerized benefit delivery system.

The documents tabled today reflect some of the ongoing benefits already being gained through programs related to improving the productivity of government operations. I am referring in particular to the IMPAC program, which deals with improving management practices and controls. This program, which is being gradually extended across the Government, is already providing annual recurring savings of $122 million. The documents cannot at this early stage, however, reflect the positive results we expect to flow from the four point plan of new initiatives aimed at further improving productivity in the operation of the federal public sector which I announced a few weeks ago.

[*Translation*]

Mr. Speaker, the Expenditure Plan documents that I have tabled also illustrate the achievements and efforts related to building a strong and growing economy to which my colleague, the Minister of Finance (Mr. Lalonde), drew our attention in his Budget statement last week. You will recall that he pointed to the significant reduction in inflation that has been achieved; the measures taken to secure economic recovery; the record on economic growth, employment and inflation over the last ten months, which has been consistently better than forecast in his previous Budget; and the need for a strategy of continued effort aimed at creating jobs through partnership with the private sector.

[*English*]

On its side of the partnership the Government is making a major contribution through such initiatives as the $1 billion Youth Opportunity Fund, which was announced in the Speech from the Throne and to which the Minister of Finance (Mr. Lalonde) added $150 million in his Budget of last week. In all, funds already allocated to Special Recovery Capital Projects and to the direct support of employment, including job training, will total over $3.5 billion in 1984-85.

I will conclude by saying that I am pleased to table these documents relating to our detailed expenditure plan for next year. I believe they illustrate graphically our success in managing and planning our expenditures in this still difficult economic period, although it is one of growing economic recovery. They also reflect the well founded optimism this Government shares with the private sector that Canada will continue its progress toward a healthy and growing economy.

Hon. Ron Huntington (Capilano): Mr. Speaker, we have had two major statements of policy from the Government, the budget speech on February 15 and now the tabling of the Main Estimates for 1984-85 by the President of the Treasury Board (Mr. Gray).

Pray, Mr. Speaker, that the rhetoric in these two documents will deliver 10 per cent of the optimism it expresses about bringing the Canadian economy around to a condition of full employment or at least from 3 per cent to 7 per cent unemployment, and pray that the rhetoric will become fact. I have to say to you, Mr. Speaker, and to others who are listening—

Mr. Frith: Nobody is listening.

Mr. Huntington: That is absolutely true. No one on the government side of the House listens to anything at any time. The House of Commons, both at Westminster and in this country, was born out of violence, debate, sword lengths and so on. The manner in which the President of the Treasury Board handled his Estimates today is a great improvement over what we have had in the last three or four years. At one time our colleague, the Hon. Member for York-Peel (Mr. Stevens), almost had to join the Press Gallery in order to get to a briefing session before the Estimates were tabled. Today we were told by the President of the Treasury Board that we have 67 documents that you and I, Mr. Speaker, did a lot to bring about in our days as members of the Public Accounts Committee. There are 67 documents in Part III, the Main Estimates, which are a considerable size, and then we have Part I. All of that is coming to pass as some of us in the thirtieth Parliament had hoped. I congratulate the President of the Treasury Board on the furthering of the effort that started with a parliamentary committee. I congratulate him on the courtesy he extended to the Official Opposition and the other Party in opposition for a briefing which began at 12 noon today on this matter. I do not want to go beyond that in thanks and congratulations, however; that is about as good as I am going to go in the department.

The total estimate of expenditures announced in the speech today is $96.5 billion. The forecast expenditure shows a 10.4 per cent increase in a comparison of the 1984-85 Estimates with the 1983-84 Estimates. The rhetoric will say that this increase has been brought down to 8.3 per cent when the 1983-84 supplements are included. That is correct, after the adjustments are made.

In the 1979 Crosbie Budget there was a prediction that in 1983-84 we would spend $77.7 billion; the Liberal forecast is for the spending of $90.65 billion, which is 16 per cent higher

than the projection by the same staff in 1979. We have a forecast to prediction problem in all governments, not just ours. It is a problem we are all going to have to live with. The system is too complicated and the factors of input are so complicated that there is a very high percentage of error in the projections. That is something we must all recognize and wrestle with.

In November, 1981, the spending projections for the 1984-85 year were $93.9 billion; in fact they turned out to be $4.3 billion more. It is interesting that in the rhetoric we have heard from the Minister of Finance (Mr. Lalonde) and from the President of the Treasury Board, the Government claims that it cannot control most spending because it is non-discretionary.

Mr. Lang: That's right.

Mr. Huntington: That is right, is it? Let us listen to the next line, then. When we compare discretionary spending in these Estimates against non-discretionary spending, we see that the discretionary spending goes up 13.2 per cent and the non-discretionary goes up 8.8 per cent. So there is something wrong with the rhetoric of the Minister of Finance and the President of the Treasury Board. The facts show that it is not so.

• (1540)

Mr. Lang: The Special Recovery Program.

Mr. Huntington: The Special Recovery Program? There is always something, Mr. Speaker. These Estimates signal, Sir, a total disregard for the hardship presently faced by Canadians. Let us measure the gap between what the Government says and what it actually does. I suggest that the Government should not be judged in the narrow sense of output, in terms of the services it provides or does not provide. Government should be judged according to the outcome and how well it overcomes the circumstances which shape the results. On the basis of today's Estimates, Sir, last week's Budget and the promises made to entice voters mean little. Government only proposes to throw more and more money at the nation's problems.

Every time we turn a radio on or watch TV we hear something about a make-work program. We heard again today about a $150 million Youth Opportunity Fund. Why would this $150 million be delivered to Canada Works? If it were delivered to Career Access, two and a half times more jobs per dollar would be created than under these Canada Works programs. Why can we not rearrange some of this spending whereby we would get the optimum multiplier in terms of relieving the pressure on the people who are seeking work? Today we find out that in the Economic Development Ministry 33 person-years have been added. This envelope ministry has now taken on the responsibilities of a line department. It has taken on the responsibilities of a line department because it is now operating the Gaspé and the lower St. Lawrence Special Recovery Capital Projects. I am surprised to see that in this set of documents. Why has the responsibility not been left to the line departments? Why must this politically sensitive central agency function beyond and outside of its mandate? I believe we should have a reply to that.

Too little money did not move Canada from sixth place to twenty-second place among industrial nations in one year, Mr. Speaker. Our ailments in efficiency, which have reduced us to fifteenth place among industrialized nations, will not be cured with more money. The productivity performance of Canada is dismal, and we are now going to have another commission or set up another bureau to study our productivity problems when most of us know exactly what the problem is.

On the industrial scene, the pace of improvement is the slowest of that of any major industrialized nation. Those figures come for the *Euromoney* study, Sir. In 1982, productivity in Canada declined by 2.8 per cent. Yet we find the Minister of State for Economic Development (Mr. Johnston) now moving into highly politicized areas instead of really planning what has to happen down the road in terms of major fundamental corrections to our system. We talk about productivity. We set up a bureau to study it. At the same time we have seen a doubling in the number of notices of objections received by Revenue Canada since 1979. In 1984-85 it expects to process over 56,400 objections. How can one talk about productivity, Sir, when we have a tax collector who is doing all he can to destroy the entrepreneurial private sector with this kind of intervention. If we are going to talk about productivity, we must get the political rhetoric out of it. We must address the fundamental problems which this Government has caused in the private sector, the same private sector on which it is now relying to save us all from a worse recession. Revenue Canada will require 6 per cent more staff in district offices and in its head office just to handle this new workload which it has created for itself. This is going to increase its personnel costs by 10.2 per cent at the same time that the Government talks about productivity.

At page 15290 of *Hansard* of February, 1982, the then President of the Treasury Board said that the improved presentation of the Estimates to Parliament would help Members of Parliament to ensure that taxes paid by Canadians would be used for the benefit of all Canadians. One cannot object to that kind of rhetoric, Sir. He said that this was a fundamental and democratic responsibility. But the Estimates which have been tabled today are in the shadow of an enormous porkbarrel out of which huge sums of money are flowing to the benefit and advantage of Liberal candidates in the next election. We heard rhetoric back in 1982 and we receive a set of Estimates today in the shadow of behaviour which I do not believe I have seen in my lifetime in this country.

I agree, Sir, with the Minister of Transport (Mr. Axworthy) who indicated last night on *The Journal* that he had reservations about the priorities and conduct of his colleagues who are preparing to lead the Liberal Party. But the Minister of Transport, who has been headlined in the paper as one certainly able to lasso loot, Sir, while we are talking about austerity and care of public funds hands out chronicles of his achievements. He publishes them. There was $1.3 million that went to the Max Bell Athletic Complex at the University of Manitoba. However, that Minister allowed $31,000 of that money to go to a consultant in the United States when the best consultants

in the world on that subject matter are right here in Canada. There was $10.2 million for a maintenance hangar for Air Canada in Winnipeg; a $32 million facelift for the Winnipeg airport; $4 million went for a vocational training centre; $50,000 was spent to avert lay-offs of two individuals at the symphony; $115,000 went to the blind to learn computer programming; $55,000 was given to the Fort Garry Women's Centre; $8 million went to CMHC; $100,000 went to Canada Ports for an audit contract in Winnipeg. The Canada Ports audit is now being conducted out of Winnipeg. There was $90,000 spent for experimental buses for the aged. All that was spent in his constituency.

Mr. Lang: More.

Mr. Huntington: I hear them calling for more over there, Mr. Speaker. I want to tell you, Sir, that that kind of behaviour is irresponsible when one keeps talking about equity and fairness in the Canadian system. It is not equity and fairness; it is grab what you can. The headline says, Sir, "Lloyd lassos federal loot". There never was a guy who could throw a lasso like that Hon. Minister.

At page 23101 of *Hansard* of last year, the President of the Treasury Board said that the federal Government must be able to adapt to the circumstances and have the flexibility to review and revise its programs so as to promote economic recovery. Where, Sir, in the documents which the President of the Treasury Board tabled today is the inflation rate? The Government brags about the fact that it has gone down to 5.3 per cent. It was under 5 per cent two months ago. It is now up to 5.3 per cent. But where is the inflation rate reflected in reduced government expenditures, Sir? Why is the largest Borrowing Authority Bill presented to Parliament crowding out the availability of capital to private borrowers? The Government wants to borrow $29.5 billion. That Bill just came in the last day of last week. How can the private sector accept the job-creation challenge the Liberal Government has given it before interest rates come down and we have some degree of stability? While we have all this rhetoric, we also have the Minister of Finance advertising non-callable 21 year bonds, that is until the year 2005, at 12 per cent. The projection for interest rates in the United States as a result of their recovery is dropping year by year to the point where 91 day Treasury bills are expected to be 5 per cent in the year 1989. Yet here we are going through to the year 2005 at 12 per cent and sucking all the money we can out of the private sector. At the same time we expect that private sector to deliver the recovery and put Canadians back to work. It is an exercise in conflict, Sir. You can hardly believe what is going on.

● (1550)

As both you and I know, Mr. Speaker, bankruptcies have doubled this year compared with the first seven months of 1979. Some 6,122 businesses went bankrupt in the first seven months of 1983. Yet the Government expects the private sector to invest in new and more modern plants to increase productivity, create jobs and allow us to be competitive once again in world markets. It is not realistic when compared with what is happening in Asia and the U.S. We are completely out of touch.

Since taking office in 1980, Government expenditures have increased 13 per cent in 1980-81, 17.6 per cent in 1981-82, 17.8 per cent in 1982-83, approximately 12 per cent in 1983-84, and now, comparing the Main Estimates, 10.4 per cent between 1983-84 and 1984-85, which can be corrected down to 8.4 per cent. The Government is very proud of its 8.4 per cent but it does not hear the warnings from knowledgeable people.

Through you, Mr. Speaker, I would like to speak as directly as I can to the President of the Treasury Board. I have been told by very responsible researchers in world economics that we will not have a recovery in Canada until we start to see our primary resources, such as zinc, copper, steel, molybdenum and lead, along with wood and food, start moving out to world markets. We have priced ourselves out of world markets, and there are so many political rigidities in our system which we are terrified to touch that we are going to have great trouble getting back on track in the next decade. I hear the rhetoric from the Minister of Finance and the President of the Treasury Board, but if we are going to be realistic and face the real problems of the real world instead of this wonderland in Ottawa, Sir, we have to change these attitudes and get down on our knees and address some very fundamental factors. If we cannot put people to work and paying taxes, where is the future? It is not in the rhetoric of the Minister of Finance and of the President of the Treasury Board.

The challenges which lie ahead for whatever Party forms the next government are truly brutal. If we are going to save the social programs and everything else we are so proud of in this country, we will have to become very realistic. People are absolutely aghast at the practices of Revenue Canada, the way they are treating taxpayers and making retroactive reassessments. We all have problems, not just the Government. Private individuals are having real problems, too.

Then we have this matter of Government advertising and the waste involved, which develops a real anger in people. For instance, the Minister of Fisheries and Oceans (Mr. De Bané) is spending $2 million to promote the eating of fish. If he could spend that money promoting the quality of fish harvesting, processing and packaging, it would be of lasting benefit down the road. It is very interesting that in this set of Estimates advertising is no longer shown. Last year it was shown in the Supply and Services revolving fund. But the Government removed it and again started playing this shell game with the figures. Information as an object of expenditure in the 1983-84 Main Estimates was $244.6 million. The 1983-84 update was $269.1 million, a difference of $24.5 million in advertising. The Estimates for 1984-85 show total information expenditures of $266.2 million. On the surface that is a reduction from last year's revised $266 million, but on the basis of a comparison of main estimates, it is up 9 per cent. However, if you include the advertising normally reported in the main estimates and the supplementary estimates, if you include the Crown corporations, I am told unofficially that it is over $1 billion. If the President of the Treasury Board has information

to refute that claim, Sir, I would like him to deliver it to us in the House of Commons.

We have a lot of problems, Sir, and I have many other examples.

The Acting Speaker (Mr. Guilbault): I hesitate to interrupt the Hon. Member but he has been given equal time with the Minister. He could be allowed to continue with the unanimous consent of the House. Is that agreed?

Some Hon. Members: Agreed.

Mr. Huntington: Mr. Speaker, I thank the Minister and my colleagues. I note that under the office of the Co-ordinator for the Status of Women, the scientific and professional personnel authorized person-years have been cut from ten to six. These are the people who put together the real facts and issues, and they have been cut back, but the overall person-years are up by seven. Here they cut an essential element from ten to six, a saving of four person-years, and yet the overall person-years are up by seven. The Estimates indicate that the increase is mainly due to the expansion of the public information functions. This is more advertising for the operations of the Secretary of State's office. If you will refer to fact sheet No. 4 in the documents tabled today, you will find that the information budget rises from $33,000 to $252,000 this year in the sector and the salaries and wages are up 20.9 per cent. In that area, where they get real value for money, they cut.

● (1600)

I cannot conclude without mentioning the condition of Mirabel, that monument to the East, that mecca of productivity and efficiency. Through the Estimates we are told that Mirabel is to lose $48.2 million in the year ahead. This loss will be up from $43.9 million, the actual loss experienced this year. May I remind you, Sir, that in 1982-83 the loss of only $29.2 million on that marvellous installation.

At the beginning of my comments I complimented the President of the Treasury Board on two things. I complimented him on the courtesy he extended to his colleagues in the House of Commons by giving us a briefing period before the tabling of the Estimates. I sincerely thank him for that. The other thing I thank him for is that he has continued to work on the reform of the Estimates with some energy, push and drive in laying the foundation of which the Speaker of the House of Commons, when he was co-chairman of the Standing Committee on Public Accounts, along with myself, worked so hard. If we examine the summary tables and the gobal figures in Part I of the Estimates and the Main Estimates we can see that none of this is going to work unless we pay attention to the Special Committee on Standing Orders and Procedure which was struck and worked for 18 to 20 months and brought down a series of 10 reports. We cannot think that the building of bureaucracies is going to remove from us, the elected representatives of the people, the responsibility of holding the federal Government to account. We in the Opposition are responsible for holding the Government to political account for political misdemeanour and misbehaviour. We in the House are also responsible for holding the bureaucracy to account when it is not delivering full value for money in the management of the resources voted to serve the objectives that the Government brings down.

I urge Hon. Members to read and reread Chapter 2 of the Auditor General's report. If we are going to serve the people of the country properly and address the rigidities that we have to address, before we can really turn this country around and have a private sector that can start employing people again we will have to accept report No. 7 and allow the House of Commons the muscle, material and organization to hold the Government to account. I do not care whether the Government is them or us. We have also got to learn to hold the bureaucracy, the managers of the system, to value for money accountability in terms of the way they manage the resource in service of the political objectives and programs laid down by the Government in power.

That is the challenge we have here. There is no political will among Members in the House of Commons to bring it about. We all think we get here by being big spenders. That is all we are. We shovel money, promises and rhetoric out and will not face the essential rigidities that we have built into our system. Until we do, through the committee structure in report No. 7, I think we are in for very serious times indeed. It is time for Members in the House of Commons to show leadership, hold the Government to better account and hold the bureaucracy to account under value for money principles.

I thank my colleagues in the House for having allowed me these few minutes to continue my remarks.

Mr. Doug Anguish (The Battlefords-Meadow Lake): Mr. Speaker, in commencing the few words I have to say about the tabling of the Estimates and the documents which were tabled today in the House by the President of the Treasury Board (Mr. Gray), I would like to agree with the Hon. Member for Capilano (Mr. Huntington) that there has been a great deal of change in the Estimates since I arrived here about four years ago. When I first arrived in Ottawa all we had to go through in the Estimates was the blue book. Now we have added other parts to the Estimates. There is a government expenditure plan and departmental expenditure plans which are very helpful. There is still a great deal of difficulty in gleaning the information one actually needs to make comparisons from year to year in the Estimates and tie it to the public accounts of Canada. I will go on to say more about that later.

One of the first things which struck me as I attended the briefing session today, which started at twelve o'clock, was the number of person-years which were increased in some of the departments and agencies. The largest increase in person-years of employment within the federal Government occurred in Revenue Canada Taxation. There are 1,044 increased person-years, supposedly for the benefit of the Canadian taxpayer. I wonder whether there is a direct correlation with one of the other highest increases in person-years of employment. In Correctional Services there is an increase of 662 person-years of employment. I certainly hope there is not a direct correla-

tion and that we will find Revenue Canada being even more strict with the Canadian taxpayers.

As in the Budget, Mr. Speaker, these Estimates do not deal with the unemployment and job security of Canadians. I am a little distressed by that. The Minister is very proud of the fact that the unemployment insurance contributions by the federal Government will decrease from $2.8 billion last year to $2.6 billion this year. The Budget is a more recent document than these Estimates because of the way they are prepared. The Budget says that the decrease is actually down to $2.7 billion.

You must look at this very carefully, Mr. Speaker. This does not mean that unemployment is going down in Canada. In fact it means, as I will try to point out, that the problem of unemployment is being transferred from the federal Government to the provincial governments across the country. If you compare the unemployment insurance contributions by the federal Government to the Canadian Assistance Plan, you will find that the contributions which the federal Government makes to that will go up by 17.7 per cent or, in terms of dollars, a $556 million increase that the federal Government will have to pay in Canada Assistance Plan payments to the provincial governments. It should be remembered that this is a cost shared program. It only reflects half the real cost of people who are unemployed in the country and have gone beyond receiving unemployment to the point of dependency on welfare without much prospect of obtaining jobs in the future.

The Minister is actually saying that the program of unemployment insurance, which is a 100 per cent federal responsibility, is going down. But actually it is not, because when you compare that to the cost-shared program of the Canada Assistance Plan, which goes to welfare payments which the provinces distribute, it actually means that unemployment is much worse in the country. We cannot rely on statistics alone. We have to look at the real unemployment problem in the country. That means that more and more people are not only unemployed, but have lost hope for employment and are reduced to the bleak prospect of having to receive welfare to keep food on their tables and shelter over their heads.

These Estimates refer to the $600 million for job creation for youth. By the Government's own admission, that program would employ about 40,000 young people. The fact remains that there are some 540,000 young people unemployed in the country today. That amount will hardly put a dent in it at all.

● (1610)

When I talked about the Estimates being clearer than I have seen them in the four years I have been here, I must note that it is still quite difficult to determine the actual information in terms of the estimates and expenditures of the Government. Let me give one example. Again, it concerns the pressing problem of job security and unemployment for many Canadians. The Minister seems quite proud of the fact that there is an increase of $134 million for direct job creation, particularly for Canada Works and career access programs. However, these facts require closer study because the Government, in its background papers, has compared the 1983-84 Estimates with the 1984-85 Estimates which have just been tabled in the House. While that comparison shows that there is $134 million more for contributions toward direct job creation, a closer examination reveals otherwise. One year's estimates cannot simply be compared with the next year's estimates, because there are other items such as supplementary estimates and additional money being injected into particular programs. Therefore, in the contributions for direct job creation in this country there is actually a decrease from the forecast expenditure for 1983-84. When the amount is compared to the 1984-85 Estimates, there is actually a decrease of some $219 million in contributions for direct job creation. While the Government says one thing, the actual facts dictate that something else is going on.

What is happening? Is the Government hiding the fact that it had to spend more money in job creation last year? I think not, because I would have applauded it if it had put more into job creation in this country. I rather suspect that the Government is accepting the fact that it is not willing to do anything for the millions of unemployed people in Canada.

The amount forecast to be spent in the 1983-84 Estimates is around $854 million. The Government is not increasing that amount in this Budget but decreasing it. This year's Estimates show only $634 million. It is a shame that the Government will not at least meet the level of spending on job creation that it spent the previous year. It does not speak very highly of the Government, and Canadians will certainly judge it when they go to the polls at the next election.

The Government can create employment in this country by other means than give-aways to big corporate entities in this country, as I think will likely happen. The Member for Comox-Powell River (Mr. Skelly) is more knowledgeable in this area than I am as he is our energy critic. However, the Petroleum Incentives Program is being increased by some $450 million in the 1984-85 Estimates. My concern with this program is that it has no cost control, no job-creation guarantees or performance guarantees. It is another example of the Government's lack of wisdom in offering the larger and sometimes multinational corporations in this country money in the hope that it will trickle down to those who are unemployed and at the bottom of the economic ladder.

I suggest that the Government would be more prudent to use the money that is being given away under the Petroleum Incentives Program for such things as renewable resources and conservation. These two areas are much more labour intensive than the Petroleum Incentives Program which is capital intensive and does not provide any assurance of job creation in this country.

When talking about the money spent on unemployment, the Minister said that it is "a reflection of our improving economic circumstances and the improvement of our level of employment in particular". Nowhere in the Estimates does it show that the economy for the unemployed and those who are in fear of losing their jobs will get any better. As the Leader of the NDP has pointed out, while there is a recovery, it is unfair because those at the upper end of our economic scale, such as

the banks and big corporations, have done quite well while those at the lower end of the socio-economic scale must pay the price. These Estimates make that clear and do nothing to reverse that situation.

We see that Established Programs Financing is being increased by 8 per cent. While the Government often says that it is keeping pace with the times in terms of the money it is contributing to medicare and post-secondary education, it is not so. One need only look at the Bill which was recently passed that put the six and five program into effect on funding to post-secondary level education. It really means that there will be a decrease in excess of $100 million to post-secondary education in this country.

The Government has changed revenue guarantees so that there are no longer revenue guarantees in this country. Almost all of the provinces criticized the federal Government for not keeping pace with Established Programs Financing and, based on the facts, I would have to agree with those provinces. The Government is not doing its share in Established Programs Financing.

There are areas to which the Government has paid lip service. A small item in the Estimates but still very important is the Canadian Centre for Occupational Health and Safety. It was given a 4 per cent increase when the Government promised great rewards for working Canadians through the Canadian Centre for Occupational Health and Safety. In fact, there will even be a loss of nine person-years of employment there.

The Department of Employment and Immigration should be dealing with the overall problem of unemployment and job opportunities in the country. While I applaud the Department and the federal Government for establishing the Ministry of Youth and the Youth Opportunity Fund, I hope further steps will be taken once they are firmly established. We cannot be too critical of a ministry at this time because it does not appear in the 1984-85 Estimates. I assume supplementary estimates will be introduced for the approval of expenditures for the new Youth Ministry.

At the same time that the Government is at least paying lip service to the unemployed youth of this country, it seems to me that it has almost forgotten about natives. The Government does not even survey natives in the unemployment statistics. The 17 reserves in my riding of The Battlefords-Meadow Lake are not reflected in Canada's unemployment statistics. Nothing significant has been done to increase their standard of living in over 100 years since treaties have been signed. Their situation has probably become even worse. I encourage the Government to devise more constructive programs in terms of the settlement of land entitlement and the building of an economic base for native people in Canada.

Another area about which I am somewhat distressed is the unemployment of women. Women and natives seem to be forgotten. While the Government has placed an emphasis on youth employment, it has forgotten about those other two sectors.

I wish to say a few words about the Special Capital Recovery Projects program which has been espoused by the Government for creating jobs and economic opportunities in this country. I believe it is deceiving because the fact is that the Special Capital Recovery Projects program is destroying jobs, as various government departments and agencies now show in these Estimates. Let us take the Canadian Broadcasting Corporation, for example. It is receiving an increase of some $75.7 million for higher salaries and for operating capital expenditures. Also under the Special Recovery Capital Projects, it is getting almost $20 million for the purchase of "high technology equipment". As a result, there will be a loss of about 150 person-years of employment resulting from reorganization. I want to ask the President of the Treasury Board whether he is going to assure Canadians that that $20 million is being spent under the Special Recovery Capital Projects in the CBC and whether that money is going to Canadian producers of high technology, and that the CBC will not again take away Canadian jobs by buying foreign high-tech.

● (1620)

I would like to say that when we look at areas that are vitally important to Canadians at present we find some erosion. I understand the Government is limited in terms of what it can do because of the high deficits. In fact, the Hon. Member for Hamilton Mountain (Mr. Deans) mentioned to me in conversation today that if this Government would stop its corporate give-aways and if it would stop the breaks which large corporations do not really need, we could likely save about $10 billion in these Estimates, money which could be put or redirected into employment creation measures.

Let us look at the Department of the Environment. I think its priority would be in terms of protecting our environment from the ravages of industry and neglect by much of the Canadian population. There is one area that has shown a decrease in the Department of the Environment, a decrease of $2.5 million for the toxic chemicals management program. That is a shame, especially when you think of people who live around the Love Canal and those who have to worry about chemical factories and plants. This is a vitally important program. At a time when the Government should be increasing its watch over the environment because of the way we have allowed the environment to be devastated, why is the Government taking away $2.5 million from this most vital program to Canadians?

There is another area on which I want to comment. We have just had a preliminary look through the Estimates. I looked at the Canada Mortgage and Housing Corporation. That Corporation should be the impetus for building better and more housing right across this land. But what do I see? I see a decrease of $124 million due to the termination of the Canadian Home Ownership Stimulation Plan, a decrease in phasing out neighbourhood improvement programs, community service contributions, loans, investment and advances, including reduced activity in the Canada Rental Supply Plan and a revised cash flow for other plans. If some of the money could be directed into these programs, it would not only help

Canadians to get the housing they require but it would also be a spur to the creation of many jobs from the forest industry to the construction material area. Many more jobs would be created by putting more money into the Canada Mortgage and Housing Corporation to direct that Corporation to build more houses on the basis of need.

Before my time runs out, I want to speak about the Department of Transport. Through Bill C-155, the statutory Crow rate was abolished. We in the New Democratic Party believe that the Crow rate should be reinstated. That program took away from the grain producers in the prairie provinces in western Canada a potential of about $1 billion a year. In the background papers we find an increase of $11 million for western transportation in industrial development initiatives. Behind that we see in brackets "Crow". It is not a very fair deal, Mr. Speaker, when you take from the producers of the western prairie provinces $1 billion and in return show an increase of $11 million for western transportation. That does not seem to be a very fair deal.

At the same time let us look at air strips, which come under the jurisdiction of the Department of Transport, specifically in northern Quebec and Labrador. There will be money for that purpose under the Special Recovery Capital Projects program channelled through the Department of Transport for some $5 million. That seems unfair, too. Do we take away from the transportation system in western Canada in terms of rail transport and augment air transport in other parts of the country? I applaud the Government for improving transportation services in parts of northern Canada, but I do not think it should be at the cost of transportation to Canadians in other vital sectors of our economy, such as in agriculture and in the prairie provinces.

I hope that the Special Recovery Capital Projects program is not all allocated in these Estimates. I hope there is still some room for negotiation with this Government. However, I do see a great deal of that money already allocated in the 1984-85 Estimates. On much of this I do not think that Members of Parliament have had a chance to give input or opinion. I hope the Government will consult with Members of Parliament in the Opposition because I think we understand at least our own constituencies much better than someone else who does not represent the West. We represent western Canada in this particular case, Mr. Speaker. I would value the chance to give opinions on the development of transportation as well as on other vital sectors of our economy in the West.

I see my time is running out. I understand there will be time for questions. I look forward to the opportunity to ask questions of the President of the Treasury Board along with members of the New Democratic Party. I look forward to receiving an explanation to some of the things that we think are lacking in the 1984-85 Estimates.

Mr. Speaker: Order, please. The rule of thumb the Chair will follow at this point will be to recognize a question period approximately equal to that of the original statement made by the President of the Treasury Board. The Chair will give priority in questions, in reply to the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish), to Hon. Members who have not had an opportunity to make comments.

Mr. Blenkarn: Mr. Speaker, I have a question for the President of the Treasury Board (Mr. Gray). Could he explain why no appropriation had been made in the Estimates for any deficits that might come as a result of the Government's ownership of Canadair and de Havilland? Or is it the view of the Government that we are going to sell sufficient Challenger jets to cover the interest costs on $1.4 billion owed by Canadair and sufficient aircraft to more than carry and pay the requirements of the debt of some $460 million owed by de Havilland?

Mr. Gray: Mr. Speaker, I believe the Minister responsible for the two companies has already indicated that some additional financial support from the federal Government will be required. It is the intention of the Government to request parliamentary approval for this support in the final Supplementary Estimates (C) which, once they are approved by Cabinet, will be tabled, hopefully, before too long.

Mr. Blenkarn: Mr. Speaker, the Minister will know that in his Estimates tabled today there is a provision for Supplementary Estimates (C) in the amount of $2.475 billion. When will they be tabled? Is it the Minister's view that the appropriations in those Supplementary Estimates (C) will handle all the requirements of Canadair and de Havilland so that there will be no requirement for any estimate for Canadair and de Havilland in the 1984-85 Estimates?

Mr. Gray: Mr. Speaker, I will be able to answer that question once Cabinet finishes its consideration of items to go in the final Supplementary Estimates (C). It is my understanding that there will be a number of items in Supplementary Estimates (C) which will not be devoted only to Canadair and de Havilland. With respect to the degree to which these Supplementary Estimates will cover financial requirements for Canadair and de Havilland, I think we will have to go into that once we have the Supplementary Estimates and the responsible Minister before the relevant committee. I hope and expect, for that matter, that it will be possible to table the final Supplementary Estimates in the next few weeks. As I said, this is being considered at the level of Cabinet at the present time.

• (1630)

Mr. Skelly: Mr. Speaker, the Estimates reflect spendings on the Petroleum Incentives Program, which ranged in 1982-83 from $1.808 billion to a projected $1.634 billion in 1983-84 and $1.6 billion in 1984-85. The Minister mentioned that those are among some of the largest expenditures in the Estimates. The total value of that program until 1984-85 will be $5.042 billion, about half of which appears to have been invested in the Beaufort Sea area. The Japanese Government has indicated that it was removing itself from this particular operation in the Beaufort Sea because there was no chance of striking oil in the area, and the Estimates indicate that we have invested an enormous amount of money, about $2.2 billion, and will continue to do so. Certainly there are numerous other projects

related to that company's involvement, such as the LNG one at Prince Rupert which there is talk about cancelling.

Given the fact that the Japanese, based on data which they have from Dome Petroleum, have reached the conclusion that there is no oil to be found there, will the Government continue to comply with program criteria in order to have authority to spend these enormous amounts of dollars that are now being spent in a manner which does not or should not comply with program criteria?

Mr. Gray: Mr. Speaker, this program is not limited to assistance to Dome Petroleum for its exploration and development activities in the Beaufort Sea. It also goes to support exploration and development in the Sable Island area, offshore of Nova Scotia.

Mr. Forrestall: And, you hope, to ship building.

Mr. Gray: It goes to support exploration and development activities offshore of Newfoundland. It goes to support exploration and development activities throughout Canada, to companies which meet the criteria. By the way, these are primarily Canadian companies.

As my hon. friend on the other side of the House points out, money spent under this program for exploration and development goes indirectly toward supporting activities by other sectors such as the Canadian shipbuilding sector for supply vessels, rigs and those sorts of things. Even with respect to the Beaufort Sea, we are not talking only about Dome. We are talking about other companies like Esso, Gulf and Petro-Canada. Therefore, I do not think it would be fair to suggest that, whatever is the situation with respect to Dome, this particular program is not as valuable and useful as I think it is for the Canadian economy. Certainly, as I understand the program, money is spent as exploration and development work is carried out. If there are companies which do less exploration and development work, obviously they receive less funds from the program. This is something which I am sure the Minister of Energy, Mines and Resources (Mr. Chrétien) would be very pleased to explore in detail with my hon. friend when he appears before the relevant parliamentary committee which will be studying the Estimates.

I would say that the program has proven itself and will continue to prove itself to be a very valuable way of assisting the overall development of the Canadian economy, particularly the resource sectors, by encouraging exploration and development primarily of Canadian companies. I do not know why my hon. friend has become so conservative that he seems to be opposing exploration activities by Canadian companies.

Mr. Skelly: Mr. Speaker, I believe the Minister mentioned that it was one of the eight largest expenditures in the Budget. I wish my colleague in the Conservative Party would recognize that it is his Party which is holding up legislation that might in fact improve shipbuilding.

Mr. Blenkarn: Nonsense, absolute nonsense.

Mr. Skelly: We all know that an enormous amount of shipbuilding has gone offshore. I challenge the Minister to name a rig working in the Beaufort Sea which was built in Canada. Be that as it may, I return to the fact that there is no time to explore this with the Minister of Energy, Mines and Resources (Mr. Chrétien). There is barely enough time for the House to explore the question. I believe, as do many other people, that the country will be damaged if in fact the company with which we are dealing today and which is taking roughly half these expenditures goes down the drain.

With the announcement of the Japanese today, and in view of the fact that Dome owes roughly $4.2 billion to the Canadian and American consortium of banks and that Citicorp which is owed $1.4 billion is demanding payment now, it could easily be that the company would fold up before the House or the committee has had a chance to consider it. It is important for many aspects of the Canadian economy, for many industries and suppliers, that we should deal with it now. It would be very helpful if the Minister could indicate whether or not the Government intends to continue spending those horrendous amounts of PIP dollars. Does the Government intend to put up the $500 million to bail out Dome? Just exactly what are we bailing it out for, when the Japanese say that there is no oil at the bottom of the Beaufort Sea, when they are prepared to walk away and leave a half billion dollar investment and to shut down an LNG project on the West Coast because they do not believe Dome has the financial strength to invest in the program and bring it to completion? What is going through the minds of the other creditors of Dome, the Canadian and American banks? If they call Dome and it goes into insolvency, what happens to Canada? What happens to the Davie shipyard? What happens to the mines and the conventional activities of Dome? The question is so serious that it is the time to deal with it now. It is time the Minister told the House whether they are complying with program requirements to take up additional billions of dollars. If they are not, perhaps we should look hard at ways of spending those additional dollars in ways which would be more helpful to Canadians, perhaps along the lines of the Japanese. It is a cut bait and run situation.

Mr. Gray: I am delighted to note the calls of the Hon. Member for a massive rescue operation for Dome. His hon. friend, in responding to my statement on the Estimates, complained about alleged excessive support for big companies. My hon. friend seems to be calling for a massive move to rescue a big company. I would be happy to bring his representations to the attention of the Minister of Finance and to the Minister of Energy, Mines and Resources.

Of course we hope there will be consideration, if necessary, of such a step for which my hon. friend is calling. He is an unusual friend of big business, nevertheless we have to take his comments seriously as an Hon. Member of the House and bring them to the attention of the appropriate Ministers. However, I want to stress that the Petroleum Incentives Program grants are not limited to Dome. They are available to companies operating offshore in the Atlantic, in other frontier

areas and throughout Canada. The expenditure of money by the Government will have to be based upon the approval of these Estimates by Parliament and, more than that, following upon the terms and conditions of legislation adopted by the House. As far as I am aware, the Department has a considerable staff whose job it is to ensure that the terms and conditions are being met. If my hon. friend has any facts to indicate the opposite, certainly the Minister of Energy, Mines and Resources and I would be very happy to have that information.

In any event, if the firms in question are not meeting the eligibility requirements for this money, then, even if it is provided for in the Estimates, it will not be spent, and there will be a lapse in these funds and this will be reflected in the financial situation at the end of the fiscal year. In conclusion, even though it comes from a most unlikely source, this anguished plea for the immediate rescue of a very large business, I will bring it promptly to the attention of the Minister of Finance and of the Minister of Energy, Mines and Resources.

● (1640)

Mr. Skelly: Mr. Speaker, I rise on a point of order. The Minister should stop misleading the House. He knows that we called for not one more—

Mr. Speaker: Order. The Hon. Member is engaging in debate, and a fairly lengthy one. The Chair will recognize the Hon. Member for Mississauga South and the Hon. Member for The Battlefords-Meadow Lake.

Mr. Blenkarn: Mr. Speaker, last year the Minister had a central reserve in the Estimates of $900 million. This year he has reduced the central reserve to $800 million, even though he has dramatically increased the estimated expenditure by over 10.4 per cent. Why is the central reserve reduced when the total amount proposed to be spent is dramatically higher? The normal practice was to have a central reserve in excess of 1 per cent of the spending. This is now down to .8 per cent of anticipated spending. Is this just to pretend that budget figures will not be as much in the hole as they will in fact turn out to be?

Mr. Gray: Mr. Speaker, the proposal for the size of the central reserve is based on a careful assessment by officials of its possible use to fund programs pending the necessity of dealing with them in supplementary estimates and the other usual purposes. I thought my hon. friend would welcome this type of effort at restraint. I will check this with my officials in the light of his comments. Certainly if there are grounds for having a higher central reserve, I will be happy to bring this proposal to the attention of the Minister of Finance and Cabinet.

Mr. Blenkarn: Mr. Speaker, the Minister will know that including the central reserve last year, he had a reserve against program envelopes of $2.4 billion, for a total reserve including the central reserve of $3.3 billion. He has thus far broken out $5.763 billion in his Estimates. In other words, he did not have enough reserves last year by $2.4 billion, yet this year he reduces his reserves and pretends that he will not have any supps and that he will not break those reserve limits. Why will the Minister not come clean with the House right now? Realizing that supplementary estimates have invariably spent $5 billion to $6 billion, why will he not make those kinds of reserves in this budget and in his estimates when he prepares them in the first place? Let's not keep kidding people.

Mr. Gray: Mr. Speaker, as far as I am aware, the envelope figures in question have been sufficient to accommodate supplementary estimates. Obviously if the Minister of Finance provides a revised fiscal framework and adjusts the envelopes, that is something that has to be considered subsequent to the tabling of main estimates. Unlike last year when the Main Estimates preceded the Budget, in this case we have a return to the more traditional approach where the Budget presented by the Minister of Finance has preceded the tabling of Main Estimates. I am glad my hon. friend has noted that obviously our total outlay and the framework it represents has to have room in it for supplementary estimates. That is why we have a figure for envelope reserves. As far as I am aware, we have not presented to the House in the past since setting up this envelope system, and it is an action which has been shared with the preceding government, offered supplementary estimates in excess of the fiscal framework stipulated by the Minister of Finance. I will certainly note his point. As far as I am aware, we have been consistent with the concept of the envelope system, including having supplementary estimates presented to the House when required which fit in within the envelope reserve figure.

I want to add, with respect to the Hon. Member's interesting question about the central reserve, that it does reflect a point I made in my statement, that is, that the Main Estimates do reflect a more optimistic view which the Government shares with the private sector about the state of the economy. The size of the central reserve as a result reflects that, anticipating there will not be some of the same kinds of demands on it as was the case last year when the economy was just beginning to enter into the phase of recovery.

Mr. Speaker: At this point the Chair has certain difficulties. The Hon. Member for The Battlefords-Meadow Lake seeks to be recognized, but he did have 23 minutes of comment. There are other Hon. Members who have not had an opportunity. If the Hon. Member wants to ask a question at this time, will he please be brief.

Mr. Anguish: Mr. Speaker, yes, I will be brief. I have always viewed comments and questions as two different matters. My question to the President of the Treasury Board concerns job creation. It is a very unfair comparison in the papers accompanying the Estimates to compare the 1983-84 Estimates to the 1984-85 Estimates. As we are well aware that there are no public accounts yet for the 1983-84 fiscal year, but there are forecast expenditures, what the Government expects to spend in 1983-84. Will the Minister please tell us in terms of percentage and actual dollars how much more money

is estimated to be spent in the 1984-85 fiscal year than the actual forecast of expenditures for 1983-84?

Mr. Gray: Mr. Speaker, I am not sure I understand my hon. friend's question. I gather he is talking about the issue of job creation. He is raising a very useful point. I might say in passing that when he suggests it is unfair to compare main estimates to main estimates, I recall the Hon. Member for Mississauga South making a very big point last year that we were allegedly not basing our comparison on main estimates to main estimates. I suppose it all depends on what approach one thinks will make a certain point. It is certainly valid to compare main estimates to main estimates. It is also valid as part of the overall study of the issue to compare total forecast expenditure with what is in these estimates. I am sorry I am not able to calculate a percentage in my head on the spot, but if one takes the figures in the Estimates that I just tabled for job creation and add to that $150 million additional from the Budget for the Youth Opportunity Fund and the close to $1 billion to be spent this coming fiscal year for the Special Recovery Capital Projects, one will certainly have a figure for assistance for the creation of jobs through fairly direct activity by the federal Government which will exceed by a respectable amount, to say the least, what is forecast with respect to 1983-84.

Mr. Forrestall: Mr. Speaker, a short while ago the Minister alluded to the fact that the PIP grants, the structure and the system, encourage and lend support to the Canadian shipbuilding industry. The Minister might want to correct that. Recently a Newfoundland company ordered two fairly large and quite expensive offshore anchor and supply rigs from a company in Korea. It did so because it becomes a cost, and cost is part of the formula under which PIP picks it up. In the preparation of the Estimates, did the President of the Treasury Board consider the impact of the PIP grants as presently constituted on the Canadian shipbuilding industry? Did he consider their impact on temporary input of foreign vessels for offshore work, particularly on the East Coast? Was that impact fully considered by his officials and officials in the Ministry of Finance and the Ministry of Energy? On reflection, the Minister might want to agree that PIP grants, as constituted with respect to construction of offshore vessels and rigs with respect to temporary import duties or full duties that are paid on foreign registered ships operating in Canadian waters, are in fact detrimental and not as he suggested?

● (1650)

Mr. Gray: Mr. Speaker, my hon. friend has raised a useful point. One of the reasons I made the comment in answer to a question raised by a colleague earlier was that I thought he was encouraging me to link the operation of the PIP grants to the Canadian shipbuilding industry in a favourable way. In fact he is saying that I misunderstood his comment whispered across the floor of the House. If that is so, I will be happy to look into the matter further.

It is my impression that there is more money being spent in Canada for goods, materials and equipment than would otherwise be the case if there were no PIP grants and the resulting encouragement of exploration and development by oil companies. I think that could certainly be demonstrated.

With respect to the vessels that my hon. friend has said would be constructed in Korea, I would be interested in knowing what degree of Canadian content there is in these vessels, machinery, equipment and so on. I would not be surprised if, even though the vessels are built in Korea and the hulls are made there, there would not be some respectable degree of Canadian equipment.

I think I am right in my overall assertion that a lot more is being spent in Canada, not only for salaries and wages for Canadian workers, but also for machinery, equipment and other things than would be the case if we did not have the PIP program with the resulting favourable effect on exploration and development of oil and gas in Canadian territorial waters and on land in Canada.

I will be happy to examine my hon. friend's question further because he raises an interesting point. I should like to observe, however, that if there is a problem, it would seem to me that the solution lies not so much in the structure of the PIP program but in the operation of our temporary duty system, rules for coasting vessels and that sort of thing.

Mr. Speaker: At this point the Chair has a certain difficulty. The initial statement of the Minister was 23 minutes, the Official Opposition commentary took 30 minutes, and the New Democratic Party took 23 minutes. Then we had 24 minutes of questions and answers.

The Chair is in the hands of the House. This is the normal time limit that the Chair has observed on statements by Ministers, which, incidentally, are becoming more and more rare in the House and I am pleased to see the Hon. Minister use this route to reveal information to the House. The Chair would like at this point to terminate the question and answer period according to the rule of thumb that has been observed to this point, and proceed to other items of routine business.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 86, 352, 394, 447, 492 and 526.

[*Text*]

REGIONAL INDUSTRIAL EXPANSION—PUBLIC RELATIONS

Question No. 86—**Mr. Howie:**

How many persons engaged in public relations, media relations or publicity are employed by the Department of Industry, Trade and Commerce?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): The reply for the Department of Regional Industrial Expansion is as follows:

A total of 162 persons are engaged in public relations, media relations or publicity. This figure encompasses officers and support personnel from both our headquarters and regional offices providing information on departmental programs and services as they relate to regional industrial assistance and tourism.

EXPENDITURE FOR MONTREAL SPECIAL AREA

Question No. 352—**Mr. St. Germain:**

Since April 1980, under the Industrial Incentives Program for the Montreal Special Area, what was the total expenditure by the government?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): The reply for the Department of Regional Industrial Expansion from April 1, 1980 to December 31, 1983 is as follows: $112,407,107.

FEDERAL COURT ACT

Question No. 394—**Mr. Howie:**

What was the cost of providing additional staff and refurbishing offices for the six new judges provided by the amendment to the Federal Court Act?

Hon. Mark MacGuigan (Minister of Justice): Since no accommodations have been found to date to locate the six new judges, the actual cost incurred up to the present time is $20,141.70, representing $18,600 for secretaries' salaries and $1,541.70 to locate judges in temporary offices in the library of the Supreme Court.

On the other hand, the total costs approved by Treasury Board for secretaries' salaries, telephones, rental, stationery and supplies, furniture and fixtures amounts to in 1983-84, $347,000; 1984-85, $166,104.

The total cost approved for the fit-up and rental cost of six new judges' chambers and work area, storage, secretarial and law clerks offices, reception area and small library amounts to in 1983-84, $380,500; 1984-85, $259,500.

It is to be noted that these costs are decreasing between 1983-84 and 1984-85 since there will be no capital investments after the first year.

CANADIAN PAVILION, DISNEY WORLD

Question No. 447—**Mr. Howie:**

To the knowledge of the Government are the Maritime Provinces overlooked in the national description of foods displayed and served in restaurants at the Canadian Pavilion in the Epcot Centre at Disney World, Florida and, if so, for what reason?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The "Canadian Pavilion" at Epcot Centre, Disney World, is solely and totally a creation of Disney World. This matter therefore does not fall within the administrative responsibility of the Government of Canada.

Order Paper Questions

Question No. 492—**Mr. Howie:**

To the knowledge of the Government, what total amount was spent, to date, by Canada for development of the Canadian Pavilion in the Epcot Centre at Disney World, Florida?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): No moneys were spent by the Canadian Government for the development of the Canadian Pavilion in the Epcot Centre at Disney World, Florida. The Canadian Pavilion is solely and totally a creation of Disney World. See reply to question No. 447 answered this day.

CANADA COUNCIL ADVERTISEMENT IN "CINEMA CANADA"

Question No. 526—**Mr. Huntington:**

1. Did the Canada Council place two advertisements, one in French and one in English, in the January issue of *Cinema Canada* and, if so (a) for what reason (b) how much did each 125 x 18mm advertisement cost?

2. Is it a Council policy to place French language advertisements in English language publications?

3. How much will Canada Council spend on advertising this fiscal year?

Hon. Francis Fox (Minister of Communications): I am advised by the Canada Council as follows:

1. Yes, indirectly, through the Academy of Canadian Cinema (a) to invite applications in the Council's "Short Film Showcase" program, which is administered through the Academy, (b) $265.

2. The policy is to advertise in both languages, and to use the publication or publications most likely to reach the target audience. In this instance, *Cinema Canada* is the only regular monthly publication reaching the target audience which accepts advertisements.

3. Estimated approximately $135,000 for all advertisements for competitions, exhibitions, staff recruitment and all other purposes.

[*English*]

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

Mr. McGrath: Mr. Speaker, could the Parliamentary Secretary tell us when question No. 480 will be answered, which was placed on the *Order Paper* on January 24. It concerned the breakdown by constituency of moneys spent under the Special Employment Initiatives Program.

Mr. Evans: Mr. Speaker, I will certainly look into it. It was my understanding that today the Minister of Employment and Immigration (Mr. Roberts) tabled the entire list of all job-creation programs in response not only to this question but to others. I will check with the Minister and see if it was his intention that that was to act as a reply to the Hon. Member. Certainly, if it was not, I will check with the Minister and see if we cannot get that specific information for him.

Mr. McGrath: Mr. Speaker, for the information of the Parliamentary Secretary, I examined the returns tabled today

by the Minister of Employment and Immigration. There is a breakdown for the Special Employment Initiatives Program by province, town, village, hamlet and city but not by constituency. It is going to take weeks and weeks to figure it out by constituency. We cannot really get a true picture of whether the program was impartially and objectively administered or whether it was used as a politically partisan porkbarrel. That question cannot be answered precisely until we have a constituency breakdown, and we did not get it today.

Mr. Evans: Mr. Speaker, I shall certainly check into that. I should alert the Hon. Member that according to Beauchesne's and the Standing Orders, any information that is publicly available in any other place is not appropriate for a question on the *Order Paper*.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government and the amendment of Mr. Crosbie, (page 1445) and the amendment to the amendment of Mr. Riis (page 1448).

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, we have seen the Government raise the art of deception to new levels in recent days but I do not suppose it ever surpassed its efforts as it did the other day when the Minister of Finance (Mr. Lalonde) brought down his Budget. He called this document a program of action. As far as most Canadians are concerned, I can tell him that it is a non-event, a non-starter that is going nowhere, a vehicle that ran out of steam before it ever got started.

How can one consider that the Budget is anything but a non-event? Does it do anything at all for the unemployed? The answer is no. Does it do anything for the national debt? Again the answer is no. Does it do anything for the deficit, for research and development or for investment? To all of these vital questions which lie at the very heart of any endeavour to achieve economic recovery in the country, the answer again and again is no.

I believe that this so-called Budget is little more than an apology to the people of Canada by the Government for the admission of failure, which it surely is. It is an apology for the Government's inability to exercise either fiscal responsibility or moral authority at a critical time in the country's history.

If you read it you will see that it apologizes to small business for the hopeless mess it made of the tax system. It apologizes to taxpayers for the abuses it has permitted in the Department of National Revenue. It continues to apologize to the oil and gas industry for the massive damage the National Energy Program has done to that industry. That program was introduced by the Minister of Finance in a previous existence. This morning the Minister of National Health and Welfare (Miss Bégin) stood in her place and apologized because the supposed pension reforms were so very limited, as well she might. However, as with many apologies, the Minister's Budget presentation is also self-serving. Mitigating circumstances are presented as virtues and promises to do better in the future and heralded as if they were already a *fait accompli*. "We will have 5 per cent growth this year," the Minister declares. "We will reduce unemployment to 7.5 per cent by 1988. The deficit will fall next year or perhaps the year after or the year after that". However, Sir, what I would like to ask the Minister is, what do all these brave forecasts and future expectations give Canadians today? What good does talking about tomorrow do for someone who has lost his or her job more than a year ago and has no more hope of finding a job today than he or she did then? What good is $150 million in youth employment funds when it works out to $5 per person per week? What good is mortgage insurance to those thousands who have already lost their homes?

● (1700)

For our part, we welcome mortgage insurance. It was, after all, the cornerstone of the Budget which was introduced by my colleague, the Hon. Member for St. John's West (Mr. Crosbie), back in 1979. That, Mr. Speaker, was the only innovative, responsive and responsible Budget to be presented to this House in a good many years, and what happened to it? It was rejected by the Liberal Party and the New Democratic Party combined. This Party offered mortgage insurance more than four years ago when it would really have helped thousands of Canadians to keep their homes through the recession. This Government has had four years since then in which to introduce such insurance, but it only brings it out now when, according to the Minister of Finance the danger is over. Why that lengthy wait?

This non-budget, this non-event, must be judged a failure by any standard. The Minister had the opportunity to take decisive action, to give Canadians concrete proposals, and he fluffed it, he blew it, and nowhere is his failure more apparent than in his response to the question of pension reform. Four years ago, Mr. Speaker, this Government announced that pension reform was to be one of its key priorities. For three years we waited and waited. Finally, we received the green paper which was released by the Minister of National Health and Welfare and subsequently this House authorized a parliamentary task force to hold hearings and make recommendations on pension reform. Now, in the last weeks and months of a Parliament which has already surpassed the normal time

period of any legitimate Parliament, in the final weeks and months of the term of this body, the Minister of Finance has taken the first faltering steps toward the implementation of reform and, as usual, he has missed the mark once again. He declared in the House last Wednesday when he was presenting his Budget measure, "The Government will never turn its back on those who spend their working lives helping to build this country and who now need help themselves". Never turn its back on that group of people? Never, Mr. Speaker? Then why is it that we have right now in this country more than 600,000 Canadians over the age of 65 who are living in poverty? The $50 a month increase in the guaranteed income supplement will be welcome, make no mistake, even if its recipients have to wait another 10 months before they get the total amount. Why do they have to wait 10 months? That has not been explained, and was not explained this morning by the Minister of National Health and Welfare when she spoke. However, I would say to you, Sir, that a $50 increase is not a solution to the problem of poverty or of pension reform.

The parliamentary task force recommended an immediate increase—not an increase 10 months down the road—of $102 a month for those most in need. The $50 proposed increase will still leave single pensioners who rely entirely on the old age pension and the guaranteed income supplement almost $2,000 below the poverty line in any medium-sized city across this country.

Certainly, anyone in this House would agree with the proposals to amend the Pension Benefits Standards Act to ensure that survivor benefits will no longer be cut off if the recipient remarries. We all agree with having pension credits split equally between spouses on marriage breakdown and at age 65. Those proposals are not contentious. They have been around for a long time. Hon. Members on all sides of the House have been advocating that something be done about them. They could have been introduced many budgets ago if the Minister of Finance had wanted to do so, but he did not. However, he has finally come forward with them now. His only claim to merit in bringing in these proposals is that he has seen fit not to overlook them once again. But where the Minister cannot lay any claim to merit of any kind, Sir, is in virtually all of the other proposals with regard to pension reform. These proposals fly in the face of not only the task force recommendation but particularly the recommendations by the many women's groups and organizations which appeared before the parliamentary task force.

One of the witnesses before that parliamentary task force was, of course, the Minister of National Health and Welfare. She came before the task force on March 17, 1983, almost a year ago, Mr. Speaker. The evidence which she gave presumably reflected not only her own opinion, but surely that of her Department, the Government, and the Cabinet of which she is a member. Last March she said, and I quote:

> I believe coverage is the key issue of pension reform. I really mean extension of coverage to all workers, and that is on a universal basis. That is what I mean.

She went on:

> You see, the majority of working Canadians do not belong to private pension plans. Only 54 per cent of men and 38 per cent of women in paid employment are protected by a private pension plan. These are cold, hard facts.

Those are the words of the Minister, Mr. Speaker, "Cold, hard facts". I would say to her that they are made all the colder by her colleague, the Minister of Finance. This Budget does nothing, absolutely nothing, to further the key issue which the Minister declared, which, as we all know, is the issue of coverage. The Minister may well schedule discussions with her provincial counterparts at a later date—who knows when—to explore the introduction of the homemaker's pension under the Canada-Quebec Pension Plan. I am very aware that it is an item which needs to have the approval of two-thirds of the provinces with two-thirds of the population. However, it is not enough, Sir, for the federal Government to simply put it on the agenda. The federal Government has to become the advocate of that plan. A commitment to discussion, Sir? Discussions on this issue have been going on since 1970 when it was a recommendation of the Royal Commission on the Status of Women. A commitment to discussion surely is not enough for the millions of Canadian women who work in the home and contribute as much as those in the paid labour force to the wellbeing of our society. They want to be sure that the Minister of National Health and Welfare, and her colleague, the Minister of Finance, will be fighting on their behalf to have the Canada-Quebec Pension Plan extended to homemakers. But there is absolutely nothing which gives that guarantee.

The insistence of women on this particular issue was very well documented by the National Action Committee on the Status of Women. On January 16 of this year, prior to the Budget proposals, they wrote to the Minister of Finance (Mr. Lalonde) and sent me and other members of the Parliamentary Task Force a copy of the letter. In it they said:

● (1710)

> Thousands of women have expressed to us their dislike of the present treatment of homemakers in the Canada-Quebec Pension Plan, and of the inadequacy of the green paper recommendations in that regard. Most women are full or part-time homemakers want to be recognized as workers and be entitled to pensions in their own right. They do not trust widows pensions that are based on their husband's income and that disappear if the marriage ends in divorce. Therefore, we strongly urge you to support the task force's proposals which will grant homemakers direct coverage under the Canada Quebec Pension Plan.

That, Sir, came from the largest umbrella organization covering women's groups in this country. The right to pension coverage for the people of whom they are speaking, the homemakers, was not addressed. A few simple words in the Budget was all it would have taken to give encouragement to these people that the Government recognizes their work and their achievements in their own right. Let me suggest to the Minister of Finance what those words might have been. He might have said: We fully support the full concept of homemakers pensions and we want to do all we can to introduce them. That is all it would have taken, but it was not done.

There is another major part of the pension proposals I want to address, Mr. Speaker. I know my time is limited, but it concerns the way in which the Government has gone about

addressing RRSPs. Increasing the limits of RRSPs will surely not help the 46 per cent of male and 62 per cent of female workers in the paid labour force who presently have no private coverage. It may help those who can afford to put $10,000 a year in such plans and I am sure it will be welcomed by those who are earning in excess of $55,000 a year. But what about the 94 per cent of Canadian wage earners who do not earn $55,000? In particular, what about the great majority of Canadians who earn less than $30,500 a year and who will not benefit by one penny from this $300 million exercise in largesse by the Minister? They are ignored and forgotten, Sir. There is not even an indication of a concept in this Budget to provide the means of private pension coverage to the many Canadians who earn between $10,000 and $30,000 a year. But that is an issue which the parliamentary task force did address. It put forward a very simple proposal for a straightforward 40 per cent tax credit which would have allowed many of these workers, particularly women, to achieve private pension plans.

This Budget and the pension proposals in it show that the Government has its priorities all wrong. It provides an extra $300 million in benefits for those who already have pension coverage, while at the same time completely ignoring homemakers as well as low and middle income workers who have no pension coverage other than the Canada Pension Plan. It particularly ignores the plight of the many thousands, mostly women, who find themselves in the lost age bracket between 60 and 65 who have little or no income, have lost their spouses, yet are ineligible for pension. The $300 million the Minister is giving to those with incomes in excess of $55,000 a year would more than provide pensions for that group of persons. But the Minister would not turn his attention to those people and neither would the Minister of National Health and Welfare.

Miss Bégin: Mr. Speaker, I would like to ask a question of the Hon. Member for Kingston and the Islands (Miss MacDonald), who always has a very strident voice and is very self-righteous when it comes to pensions, and keeps making very serious mistakes, the cause for which I do not understand. Does she know that all of the big new expenditure in the Budget goes to single pensioners, most of them women, and that it will not be taxed back at 100 per cent as the task force of which the Hon. Member was a member wanted to do, and with which I must say I have to disagree? Does she know that when she very loudly recommends that single pensioners get an additional $102 or something around there, as recommended by the task force on which she sat, she would give a little more to a very small number of pensioners on GIS provided they are in total, absolute poverty and do not have an additional penny other than the OAS and the supplement? Through her proposal, which she is pushing again despite all the explanations I have given to her and other members of the committee, every recipient of the GIS will lose $1 for any dollar of other income. Some of them are facing the ridiculous situation where, because of all the provincial top-up programs, they will lose $1.50 for every dollar they have managed to put aside from other sources of revenue.

Miss MacDonald: Mr. Speaker, I have never felt it necessary to comment on the Minister's voice or any other personal characteristic. I do not consider that to be parliamentary.

Miss Bégin: Would you answer the question?

Miss MacDonald: Yes, I know what the parliamentary task force recommended. It was $102 for those who were most in need. I say to the Minister that until she and her Government are prepared to address the issue of pension reform for those who have no opportunity to enter pension programs—and I am talking about 2.7 million women who are now full-time homemakers—until she is prepared to make plans so that low income people in the work force are provided with the incentive and tax credit to get into private pension plans, we are going to have a continuing number of people over the age of 65 who will be living in poverty. That is the issue she and her colleagues ducked.

Miss Bégin: Mr. Speaker, I did not get an answer to my question, which was very simple. Why did the Member just now recommend once more that all pensioners—we are talking about today, not about some ideal future we are trying to get to—who receive partial GIS be penalized dollar for dollar? I do not understand that and I would like an answer.

Miss MacDonald: Mr. Speaker, obviously the Minister can only think of the future as being ideal.

Miss Bégin: No, the present.

Miss MacDonald: Some of us want to see steps taken right now, today, so that people do not live in poverty in the future. Can the Minister get that through her head?

Miss Bégin: Why not answer the question?

Miss MacDonald: On the question of those who would have received $102 a month under the parliamentary task force proposal, that would have benefited the people who are living today in the worst poverty in this country, and benefited them most. What she will not do is to recognize that what her plan does is to leave so many, many pensioners in this country today almost $2,000 below the poverty line. That is what her plan does. That is what she seems to be prepared to do rather than correct it.

• (1720)

Mr. Fisher: Mr. Speaker, the Hon. Member for Kingston and the Islands (Miss MacDonald) was muttering something about unparliamentary language. I must tell you she is the quickest one off the mark to make personal comments.

The Acting Speaker (Mr. Herbert): Order, order. We had better stay away from the personal remarks and stick to questions and answers.

Mr. Mayer: Poor little fellow.

Mr. Fisher: Mr. Speaker, we have a problem here—

Mr. Mayer: Yes, we are looking at it.

Mr. Fisher: —with policy priorities and credibility from the Tories. I would like to ask the Hon. Member for Kingston and the Islands about her policies and priorities and where they fit in the general credibility of the Tory Party.

As I look across the aisle today, and as Canadians look at the Tory Party, we see the Hon. Member for St. John's West (Mr. Crosbie) in the ascendancy. We see the Hon. Member for York-Peel (Mr. Stevens) is still a very strong voice. The Member for Mississauga South (Mr. Blenkarn) is a strong voice. All of them are arguing cut, cut, cut. They are saying the deficit is terrible, the Canadian people cannot carry these heavy burdens, etc. They know the expenditures which are vulnerable are the expenditures on people. The services we provide to people are the things they are going to cut.

What services and priorities would a "mean, nasty, tough-minded" Minister of Finance in the Tory Party cut? I would like to hear some priorities among people rather than the usual propaganda we get from the other side.

Miss MacDonald: Mr. Speaker, I am so pleased to be asked this question. I can tell the Hon. Member that there are three priorities in the social field that this Party and its Leader have stated. We only wish the Government would wake up to them.

One happens to be jobs for people who are unemployed so they can begin to get back their self dignity and begin to be contributing and productive members in the economy and pay revenues into the Government.

Another social program which we have said would receive much more attention than the limited Bill which the Minister has put forward, is the reform of the health care system in the country. This is vitally needed by people who cannot get into hospitals and by hospitals for which there is no capital funding.

The third issue, which we have been addressing continually, is in the field of pension reform. We have been asking for it for the last four years throughout the life of the Government. We raised questions three years ago, two years ago and a year ago with the Minister of Finance. We asked where the funding was for the people over the age of 65 living below the poverty line. Every time that question was raised, the Minister of Finance or the Minister of Health and Welfare got up in the House, and said, "We will do it when the resources permit". Two years ago they told the elderly of the country they could not have any increase. They could put it into Canadair, Petro-Canada or Petrofina or any other thing, but could not give it to the elderly people of the country. Now, just before an election, they have suddenly discovered they can do something. The elderly people know that the priorities of this Party have long been to improve their position.

The Acting Speaker (Mr. Herbert): That is the end of the period for questions and comments. The Hon. Member for Sudbury (Mr. Frith) on debate.

Mr. Doug Frith (Sudbury): Mr. Speaker, before I begin I will say that I am going to turn some of my remarks in the latter part of my speech to the issues raised by the Member for Kingston and the Islands (Miss MacDonald) *vis-à-vis* the Government's commitment to pension reform, and I would like to answer some of the questions she has raised.

First, I would like to begin where the Hon. Member for Kingston and the Islands left off. She said that the priority of her Party is today's elderly. The only way in which I can determine what kind of commitment the Conservative Party actually has to the elderly in the country is to go back to the 1979 Budget for which it was responsible. At the time, the Hon. Member for Kingston and the Islands said that that was one of the better budgets introduced in the country in years. Looking back at that 1979 Budget to discover what moneys were allocated for the guaranteed income supplement, I see the answer is, zero. The only year in which we can judge the treatment of the elderly people in this nation by the Conservative Party is 1979. Not one extra dollar in that Budget was allocated for the guaranteed income supplement.

The Member for Kingston and the Islands knows that part of the election platform of the Liberal Party in 1980 was a commitment to increase the guaranteed income supplement by $35. I would like to remind the Hon. Member for Kingston and the Islands that that commitment was met within the first six months of the Government's taking office. Since that time, through this Budget, we have allocated a further $460 million to the poorest in our society. I am not sure the Member for Kingston and the Islands has any idea what her colleague, the Hon. Member for St. John's West (Mr. Crosbie), has in mind for the elderly in the country.

The Hon. Member for St. John's West has consistently asked what the priorities of the Government are. A budget is a number of things, but in essence it is a blueprint which outlines the government's commitment to certain sectors of our population and economy. When one looks at the Budget which was tabled last week we see that the Government wants to increase the moneys being made available for today's elderly by $460 million. We recognize that we have a tremendous unemployment problem in the country, largely with the youth. We have allocated $150 million in addition to the $500 million that was allocated in the 1983-84 Budget. This was specifically designed to alleviate the problems of the unemployed youth in the country.

Yet when the Hon. Member for St. John's West commented on behalf of his Party about the priorities of the Government, he focused on the fact that we had done nothing to alleviate the problem of the federal deficit. All his remarks were based on reducing the size of the deficit. If in fact 75 per cent of our moneys go out in transfer payments and on the public debt, that leaves only 25 per cent on which I assume he is going to do some drastic cutting. I do not know what the Hon. Member for St. John's West means when he says he wants to have a substantial reduction in the size of the federal deficit. I assume it must mean $5 billion to $7 billion. Let us examine some ways in which we could reduce the size of the deficit by that amount. Is it going to occur in the $10.4 billion that is spent on pensions for the elderly? I doubt that very much. Is it the position of the Conservative Party that it is going to cut into

the pensions of the elderly? Is it going to cut off the $2.3 billion in family allowance? Is that the position of the Conservative Party? Is it going to cut into the equalization payments from the federal Government to the provinces? The Conservatives say they want to put more money into medicare and the care of the elderly. If I understood the Conservative defence critic and foreign affairs critic properly, the Conservatives' position is that they want even more money in the Budget to deal with increased moneys spent on defence. If I am not mistaken, the finance critic for the Conservative Party has said he would favour a removal of the Canadian ownership special charge, which brought in some $700 million in the last fiscal year.

● (1730)

Clearly, when I listen to the Conservative Party, I have difficulty in understanding exactly what their policies are. If the Tories want a reduction in the deficit, they had better start telling the Canadian people where they will make the cuts. I suggest that they should realize that as a Party they are afraid to tell the Canadian people what those cuts would be. They are afraid of the repercussions if they told the elderly that they wanted to cut back on pensions. They are afraid to tell Canadians that there will be less money for medicare. They are afraid to tell the Canadian public that there will be less money for post-secondary education. Those are the answers Canadians are looking for, but not from us because we have clearly stated that we are on theside of the elderly and on the side of the poor and that we intend to maintain our commitments to the provinces.

That is not the position of the Conservative Party. In this year that precedes the next general election, I suggest that Canadians should have an idea of the policies that the Conservative Party will favour before Canadians make a decision.

The Hon. Member for Kingston and the Islands asked about the federal commitment to pension reform. She said that evidently our commitment is not as strong as our words and that we are finally getting around to pension reform in our budget document. She suggested that the Conservative Party asked for that type of pension reform two years ago and that in effect there already was a commitment to the need for pension reform in the nation. The Hon. Member must know, having been a member of the special task force on pension reform that there was no consensus. That is precisely why the federal Government led to the formation of a parliamentary task force in order to travel throughout the country to determine where the consensus was before we could act.

I noticed that the Member for Kingston and the Islands suggested that the improvements to the Canada Pension Plan are long overdue. While I agree with her, I would point out to her that federal Conservative policy cannot be separated from provincial Conservative policy. In that respect the party that I would blame the most for blocking some of the needed improvements to the Canada Pension Plan is the Conservative Party. It was not the federal Government. I recall two years ago when the Minister of National Health and Welfare (Miss Bégin) attended a joint conference with her provincial counterparts at which she suggested an immediate doubling of Canada Pension Plan disability payments. We were told at the time by the Treasurer of Ontario that he was totally opposed to any increase in the amount of Canada Pension Plan disability payments that were going to be made.

The Member for Kingston and the Islands knows full well that any changes to the Canada Pension Plan require approval of two-thirds of the provinces representing two-thirds of the population. In effect, Ontario has a veto power, because of the size of its population, on changes to the Canada Pension Plan. The Conservative Party of Ontario effectively used that veto power to stop the child drop-out provision in this country which we have been advocating for years. The Tories opposed it. We have been advocating the doubling of the Canada Pension Plan disability payment, and the Tories of Ontario have opposed it.

If we want to find a Party in this country which is inhibiting or blocking pension reform, I suggest that she look to her own Province of Ontario and begin to talk to the Conservatives at Queen's Park to have them come on side with the federal Liberals. We might then get pension reform much quicker.

I want to deal with equality and the fact that the Budget pays a great deal of attention to a comprehensive lifetime limit. I am not sure if the Member for Kingston and the Islands represents the points of view of her Party, but with respect to the increases in the amounts of money that will be allowed for tax deductible purposes, that is the increase in the Registered Retirement Savings Plan which is an integral part of pension reform in this country, that concept of a comprehensive lifetime limit introduces a degree of flexibility in the pension system that was never there before. It introduces a degree of equality in the system which was never there before.

She knows full well that the tax treatment with respect to pension plans for several groups in our society has not been equal. Surely the Member is not suggesting that she will defend on behalf of her Party the exclusion of equality for small business people in this country, and for farmers who desperately need that equality. This provision for equality of tax treatment improves that situation. It improves tax assistance for the self-employed in this country. These are all people for whom she has a great deal of concern.

The comprehensive lifetime limit provides equality to those people who, of their own volition, have no access to a private pension plan in their own name, and it also introduces a degree of equality to those people which has not been in the system until now. Surely she is not turning her back on the farmers of this country who have been pleading for better tax treatment on capital gains for the sales of their farms.

This Budget of the Minister of Finance will, in effect, remove any taxes payable by a farmer on the first $240,000 on the sale of the farm. Surely she is not opposed to that. We on this side of the House recognize that the small business people in this country are the engine for growth in our economy. Why should they not have the same access to tax assistance and the

ability to plan for their future retirement years as we have given to people who have defined benefit plans? Surely she is not arguing that point.

What is her view with respect to self-employed professionals in this country? I know members of the NDP questioned that treatment in some of their remarks. Simply because someone is a lawyer, doctor, dentist or pharmacist, why should they be taxed differently from anyone else in the country? For once we have introduced a tax measure in this Budget that deals fairly with those groups, of which there are many. Frankly, I would favour giving even more small breaks to the small business people. We have given $150 million in tax deductions to them in this Budget.

If the Hon. Member recognizes, as we do, that we must give breaks to small business in order to create jobs and make a dent in the high unemployment rates in this country, she will not argue against those tax measures which we have introduced in the Budget.

The comprehensive tax limit introduces for the first time into retirement planning the greatest degree of flexibility possible in any pension system in the western industrialized countries. We are saying that young people in Canada who are raising a family, paying a mortgage but do not have sufficient funds to put aside for retirement purposes will no longer be penalized as they were in the previous system. According to that system, if one could not afford to put money aside for an RRSP, there was no provision for carry-forward. Under the new system, that will be possible for the first time. When a person is finished with his responsibility of caring for a family and paying a mortgage, perhaps when he reaches the age of 50, he will be allowed to have total flexibility in putting aside the carry-forward provision. He can put aside money on his own to better plan for his retirement and put less demand on the state when he hits the age of 65.

If there has been any advocate of pension reform in this country, it has been the Liberal Party. We have established royal commissions on pension reform. We have asked for a national pensions conference, which was not asked for by the Party of the Member for Kingston and the Islands during its short term in office. For them to suggest that there was consensus in this country on the direction of pension reform is doing a disservice to the actual degree of consensus that we did have in the early 1980s on pension reform.

I hope the Member for Kingston and the Islands will support the Budget measures and convince her colleagues not to delay the legislation we are asking for. If we bring in legislation to deal with the Federal Standards Benefits Act, surely there will not be any opposition to the idea of better vesting, a better degree of portability, of two-year vesting or better survivors' benefits. I expect that we should be able to get very quick legislative action with respect to opening the Federal Standards Benefits Act.

I think it is fair to say that the pension issue itself and the report by the parliamentary task force was a very beneficial and unique experience for all members of the committee, regardless of political affiliation. I suggest that the two Opposition Parties should pay compliments for the degree of response that was given by the Minister of Finance in his Budget to the recommendations in our report and, in particular to the swiftness of that response. Clearly he recognized that we had a political consensus in the country. I point out 8 of 9 members of that task force signed that report. The only dissenting opinion was given by the New Democratic Party. I would expect, with that degree of consensus, that we can get on with the job of reforming the pension system. For once rather than waiting for the Province of Ontario and other provinces to act, we have decided as a Government to lead by example. Therefore, the opening up of the Federal Standards Benefits Act and the opening up probably of the Public Service Superannuation Act will be a requirement. Surely when we open up the Income Tax Act to reflect the changes outlined in the Budget of the Minister of Finance (Mr. Lalonde) we will not have any blocking tactics by the Progressive Conservative Party. I hope not. With respect to the commitment by the Hon. Member's Party, I hope that, as the spokesman for her Party, she represents her Party's viewpoints and that the Conservative Party is advocating the inclusion of homemakers in the Canada Pension Plan.

• (1740)

Miss MacDonald: More than your Party is.

Mr. Frith: Certainly if you are doing that, you will make it a lot easier for the present Minister of National Health and Welfare to set up negotiations with her provincial counterparts. Let me point out to the Hon. Member for Kingston and the Islands that we now have another treasurer in the Province of Ontario, unfortunately, still a Conservative treasurer. But he has not learned from the experiences of his predecessor, the Hon. Frank Miller, the Member for Muskoka. In a speech just six days ago to the Pension Plan Management Association, he said he was not in favour of two-year vesting; he wants only five years. He is not in favour of including homemakers in the Canada Pension Plan. I would hope that if anyone is advocating the inclusion of homemakers in the Canada Pension Plan, the Hon. Member for Kingston and the Islands after this evening's vote will get on the phone and phone Larry Grossman to tell him that it is a policy area which the federal Conservative Party wants implemented and ask him to stop the opposition to it. If that is the position of the federal Party, I hope that she can convince her provincial counterparts of the need for that kind of inclusion. I wish her luck. We did not have much luck, as I mentioned before. The disabled of this country should realize that because of the veto power in Ontario under the Canada Pension Plan the poorest of the poor, the neediest and the disabled, are deprived of disability benefits. This is the case because Frank Miller for five years has flogged a doubling of the Canada Pension Plan disability.

I ask you as Members of Parliament, what is your greatest problem in your constituencies? I expect you to say it is the people between the ages of 45 and 64 who, through misfortune, have found themselves having to rely solely on Canada Pension Plan disability payments to survive. I think we all

recognize that the level of CPP disability is so dismally poor that it is one area on which we should be moving rather quickly. What have we ever had from the Province of Ontario? Nothing but blocking of our recommendations to double the Canada Pension Plan disability. I suggested that the federal Government will lead by example—

An Hon. Member: Some example.

Mr. Frith: There are a lot of things that we are going to be doing for Canadian women that will significantly improve their lot. Better survivor benefits will be introduced. For the first time we are going to mandate a minimum degree of inflation protection. That is something not even the Conservative Government of Ontario advocated until three days ago. I suggest that had it not been for the Minister of Finance and his commitment to pension reform in this Budget, we would not even have the degree of debate and consensus that has developed, such as was demonstrated by the Hon. Larry Grossman in the Province of Ontario who, probably by some fluke, decided on Sunday night to give a speech on pension reform, not knowing that pension reform was going to be an integral part of this Budget. At least we forced the Treasurer of Ontario to a commitment and a degree of commitment to pension reform that until now has not existed in the Province of Ontario. I am glad at least he has gone that far.

Last but not least I want to talk about that degree of inflation protection that we will give to Canadian workers in the private pension plan field. Surely, the Hon. Member for Kingston and the Islands knows that of all the representations we had from across the country the one workers wanted most of all was to have some degree of inflation protection built into the private pension plan system to reflect better the emerging world in which we live and with which we have to cope and deal on a day to day basis.

If the Conservative Party will allow quick passage of all the things we have included in pension reform in this Budget, it will make a much better tomorrow for Canadian workers than we have had until now.

[*Translation*]

The Acting Speaker (Mr. Herbert): Order, please. It being 5.45 p.m., it is my duty, pursuant to Standing Order 64(6), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment.

[*English*]

The question is on the amendment to the amendment. Mr. Riis, seconded by Mr. Deans, moves:

That the amendment be amended by changing the period at the end thereof to a comma, and by adding immediately thereafter the following words:

"and this House condemns the government for continuing the Liberal-Conservative policies that have produced record numbers of unemployed, widespread poverty among our elderly, and burdensome taxation for middle and low income Canadians; and this House further condemns the government for failing to introduce in this budget a fair recovery programme that would end unproductive tax concessions to corporations, rescind the $1.4 billion in consumer tax increases announced in the last budget, provide for mechanisms to deal fairly with job displacement resulting from technological change, and increase productive investments in those sectors of the economy which will be the backbone of any future economic prosperity."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

(*Division No. 18*)

YEAS

Messrs.

Anguish
Benjamin
Blackburn
Blaikie
Deans
Fulton
Jewett (Ms.)
Knowles
Kristiansen
Lewycky
Manly
McDonald (Ms.) (Broadview-Greenwood)
Miller
Mitchell (Ms.)
Murphy
Ogle
Orlikow
Parker
Riis
Robinson (Burnaby)
Sargeant
Skelly
Young—23.

NAYS

Messrs.

Allmand
Andre
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beatty
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Blenkarn
Bloomfield
Bockstael
Bossy
Bradley
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Cardiff
Carney (Miss)
Chénier
Chrétien
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Collenette
Comtois
Cook
Cooper
Corbett
Corbin
Corriveau
Cosgrove
Cossitt (Mrs.)
Côté (Mrs.)
Cousineau
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Cullen
Cyr
Dantzer
Darling
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dick
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Domm
Dubois
Duclos
Dupont
Dupras
Ellis
Epp
Erola (Mrs.)
Ethier
Evans

Messrs.

Fennell
Ferguson
Fisher
Fleming
Flis
Forrestall
Foster
Fraser
Fretz
Friesen
Frith
Gamble
Garant
Gauthier
Gendron
Gilchrist
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Greenaway
Guilbault
Gurbin
Gustafson
Halliday
Hamilton
(Qu'Appelle-Moose Mountain)
Hamilton
(Swift Current-Maple Creek)
Harquail
Hees
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hnatyshyn
Hopkins
Howie
Hudecki
Huntington
Irwin
Isabelle
Jarvis
Johnston
Joyal
Kaplan
Kelly
Kempling
Kilgour
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lambert
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Lawrence
LeBlanc
Leduc
Lefebvre
Lewis
Loiselle
Lumley
MacBain
MacDonald (Miss)
(Kingston and the Islands)
MacDougall
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Malone
Maltais
Marceau
Massé
Masters
Mayer
Mazankowski
McCauley
McCuish
McDermid
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
McRae
Mitges
Mulroney
Munro
(Esquimalt-Saanich)
Munro
(Hamilton East)
Murta
Neil
Nicholson (Miss)
Nickerson
Nielsen
Oberle
Olivier
Ostiguy
Ouellet
Paproski
Parent
Patterson
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(St. Catharines)
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Roche
Rompkey
Rooney
Rossi
Roy
St. Germain
Savard
Schellenberger
Schroder
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Simmons
Speyer
Stevens
Stewart
Tardif
Taylor
Tessier
Thacker
Thomson
Tobin
Tousignant
Towers
Trudeau
Turner
Vankoughnet
Veillette
Watson
Weatherhead
Wenman
Whelan
Wilson
Wise
Wright
Yanakis—227.

Mr. Speaker: I declare the amendment to the amendment lost.

It being 6.22 p.m., this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 2(1).

At 6.22 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, February 22, 1984

The House met at 2 p.m.

● (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT RATE

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, it is my intention to underline the continuing tragedy of unemployment. Inability to find employment to provide for one's own needs and those of one's dependants is a demoralizing experience. It undermines one's self esteem and results in frustration and fear.

Unemployment is of particular concern to the youth in this country in that the rate for this group stands at over 20 per cent. This is a tragedy of unconscionable proportion. Starting out with visions of service, achievement, and financial security, young people are shocked to discover that their services are not wanted. Their expectations are shattered, and their hopes dashed.

Our young people are now suffering a second blow. Unable to find employment, many have decided to return to classrooms rather than remain idle. Recently we debated the lack of funding for post-secondary education. Tuition fees are rising dramatically, and those with limited financial resources are unable to pursue their studies. As well, many educational institutions are raising entrance requirements, and now, suffering a double-whammy, many of our young people are facing a situation which will have a shattering effect on their future.

The Government, Mr. Speaker, has been delinquent in not providing permanent employment opportunities for our youth or the economic stimulation that will enable the private sector to create those opportunities.

* * *

[*Translation*]

HEALTH

STATEMENTS MADE BY QUEBEC MINISTER OF SOCIAL AFFAIRS

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, further to statements made before the Committee yesterday by the Quebec Minister responsible for Health, Mr. Johnson, and also to an article in the newspaper *La Presse* which said that there were no user fees in Quebec in the health services field, I would like to go back to what Mr. Johnson said on Pierre Pascau's program last week on CKAC, when he admitted there might be 7,000 cases in the Province of Quebec. Now, I do not know when Mr. Johnson was telling the truth, whether it was here or on the radio in Montreal, but I do know that this afternoon, Mr. Johnson's officials came to see officials of the Department of National Health and Welfare and discuss this serious problem. This, in fact, confirms comments made yesterday in Committee to Mr. Johnson, that Bill C-3 has shown that Quebec's supposedly perfect health services system has a number of flaws which have been there since the PQ came to power, because it is a fact that Quebec owes its efficient health services system to the Government of Mr. Robert Bourassa.

* * *

[*English*]

MULTICULTURALISM

TRIBUTE TO BALTIC CANADIANS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, today we are joined by representatives of the Canadian Baltic community. This will mark the twelfth year in which parliamentarians have recognized the contributions of this community towards making Canada a better country in which to live. This occasion also presents an opportunity for all Canadians to reflect on the fragility and importance of our freedom.

The families of the Canadian Baltic communities who still live in Latvia, Estonia, and Lithuania have not experienced the advantages of freedom we are so familiar with in Canada. They have been struck by the tragedy of the loss of their freedoms. Members of this House are all aware of the desire for independence and freedom for which the Baltic people continue to fight. We in Canada can assist them by protecting our freedoms and way of life as diligently as they strive for their freedom and independence.

Canada is a bastion of freedom in a troubled world, a shining example of what many captive peoples strive for. Let us not forget whenever we demonstrate any weakness, be it economic, military or political, we are robbing those people living in Latvia, Lithuania, and Estonia of the hope and inspiration they need to sustain their continuing and sometimes discouraging fight for freedom.

S.O. 21

MULTICULTURALISM

BALTIC EVENING ON PARLIAMENT HILL

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, tonight will be our twelfth annual Baltic Evening on Parliament Hill. Over the years the celebrations have heightened our awareness of Latvian, Estonian, and Lithuanian Canadians and their contribution to Canada's multicultural society. One aspect of Canadian multiculturalism is the encouragement we give to cultural and linguistic retention.

In the area of heritage languages the Baltic Canadians have had one of the highest retention rates of all Canadian ethnocultural groups. The community's continuous efforts in preserving and sharing its cultural heritage enriches all Canadians.

Furthermore, they have also pressed hard for basic human rights in conformity with the principles embodied in the Universal Declaration of Human Rights in the Charter of the United Nations. Their dedication to the principles of freedom, democracy, and human rights is a constant reminder to us all of the treasures of great value which we possess and which must be shared by all Canadians. These principles must become part of the promised Multiculturalism Act we intend to have in Canada.

* * *

[*Translation*]

HEALTH

ALARMING STATEMENTS MADE BY QUEBEC MINISTER OF SOCIAL AFFAIRS

Mrs. Éva Côté (Rimouski-Témiscouata): Mr. Speaker, when he appeared before the Standing Committee on Health, Welfare and Social Affairs yesterday, the Minister of Social Affairs for the Province of Quebec stated that Bill C-3, which relates to health and hospital services in Canada, would adversely affect the elderly and young children, especially.

Mr. Speaker, I am truly sorry to see the people of Quebec being brainwashed by false information that is strictly the result of an interpretation of Bill C-3 that is as erroneous as that given by the Provincial Minister. Free medication for the elderly and dental services for children from 0 to 15 years are not the kind of health services covered by Bill C-3 and are not among the services paid for by both levels of government.

Mr. Speaker, with respect, I fail to understand why the Minister of Social Affairs of the Province of Quebec is trying to scare Quebecers with his alarmist statements that have no basis in fact.

• (1410)

[*English*]

* * *

PENSIONS

CALL FOR ESTABLISHMENT OF HOMEMAKERS' PENSION SYSTEM

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, in his presentation of the Budget on February 15 the Minister of Finance (Mr. Lalonde) stated that beginning this summer he will discuss with his provincial counterparts the possibility of introducing a homemaker's pension. I would urge the Minister of Finance to do more than simply discuss this important proposal recommended by the parliamentary Task Force on Pension Reform. I urge him to carry into his talks with the Provinces an absolute commitment to the homemaker's pension to be introduced at the earliest opportunity. I urge this in particular on behalf of the wives who are partners in Canada's many thousand family farms, in recognition that the farm wife is an integral and essential component of the family farm, sharing in the duties and labours, usually without financial reward because the farm income will not support it.

This is in contrast to the statements attributed to the Minister responsible for the status of women who said last year, "It is only the more affluent families in our society who allow a woman to stay at home."

I therefore urge the Minister of Finance to commit himself fully to the introduction of a homemaker's pension for all the homemakers who contribute so much to our society, but in particular for the many thousands of farm wives without whom the family farm, as we know it today, would cease to exist.

* * *

NATIONAL REVENUE

DEPARTMENT'S TREATMENT OF RETIRED TEACHER

Mr. Girve Fretz (Erie): Mr. Speaker, a constituent of mine is unhappy with the attitude and course of action taken by Revenue Canada. This gentleman, a retired school teacher, found it necessary to sell his cottage. The cottage was sold by a reputable real estate company. The closing was handled by a respectable law firm, and his tax matters were taken care of by a well known accounting firm.

In May, 1982, he received a refund from Revenue Canada of $365. In July, 1982, he was reassessed for the amount of $950 and was told, "You are required to pay . . . immediately, otherwise legal action, either by way of garnishment or action in the Federal Court, which could result in seizure and sale of assets, may be initiated without further notice".

This gentleman is 81 years old and, along with his wife, supports their grandson. What would Revenue Canada have garnisheed? His Old Age Pension? Would they have seized the assets of a retired couple in their eighties, including their rocking chairs? What has happened to old fashioned fairness, justice, and equity?

Mr. Speaker, this 81 year old man paid the $950, but the attitude and methods of Revenue Canada will surely have to change.

* * *

EMPLOYMENT

CANADA WORKS PROGRAM—AMOUNT OF FUNDING

Mr. Rod Murphy (Churchill): Mr. Speaker, in the spending Estimates tabled yesterday the federal Government announced it would be cutting job creation program money which would go to adults. For example, the Canada Works Program will be cut in half by some $440 million. As a result of that cutback many Canadians who have benefited from that program, and similar programs in the past, will be unable to get assistance from the federal Government at a time when there are well over two million unemployed people in the country. As long as there is such a high unemployment rate it is immoral for the federal Government to take this action.

Earlier today it was announced that Sherritt Gordon Mines in northern Manitoba would be shutting down its operations in Leaf Rapids. The people involved will be looking for assistance and jobs. The attitude of the federal Government in cutting money at a time when unemployment is so high does nothing to help those people or the many Canadians who need help at this very difficult time in their lives.

* * *

SOCIAL SECURITY

INCLUSION OF WORKERS' COMPENSATION PAYMENTS IN CALCULATION OF INCOME

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is unfortunate to find that thousands of Canadians living on limited incomes stand to lose money this year as a result of a federal tax change. The loss affects people over 65 who receive pensions from provincial workers' compensation boards. Previously workers' compensation board pensions were never taken into consideration in calculating whether someone over 65 was eligible for the federal Guaranteed Income Supplement. Under the change which takes effect this year, workers' compensation board pensions are now to be counted as part of a person's income.

This means, Mr. Speaker, that many pensioners who in the past qualified for Guaranteed Income Supplement benefits will no longer qualify, or will qualify for less assistance. This tax change will affect some 25,000 needy senior citizens. What it amounts to is a cutback in needed funds for pensioners. People who, last year and the previous year, were entitled to the Guaranteed Income Supplement, are now being denied it. This is an inequity that must be addressed and made right.

• (1415)

The Minister of National Health and Welfare (Miss Bégin), when she proudly referred to the extra $50 a month in supplement payments for single senior citizens, hastened to add that she hoped the provincial Governments would not increase costs to those seniors receiving benefits because of this increase. I think the shoe is now on the other foot and it is the federal Government which is penalizing needy seniors by this tax change.

Therefore I call upon the federal Government to rescind this obnoxious legislation which will cause untold hardship for a group of seniors who can ill afford a reduction in income.

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—ALLOCATION OF FUNDS BY CONSTITUENCY

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. He will know that we have been trying to get information on the Special Employment Incentives Program since November of 1982. Yesterday he provided us with a bundle of material which included information on the Special Employment Initiatives Program. We now know that of $184 million spent to date under the Special Employment Initiatives Program, 80 per cent went to Liberal constituencies and less than 12 per cent went to Conservative constituencies.

Given the fact that this program was denied public input and was denied the input of Members of Parliament other than Liberals, how can the Minister responsible for Employment and Immigration stand in his place and justify denying these funds to the unemployed people in those constituencies not held by Liberals?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman asserts that those are the facts about the distribution. I do not know whether those figures which he has cited—

Some Hon. Members: Oh, oh!

Mr. Roberts: —are correct or not. But it would not necessarily be very surprising, since Members on the other side of the House have been saying week in and week out that they have not bothered to apply for funds under the program.

Quite clearly, if one looks at the provincial distribution of the funds, since there are Provinces which do not hold Liberal Members, there are funds which have gone to Provinces where there are no Liberal Members and therefore have clearly gone into constituencies held by Opposition Members.

The hon. gentleman says that Opposition members have not known about the program to be able to apply for it. The fact is that some Opposition members have. I have no difficulty in defending this program.

Mr. Malone: That is because you are a Liberal.

Mr. Roberts: It seems to me to be a little bit of sour grapes on the part of Members on the other side, that they have not cared enough to work as their Liberal colleagues have to find funding available to serve their constituents.

Some Hon. Members: Hear, hear!

Mr. McGrath: Members on this side of the House did not apply because the Minister told us last November 29 not to apply until we received the criteria, and we did not get the criteria until February 2.

Some Hon. Members: Hear, hear!

Mr. McGrath: The Minister will have to try a little harder.

MINISTER'S POSITION

Hon. James A. McGrath (St. John's East): Mr. Speaker, I will ask the Minister to account for funds spent under this Program by his own Department. Surely he will know something about what was spent by his Department. Under this program his Department spent $86.5 million. Of that amount, 73.5 per cent went to Liberal ridings, 9.1 per cent to Conservative ridings, and 3.2 per cent to NDP ridings. I want to ask—

An Hon. Member: Hear, hear!

Mr. McGrath: I hear those Liberals shamefully applauding the fact that they have discriminated against the unemployed in this country.

Some Hon. Members: Hear, hear!

Mr. McGrath: How does the Minister justify this shameful, partisan misuse of public funds?

Hon. John Roberts (Minister of Employment and Immigration): First, Mr. Speaker, the hon. gentleman's citation of what I said to him in committee is not accurate, and if you refer to committee records you will see that that is so.

Second, I think it is appropriate to look at the funds expended on job creation to all of our project directed efforts. If he does that he will see, as I have said repeatedly, that the funds are distributed over-all in a way which largely reflects the distribution of unemployment. It is possible to take one program or another program and show that the impact of that program differs from that basic principle. In every case there are justifiable explanations for it.

● (1420)

The hon. gentleman, having asked repeatedly in the House for the facts, and all the facts, not wanting to see the material massaged, so anxious himself, as he said to the House, that he would prepare the constituency breakdown, now finds that all of the facts do not substantiate what he would like to do. He wants to make a selective use of part of the facts to substantiate a case, which he cannot do.

Some Hon. Members: Hear, hear!

Mr. McGrath: Mr. Speaker, the Minister has shamefully tried to hide the facts, wrapped in a red ribbon.

Some Hon. Members: Hear, hear!

EMPLOYMENT PROGRAMS—CONSTITUENCY ALLOCATION CODE

Hon. James A. McGrath (St. John's East): I have the record here of what the Minister did say in committee on November 29. He said this to me:

> When you receive the criteria, if you believe there are some useful projects in your area which would meet the criteria, you send me the suggestions and I will consider them.

That is what he said, and I did not get the criteria until February 2.

We have not seen anything like this since the early 1950s when they had horses on the payroll in Petawawa.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

An Hon. Member: Now it is only one end of the horse.

Mr. McGrath: And now we are seeing the other end of the horse.

Some Hon. Members: Oh, oh!

Mr. McGrath: Mr. Speaker, the Minister said this morning on public television that it was not possible to allocate these moneys by constituency. I was advised, and I have since been supplied with material which indicates that every constituency receiving an allocation under every make-work program in this country is allocated a code. These are the codes.

Can the Minister of Employment and Immigration tell us why he was not able to provide a constituency breakdown since that breakdown exists in his office by virtue of the use of this code? Why did he mislead the people of Canada?

Some Hon. Members: Hear, hear!

Mr. Nielsen: Resign, John.

Mr. Dick: And you want to be leader?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, there are three questions contained in the Hon. Member's over-all question. The first was whether or not I said he should not apply, and clearly the words he himself quoted said that when he had the criteria, I would be happy to consider projects suggested by him. I did not say that he could not send any projects until he received those criteria.

Some Hon. Members: Oh, oh!

An Hon. Member: Resign, John.

Mr. McDermid: Tell him what to say, Marc.

Mr. Roberts: The second accusation which the hon. gentleman put forward was that he has a list, photocopies, or I do not know what, which contains some constituency allocation code. It is true, Mr. Speaker, as has been well known, that there are some programs on which information is collected by us on a constituency basis, for instance, in Canada Works and in some of the Summer Canada programs. That does not apply to the Special Employment Initiatives Program over all, which the hon. gentleman opposite was inquiring about. The Special Employment Initiatives Program is broken down into three parts—

Mr. Nielsen: Pork barrel; pork barrel; pork barrel.

Mr. Roberts: —first, the funding which applies to ordinary or other government programs; second, to programs which are within the Employment and Immigration Commission, which are there in a regular way. The third element within the Special Employment Initiatives Program is the Employment Creation Grants and Contributions Program.

Mr. Taylor: Your nose is getting bigger all the time.

Mr. Roberts: What I can say to the hon. gentleman, after having made inquiries, is that we do not collect that information in relation to the Special Employment Initiatives Program on a constituency by constituency basis.

The third thing the hon. gentleman has accused me of doing is trying to conceal the facts to the House. That is exactly why I presented—

Some Hon. Members: Oh, oh!

Mr. Roberts: —presented all of the information on all of the projects, which is what the hon. gentleman asked me to do. Back on February 14 he said, "Don't massage it. Don't launder it. Mr. Speaker, would the Minister make available to the House the unexpurgated lists?" Will we—" that is to say, he is saying he—"We will figure out the constituencies."

Mr. Epp: And we did.

Mr. Roberts: I gave them the unexpurgated lists. I have given them all the details. Now they complain they have information that does not substantiate the twisted use they want to make of a partial selection.

Some Hon. Members: Hear, hear!

• (1425)

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—PROVISION OF INFORMATION

Hon. David Crombie (Rosedale): Mr. Speaker, my question is for the same Minister and it is on the same topic. As the Minister will know, it is a tradition that all federal job-creation programs are dealt with through a public process. It gives everybody an equal opportunity and an equal chance in all regions of the country. However, in this program to which my colleague referred, there was no public process. There were no application forms publicly available. There was no public information campaign to let Canadians know how the program operated. Indeed, in the Minister's own regional offices there was no public information available. It boils down to this. This Minister and this Government have used millions of dollars of taxpayers' money—

Some Hon. Members: Question. Question!

Mr. Crombie: —in order to convert them to Liberal Party patronage. That is the charge; that is the reality.

Some Hon. Members: Hear, hear!

Mr. Crombie: How does the Minister think he can justify that to the House and to the people of this country?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member obviously has a very tendentious association with the facts of the matter. The facts of the matter are that the program was announced and underlined in two Budgets, one presented by my colleague, the Hon. Minister of Finance, and one by the former Minister of Finance, the present Deputy Prime Minister. I cannot understand how there could be a much more public process than the presentation of a program within the context of a budget debate.

Some Hon. Members: Oh, oh!

Mr. Roberts: The explanation for the program has been given to the Hon. Member time and time again. It is not my difficulty if the Hon. Member cannot comprehend it. What we were seeking to do, and what I think the facts now show we did, was establish a fast-track process by which we could create jobs.

Some Hon. Members: Oh, oh!

Mr. Roberts: Members on this side of the House knew of that program and Members on the other side of the House knew of that program. Perhaps they were too preoccupied with their own internal affairs of choosing a new Leader to take advantage of that program, or perhaps they were too preoccupied with getting rid of their old Leader to take advantage of that program. The programs were there. They could have applied. Some of them did. Most of them did not. It is not our fault that they have now found out that we are being active in pursuing the interests of our constituents. Would that they had been just as efficacious in doing the same!

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Crombie: It surprises me that the Minister has no shame in this matter. It surprises me. The record is clear. There was no public information until February 1 that people in this country could use. That is the fact of the matter; that is the record.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Hon. David Crombie (Rosedale): Mr. Speaker, I want the Minister to remember this, as I ask him this question: what the Minister has done—and I ask him to think about it before he gives the answer—is that he has converted public programs for unemployed people from no longer being on the basis of need but to whether they know Ministers of the Crown. That is what the Minister has done. That is the shame of it. How does the Minister think that he can stand in the House and say otherwise? The reality is that job-creation programs by this Government are no longer done on need but on Liberal Party need.

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman is very agitated, and there was so much noise around him I could not understand the first two-thirds of his question. The last part of his question, the assertion that these grants were given on the basis of some special knowledge or acquaintanceship with Ministers of the Crown, is clearly false.

DISTRIBUTION OF GRANTS IN ONTARIO RIDINGS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. It is no wonder that Members are agitated. We have done a breakdown of the grants that were given in the Province of Ontario. Over 90 per cent of all grants under the Special Employment Initiatives Program were given to Liberal ridings.

Some Hon. Members: Shame!

Mr. Deans: Out of $56.4 million granted under this program, only $3.5 million was allocated to other than Liberal ridings in the Province of Ontario.

The Minister knows full well that last September, when he was appointed Minister, he issued, along with a press statement, a piece of paper which reads, "Government of Canada Job-Creation Programs". Nowhere on that paper is there any reference to the Special Employment Initiatives Program. Therefore, members of the Opposition were not given access to the program, were not informed of the program. I ask the Minister, is it not reasonable to conclude on all of the evidence that we have before us that this money was allocated on the basis of Liberal patronage and that, in order to gain access, you had to be a Liberal, or know a Liberal?

• (1430)

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker, I do not believe that that is a proper conclusion to be drawn. The Hon. Member is in error in saying that these funds were given to Liberal ridings. These funds were given to groups, to people—

Some Hon. Members: To Liberals.

Mr. Roberts: —to citizens of this country who wanted to use those funds to create jobs. They may have been in Liberal ridings, but they were not given to Liberal ridings. They were given to people who wanted to create jobs, and not jobs just in constituencies but all across this country and all across the regions of the country.

PROVISION OF INFORMATION TO MEMBERS OF PARLIAMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Minister suggesting that those people in other than Liberal ridings, those citizens who live in other than Liberal ridings were negligent that they did not apply, and that they did not care? Is there some reason to believe that they were aware of the program and did not get access because they did not care about it? The fact is, and the Minister knows it, that the information was never distributed across this land, was never given to members of the Opposition, that only Liberal members were told what they could get, and the reason why the money is so clearly allocated to Liberal ridings is because it was a Liberal patronage fund. Deny it if you can.

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker, I am not arguing that the citizens of Canada are negligent. The Hon. Member himself just said that he did not know about the program. That program was underlined in two budget statements in this House. The only thing I can conclude is that he did not listen to those budget statements and that, I would think, is negligent.

Some Hon. Members: Hear, hear!

Mr. Deans: So was the Western Canada Development Fund.

Some Hon. Members: Hear, hear!

ALLOCATION OF MONEYS TO EASTERN AND WESTERN REGIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to ask the Minister whether it was just by accident that the amounts of money allocated to ridings or to areas of the country in which there are no Liberal members is considerably less than the amounts of money allocated in constituencies, or for that matter in areas of the country, where there are Liberal members? Is it just by accident that where there are Liberal members in the Maritimes, Quebec, and Ontario, the amounts

of money allocated per capita are considerably higher than in areas in western Canada where the amounts of money are less than half the amounts made available in areas where there are, in fact, Liberal members?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it is not surprising that in the eastern part of the country where unemployment levels are considerably higher that there should be a higher proportion of funding going to those areas. If you look at the—

Mr. McGrath: What about British Columbia?

Mr. Roberts: The Hon. Member says: "What about British Columbia?" The over-all expenditure under the direct programs, the over-all percentage for British Columbia, is 13.7 per cent. The proportion of unemployment in British Columbia is 13.8 per cent. The figures are almost identical. Would the hon. gentleman stand in his place and say: "If you look at the Section 38 program, one of the programs on the list, that 27 per cent of the funds went to British Columbia"? That really shows the Liberals are bending over backwards to hurt the Opposition ridings in the country. That level is almost twice the percentage of the ratio of unemployment in British Columbia to the country as a whole.

COST OF PREPARING EMPLOYMENT PROGRAM LISTS

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I remind the Minister that we are talking about the Special Employment Initiatives Program. I wonder if the Minister would explain, in this very obvious attempt to obscure the truth from the Canadian people, how much money, how many hours, how many persons were employed to produce this far more detailed information on programs that was not asked for, to create the snow job we saw in this House yesterday in an attempt to bury the real information on the Special Employment Initiatives Program that was asked for just after the Budget of 1982.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, now we see clearly their purpose. Last week they wanted the facts, all the facts, nothing but the facts. They wanted the facts so that they could make the allocation judgment themselves. They wanted to know the whole story. Now they do not want the whole story. Now they want that little piece of the story that they think they can twist to support their point of view which is not justifiable in terms of the facts as a whole.

Members on the other side were saying: "Give us everything. Don't massage it. Don't transform it. Don't order us." That is what we gave to them. In order to do that, it is true we did have translators, we did have special staff working all through the weekend to provide that information for Members opposite. You know, Mr. Speaker, if we had not done that and I would have had to delay even longer, they would have been up on their feet charging me with not respecting the House of Commons because I was not prepared to deliver the information to them when I had promised to do so.

Some Hon. Members: Hear, hear!

* * *

EDUCATION

METROPOLITAN TORONTO SEPARATE SCHOOL BOARD LETTER

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I would like to address a question to the same Minister. It will not need to be distorted by the wealth of information which he deposited in the House yesterday. How can the Minister justify the issuing of a letter by the Metropolitan Toronto Separate School board, the Catholic School Board, urging all of their trustees to contact only Liberal Members of Parliament on the providing of funds to upgrade educational facilities in Toronto? The list is clear. It is addressed to all the trustees. The list includes only names of Liberal members. Will the Minister please explain how that could come about?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, to the best of my knowledge I have not seen or I am not aware of the letter to which the hon. gentleman has referred. I gather it is not a letter over my signature, but a letter sent by the trustees of the Separate School Board. I am not responsible for the trustees of the Separate School Board. I do not think I have seen the contents of that letter, but if the hon. gentleman's accusation is that the trustees of the school board are urging the citizens of Canada to be in touch with Members of Parliament, Liberal or any other kind, then it seems to me to simply indicate that the trustees believe that Liberal Members will likely do a better job of being responsive to their interests than Members opposite.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

* * *

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—ALLOCATION OF FUNDS TO BRITISH COLUMBIA

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my question is directed to the Minister of Employment and Immigration, who has clearly misled the House when it comes to the Special Employment Initiatives Program. Why won't he admit to this House that B.C., which, as he knows, has an unemployment rate of 13.8 per cent, nearly 14 per cent, which had more mortgage foreclosures, more business bankruptcies in the recovery year of 1983, than in the recession, why won't he admit that it received only 5.5 per cent of the $186 million in this sleazy, slush fund?

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member simply should refer to the over-all figures which show that, on direct project programs, the Province of British Columbia and the Yukon have received 13.7 per cent of the funds in comparison to an unemployment rate of 13.8 per cent, so it is roughly equivalent. She should also remember that direct job-creation programs are part of a much larger government effort, and that the economic stimulation brought in by the Budget of my colleague, the Minister of Finance, something like $2.5 billion worth of stimulation, would have a much bigger impact in British Columbia, Ontario, and Alberta than in some of the less advantageous and less rich Provinces in this country.

She should also remember that it is not simply the federal Government which has an obligation to worry about creating jobs, but also provincial Governments. Part of the situation which exists in her Province is because there is a Government in that Province so sympathetic and of such a similar stripe to the Leader of the Opposition and his Party opposite. We require a partnership in job creation and it is not surprising that we should expect the Provinces, those best able to do so, to do more of the work as well.

* * *

● (1440)

[*Translation*]

HEALTH

EFFECTS OF BILL C-3

Mr. Gilles Marceau (Jonquière): Mr. Speaker, my question is directed to the Minister of National Health and Welfare, whose Bill is before a Committee of this House.

Could the Hon. Minister give the House the assurance that, unlike what was stated by the Minister of Social Affairs of Quebec, the purpose of the Bill under consideration is not to get rid of the system of agreements and substitute therefor a series of unilateral decisions, or at increasing federal powers to the detriment of the provinces or at preventing Quebec from exercising its jurisdiction and setting its own health priorities, and finally, that its purpose is not to penalize children by taking away dental services, and the elderly, by depriving them of free medication?

An Hon. Member: That doesn't concern you, it concerns Quebec!

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I can give the Hon. Member the formal assurance that the Canada Health Bill is aimed only at prohibiting out-of-pocket charges to patients. In Quebec, patients receive free health services and health care because these have already been paid for through the health insurance plan. Quebec can call it whatever it likes, but extra-billing will not be allowed, and I am sorry to say this is not negotiable. As far as the rest, the agreements and all that sort of things is concerned, it is now time, in Committee, to negotiate and to decide whether one word rather than another should be used. We have no intention of invading areas of jurisdiction, and in any case, we do not have the resources. It is up to the provinces to shoulder their responsibilities. Everything is negotiable, except the principal of free health services and the list of insured health services for Quebecers.

* * *

[*English*]

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—PER CAPITA ALLOCATION OF FUNDS TO BRITISH COLUMBIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is also for the Minister of Employment and Immigration. People in British Columbia have been betrayed by the Government's unfair allocation of Special Employment Initiatives Projects. Across Canada the Government allocated an average of $150 per unemployed person for these projects. While the Maritimes received projects amounting to $227 per unemployed person, and Quebec $206, British Columbia is right at the bottom of the heap with only $60 for each unemployed person.

Can the Minister explain why special employment funding dropped so dramatically in western Canada where there are no elected Liberals? Could he say what is fair or equitable about a project and program where British Columbians get only 40 per cent of the help given to other Canadians?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman talks about betrayal and bottom of the heap, but 27 per cent of the funding under Section 38 went to British Columbia. Is that betrayal? If you look at the job-creation programs over all, 13.7 per cent of our funding went to British Columbia. That is almost exactly the equivalent of their percentage of unemployment. That is not being at the bottom of the heap.

Mr. Crosbie: Out of the slush fund.

Mr. Roberts: The hon. gentleman should look at all of the figures and not pick and choose selectively from among them.

Mr. Manly: Mr. Speaker, the Minister should know that Section 38 was mainly oriented toward the forest industry and that British Columbia has the majority, or a large percentage, of the forests of Canada and it needs that funding.

REQUEST THAT GOVERNMENT PROVIDE MORE JOB-CREATION MONEY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question refers to the Special Employment Initiatives Program, or the Liberal slush fund. We have always shared in equalization payments with the rest of Canada. Now when we are in difficulty we are not getting our share. Will the

Minister make more money available for job creation and ensure that this is given on an equitable basis right across Canada—on the basis of the needs of unemployed people rather than on the needs of Liberal members to get elected?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, as I have pointed out to the hon. gentleman, the money is given on an equitable basis. He may not care about the situation of the forest industry in this country but people on this side of the House do. We want to see reforestation take place, we want to see marketing take place, and we want the forest industry to remain as it is in Canada, the number one employer of people. We want it to maintain its vitality.

PROGRAM EXPENDITURES MADE BY CANADA POST CORPORATION

Mr. Albert Cooper (Peace River): Mr. Speaker, my question is also for the Minister of Employment and Immigration regarding the money spent by Canada Post under the Special Employment Initiatives Program. The Minister will know that the NDP did not receive any of that money under this program, that the PCs received 4.3 per cent of it, and we are thankful for that, but that the Liberals received 95.7 per cent of the money.

Some Hon. Members: Shame!

Mr. Cooper: Can the Minister stand up in this House and say with a straight face that 95.7 per cent of the most urgent needs of Canada Post could only be found in Liberal ridings?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, what I am saying to the House is that, apparently to the dismay of the Opposition, what we have found is that there are over 50,000 projects for direct job creation in this country as a result of these activities. I am not too surprised that they are a little bit embarrassed about that. If they think back to the recent past they will find that in 1979 they tried to cut these job-creation programs out of existence. It may be that they are a little bit embarrassed because the official spokesman for the Conservatives said yesterday, after he had had the chance to look informally through the material, that it looked as if the job funds had been divided equitably. That was the initial impression and statement of the official spokesman of the Opposition Party.

Mr. McGrath: I didn't say that.

Mr. Roberts: I suspect, Mr. Speaker, that between this initial and accurate impression and what is happening in the House today, some of his colleagues have got to him in the belief that they can make political capital out of what is a sound job-creation program benefiting Canadians in every region of the country.

Mr. McDermid: Start telling the truth.

An Hon. Member: You have been sitting beside Lalonde too long.

EXPENDITURES IN NEWFOUNDLAND RIDINGS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister responsible for twisting on behalf of the Government, the Minister of oink, oink, the Minister of Employment and Immigration.

Newfoundland has the heaviest unemployment in Canada. I have written to the Minister of Fisheries and Oceans on dozens of occasions, listing projects needed. How is it that under the Special Employment Initiatives Program $4.639 million was spent in Newfoundland under Fisheries and Oceans to date, 100 per cent in Liberal ridings—not one cent, not one red cent, not one jot, not one tittle spent in either St. John's East or St. John's West?

When the Minister is explaining that, can he explain why, in his own Department where over $4.2 million was spent on projects so far in Newfoundland, 99.3 per cent was spent in the Liberal districts and .7 per cent in the PC districts? Can he explain that? Can he explain why he is trampling on the unemployed in these two districts? You are a disgrace to this House.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, if you were describing Members in this House on the basis of twist, the hon. gentleman there would be a double convoluted corkscrew.

I put it to the hon. gentleman that over 12 per cent of the money in Canada Works went to Newfoundland—

Mr. Crosbie: I gave you that figure.

Mr. Roberts: —as opposed to their national average of unemployed of 3 per cent.

Mr. Crosbie: Let us deal with the 300 million.

Mr. Roberts: In the NEED program, almost double their average of unemployment went into Newfoundland. The same is true for the summer programs in 1983 and 1982.

Mr. Crosbie: We are dealing with the program for 300 million.

Mr. Roberts: Three times the percentage of the Community Development Projects went into Newfoundland.

Mr. Crosbie: You are a bloody liar.

Mr. Roberts: Over all, more than double the percentage of funding went to Newfoundland in comparison to their percentage of unemployment.

My question to the hon. gentleman is very simple. Which of those projects in Newfoundland would he like us not to have done?

Presence in Gallery

Mr. Crosbie: Just wait until the electors get their hands on you. They are never going to forget. Let us go to the people tomorrow and see what they think. They are going to batter you, you gutless wonders.

• (1450)

DISTRIBUTION OF FUNDS IN PRINCE EDWARD ISLAND RIDINGS

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Under the so-called Special Employment Initiatives Program the two Liberal held ridings in Prince Edward Island received a whopping $2,400,000. By contrast, the two Progressive Conservative held ridings in Prince Edward Island received a paltry $215,000. That is a discrepancy of 11 to one in favour of the Liberal ridings. Does the Minister think that the taxpayers of Canada are gullible enough to believe that such a huge discrepancy can be justified by the comparative jobless figures across the Province in those four ridings? Or will he, instead, admit that the program in question is blatant political corruption on a national scale?

Some Hon. Members: Hear, hear!

Mr. Lalonde: What about the Veterans Affairs headquarters?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I am a little surprised at the Hon. Member's question because, as the figures clearly show, on every one of the programs of direct job-creation, Prince Edward Island has received far more than the percentage which would be equivalent to the percentage of unemployed. If the hon. gentleman is concerned about us somehow not favouring his riding in Prince Edward Island, I would remind him that the federal Government is spending virtually $20 million—$19.5 million—for the establishment of the veterinary college in his own constituency.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Accidents will happen.

Mr. Roberts: Clearly we are out to salvage the Hon. Member.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HONORARY CONSULS OF ESTONIA, LATVIA, AND LITHUANIA

Mr. Speaker: I would like to call the attention of the House to the presence in the gallery of the Honorary Consuls of Estonia, Latvia, and Lithuania.

Some Hon. Members: Hear, hear!

EMPLOYMENT

GOVERNMENT EXPENDITURES ON JOB CREATION AND PETROLEUM INCENTIVES PROGRAM GRANTS

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. I want to return to the issue of rewarding friends and punishing the unemployed. According to the Estimates tabled just yesterday, the Government will give an increased amount, up to $1,600,000,000 in PIP grants, to its oil company friends, while the unemployed across Canada suffer cuts of some $300 million in total federal grants and contributions for job-creation programs. With respect to the Government's policy of rewarding its friends, which is so evident in its political allocations between Provinces through the Special Employment Initiatives Program—not all the others—does this cut mean that that discrimination also applies across the board as between oil companies on the one hand and unemployed Canadians on the other?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I think the Hon. Member's question is a bit convoluted. Since when are the oil companies such great friends of this government? He should try visiting Calgary when he gets away from the British Columbia coast some time.

I believe there is some substantial essence in the Hon. Member's question. I believe it was about the Estimates. I would just like to remind the hon. gentleman that what we have seen now are the Main Estimates, which are added to as the year goes on by Supplementary Estimates. Therefore it would be inappropriate for him to draw conclusions on the basis of the comparison I believe he was making, if I understood his figures correctly.

Mr. Epp: Oh, come on, John.

Mr. Kristiansen: As to friends and enemies, I wish I had the sort of political enemies which gave me the thousands of dollars a year that his so-called enemies in the oil companies give him. Let us get it straight.

FORESTRY EMPLOYMENT PROGRAMS—SIZE OF FUNDING

Mr. Lyle S. Kristiansen (Kootenay West): According to those same Estimates, Mr. Speaker, there has been a 40 per cent increase in PIP grants to oil companies for drilling dry holes, while forestry spending is down by 61 per cent to only $45 million.

An Hon. Member: Shame.

Mr. Kristiansen: Forestry employment programs which the Minister talked about earlier today, are down from $21.5 million to only $60,000. That is a cut of 99.998 per cent. There will have to be a lot of supplementary estimates to make up that difference. Have the Minister and his Government given up on the forest industry? Have he and his Government given up on the unemployed of Canada? If not, when will they do an

about-face and provide some help for the people and the resources in this country which really need help the most?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the answer to the two rhetorical questions, to each of them, is no. This Government is considerably concerned about the state of the forest industry. Indeed, if the Hon. Member will think back, he will recall the over-all forest strategy which we have prepared and presented in conjunction with the Provinces, dealing with reforestation, marketing, and the need for highly qualified manpower personnel. However, in answering the question in this way, Mr. Speaker, as his question really demands, I am trespassing on the responsibilities of my colleague, the Minister of the Environment, who is responsible for the forestry service.

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—
NON-ALLOCATION OF FUNDS TO OPPOSITION HELD RIDINGS

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. Everyone has been speculating today about the Prime Minister's resignation. I cannot for the life of me understand why the Minister did not resign at least 35 minutes ago, in view of some of the statements we have been getting.

Some Hon. Members: Hear, hear!

Mr. Scott (Hamilton-Wentworth): I would like to ask the Minister about one of his statements this morning. He said: "There is nothing politically partisan about spreading around the Special Employment Initiatives Program." If that is true, how can the Minister explain 10 projects in the four Liberal held ridings of Niagara Falls, Welland, Lincoln and Hamilton East, and in exactly the same area, three Conservative held ridings, Burlington, St. Catharines, and my own riding of Hamilton-Wentworth, get zip. Along with the riding of Hamilton Mountain, represented by the House Leader of the New Democratic Party, these ridings receive not a whisper for job creation. If that is not "operation slush" in action, I do not know what is.

I would like an explanation from the Minister of why the Liberal ridings in an area which is suffering from a high number of unemployed, as well as all of southern Ontario, by staggering coincidence, got all of these millions of dollars for job creation?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member says he cannot understand, and I can understand that he cannot understand. Comprehension was never his strong point.

Some Hon. Members: Oh, oh!

Mr. Roberts: What he should be looking at, as we have reminded him again and again, is the total impact of the program. If he had bothered to do that he would have noticed that in the Erie constituency which, if memory serves me correctly, is represented by a Conservative Member of Parliament, something like $19 million worth of federal funds has gone in to create jobs—

Mr. Crosbie: Not on that program.

Mr. Scott (Hamilton-Wentworth): Talk about the slush fund, John.

Mr. Roberts: —in the Fleet aircraft industry.

Some Hon. Members: Oh, oh!

Mr. Roberts: The simple fact of the matter is, Mr. Speaker, that what has happened here is that the Hon. Members of the Opposition somehow sensing a conspiracy everywhere—here a plot, there a plot, everywhere a plot, plot—believe that something nefarious is going on.

Mr. McDermid: Everywhere an oink, oink.

Mr. Nielsen: Old McRoberts had a farm.

Mr. Roberts: What they in fact found out is that there are 50,000 job-creation projects all across this country—

An Hon. Member: And they did not do that.

Mr. Roberts: —allocated, on the whole, fairly.

Mr. McDermid: Project Oink, Oink.

Mr. Roberts: There may be I doubt not, that in 50,000 projects there are some which will look, when taken out of context, to be dubious. I cannot argue that in 50,000 cases we always made the right decision. However, what we have in fact done, to that Party's surprise, almost to its dismay, is bring into the open that there is a tremendous amount of effort on the part of this Government to create meaningful jobs all across this country.

Some Hon. Members: Hear, hear!

Mr. Roberts: They seem unhappy about that.

Mr. Nielsen: Oink, oink.

Mr. Roberts: Those Hon. Members would rather that the figures showed some kind of political manipulation, because what they are really interested in is not the passion for creating jobs, Mr. Speaker. That is not their passion. Their passion is a lust for power.

Some Hon. Members: Hear, hear!

Some Hon. Members: Brian. Brian.

Mr. Lewis: Mr. Speaker, I would suggest to the Minister that truth obviously is not the Minister's strong point.

An Hon. Member: Right on.

Oral Questions

EXPENDITURE OF FUNDS BY CANADA MORTGAGE AND HOUSING CORPORATION IN ONTARIO RIDINGS

Mr. Doug Lewis (Simcoe North): My question is directed to the same Minister. The construction industry has an unemployment rate of 33 per cent. In Ontario it is 29 per cent, and many of the unemployed are young people. Why was 90 per cent of the CMHC funding under the slush fund spent in Liberal ridings? Why was it not distributed fairly across the country? Why did the Minister not address the needs of the unemployed, rather than the needs of the Liberal Party?

• (1500)

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I say to the hon. gentleman, as I said repeatedly, the funds were distributed equitably. I would remind the hon. gentlemen opposite who are so concerned about bias and patronage that it was the Leader of the Opposition who said that if he became Prime Minister it will be 15 years before a Liberal got a job, and if he became leader of the Government, it would be 15 years before a Liberal constituency got a project—

Mr. Mulroney: That is false.

Mr. Roberts: —not us on this side of the House; it was the Leader of the Opposition.

Some Hon. Members: Hear, hear!

Mr. Bradley: Mr. Speaker, I think from what we have seen today that it was the Minister's constituents who made the mistake when they gave him a job.

MEMBER'S TELEPHONE CALL TO MINISTER'S OFFICE

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, the Minister said numerous times today, and in the past, that the reason Conservative ridings have not received anything under this program is because we have not worked hard enough and have not applied.

An Hon. Member: That is right.

Mr. Bradley: Mr. Speaker, when I did not have the criteria for this program I called the Minister's office in the first week in December. After being referred to six different people in that office we were advised by Mr. Len Westaburg that this program was one being developed by the previous Minister but since this Minister had come into office it had not yet been initiated, but when it was we would receive the information. If the Minister wants us to work hard and get these programs, could he tell me how I can apply for a program which has no criteria, no application forms and, in his own office, does not exist?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I suppose the best advice I could give to the hon. gentleman is that he should have consulted with his colleague, the Hon. Member for Joliette, who said he was aware of the program and believed his colleagues were as well.

Mr. Speaker: Presenting reports from Standing and Special Committees. A point of order, the Hon. Member for St. John's East (Mr. McGrath).

* * *

POINT OF ORDER

MR. McGRATH—STATEMENT BY MR. ROBERTS DURING QUESTION PERIOD

Hon. James A. McGrath (St. John's East): Mr. Speaker, I do not think the Minister would deliberately mislead the House, but in the course of Question Period he quoted me as saying that at first glance the funds seemed to be equitably distributed. I did not say that. I said that, at first glance, the funds would seem to be disproportionately or inequitably distributed. That is my word, and I hope the Minister will accept it.

Hon. John Roberts (Minister of Employment and Immigration): On the same point of order, Mr. speaker, I was quoting from a Canadian press report which said, and I quote exactly:

But after glancing at the resume of the information provided by Roberts' office, McGrath said it appears the job funds have been divided equitably.

The Hon. Member assures me he did not say that, and of course I accept his word.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

MR. LACHANCE—POLITICAL PRISONERS IN THE PHILIPPINES

Mr. Claude-André Lachance (Rosemont): Mr. Speaker, I rise to present the following petition:

To the Honourable the House of Commons of Canada, in Parliament assembled, the petition of the undersigned residents of Canada, concerned about justice and brotherhood among nations, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable House will therefore provide a remedy.

Humbly sheweth that:

They urge the Canadian Government to share the concern and sincere anxiety of the 1,400 residents of Montreal Centre West who have sent to political prisoners in the Philippines a message of support in their struggle against poverty and repression;

That the Canadian Government end its economic, trade or other relations with the Philippines unless that country does restore human rights and democratic freedoms;

That the Canadian Government demand, as concrete and real evidence of the will of the Philippine Government to restore human rights and democratic freedoms, that the latter free the aforementioned 27 political prisoners.

And as in duty bound your petitioners will ever pray.

[*English*]

MR. SCOTT (HAMILTON-WENTWORTH)—PEACE CAMP ON PARLIAMENT HILL

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I wish to present two separate petitions dealing with the same subject on which I tabled a petition on December 19, 1983, namely, the unsightly and soggy mess known as the peace camp which desecrates the front lawn of Parliament Hill. One petition which I am tabling today contains 105 names collected in a day and a half during the weekend by an Ottawa man, Mr. David Miner, who says his petitioners are tourists and they are upset by the indefinite presence of this eyesore.

The second petition is signed by a further 60 Canadians who maintain that the continuing presence of the peace camp in front of the most beautiful public buildings in Canada constitutes a public nuisance.

* * *

INCOME TAX ACT

MEASURE TO AMEND

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke) moved for leave to introduce Bill C-220, an Act to amend the Income Tax Act (Minister's duty).

Some Hon. Members: Explain.

Mr. Hopkins: Mr. Speaker, at present subsection 220(1) of the Income Tax Act reads as follows:

The Minister shall administer and enforce this Act and control and supervise all persons employed to carry out or enforce this Act, and the Deputy Minister of National Revenue for Taxation may exercise all the powers and perform the duties of the Minister under this Act.

This Bill will delete from this Subsection all references to the powers of the Deputy Minister.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 149, 301, 358, 360 and 369.

Order Paper Questions

[*Text*]

CANADA PORTS CORPORATION

Question No. 149—**Mr. Crosby:**

1. Did the Parliamentary Secretary to the Minister of Transport state on April 14, 1981 at page 9289 of *Hansard* that Halterm was subsidized to the extent of $1.8 million a year and, if so, on what basis did he make the statement?

2. Did the subsidization consist of the payment of money and, if not, what form did it take and who paid the money or provided the subsidization?

Hon. Lloyd Axworthy (Minister of Transport): The Canada Ports Corporation advises as follows:

1. No. The Parliamentary Secretary is quoted in *Hansard* as saying "In fact, Halterm enjoys a 50 per cent rebate from the National Harbours Board on wharfage charges, a rebate which amounted to a subsidy of $1.8 million in 1980". The agreement between the National Harbours Board and Halterm provides that the company pay rental on the facilities as well as wharfage but may retain 50 per cent of wharfage charges on containerized cargo shipped through the facilities above a certain amount.

2. No. See 1 above.

DECISION OF COUNTY COURT JUDGE IN CORNWALL

Question No. 301—**Mrs. Cossitt:**

1. Was the Minister of National Revenue aware of a decision by a County Court Judge in Brockville, Ontario that found Cornwall News Distributors guilty of distributing obscene literature that had been imported into Canada from other countries?

2. Did Customs officials follow the (a) guidelines and general information contained in Customs and Excise Memorandum D9-1-1 in interpreting tariff item 99201-1, concerning the entry of material into Canada, which prohibits the entry of "Books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasonable or seditious, or of an immoral or indecent character" (b) provisions of Section 159(8) and 159(9) of the Criminal Code and previous court decisions when making decisions on publications being imported into Canada and, if not, for what reasons?

3. Will the Minister take into consideration the numerous and recent court decisions and formulate a new directive for Customs officials to follow when making their decisions as to whether or not certain publications would be classified as pornographic material and therefore would be prohibited from entry into Canada under Tariff Item 99201-1 and, if not, for what reason?

Hon. Pierre Bussières (Minister of National Revenue): 1. Yes. The Minister of National Revenue is aware of a decision handed down by County Court Judge James Newton in Brockville, Ontario, on November 18, 1983. It should be noted that this decision was made under the obscenity provisions of the Criminal Code. The Department of National Revenue is only responsible for administering the prohibitory provisions of the Customs Tariff which, under tariff item 99201-1 in Schedule "C", specifies that "books, printed paper, drawings, paintings, prints, photographs or representations of any kind of a treasonable or seditious, or of an immoral or indecent character" are to be prohibited entry into Canada.

2. (a) In all instances of importations of this nature, which come to the attention of Customs officials, the guidelines and general information contained in Customs and Excise Memorandum D9-1-1 are followed in interpreting and administering the provisions of tariff item 99201-1. However, it should be

noted that not all importations of this nature come to the attention of Customs officials. With over 600 points of entry across Canada, it is not always possible to examine thoroughly all goods which enter Canada.

(b) The criteria used by my Department in determining those items which should be classified under tariff item 99201-1 are based on court decisions made under the Customs Act and court decisions made under the comparable sections of the Criminal Code which deal with the sale or distribution of obscene material. Our administration strives to take into account as far as possible what Canadians in general believe to be immoral or indecent.

3. Yes. In the administration of tariff item 99201-1, my Department will continue to take into consideration the numerous and recent court decisions in this area. Also, such decisions will continue to be reflected in relevant departmental directives which are revised on a regular basis as required. In this regard, my Department will also be taking into account the findings of the Fraser Committee on Pornography and Prostitution, recently formed at the direction of my colleague, the Minister of Justice and Attorney General of Canada. This Committee's final report is expected in December, 1984.

CANADIAN FORESTRY SERVICE

Question No. 358—**Mr. St. Germain:**

1. Since 1978, how many projects were supported, in each province, and for what amount, under the ENFOR Program of the Canadian Forestry Service?

2. Of the original $30 million committed to the ENFOR Program what amount remains for project support?

Hon. Chas. L. Caccia (Minister of the Environment): 1. The number of ENFOR projects (contracts) since 1978, and the amounts spent in each province, are as follows:

Alta.	11	$ 668,000
B.C.	58	7,095,000
Man.	4	160,000
N.B.	15	854,000
Nfld.	15	1,283,000
N.S.	5	434,000
Ont.	84	8,209,000
P.E.I.	2	17,000
Que.	52	6,411,000
Sask.	9	708,000
Total	255	$25,839,000

The remainder of the $30 million ENFOR allocation has been spent on program management, administration and technology transfer.

2. The original $30 million was for the first six years of the program and none remains for project support. However, part of the work funded by ENFOR is continuing under the same program name; about $2 million will be available for project support in 1984/85.

CANADIAN COMMERCIAL CORPORATION

Question No. 360—**Mr. St. Germain:**

1. What is a list of all the names of the members of the Board of Directors of the Canadian Commercial Corporation, and, for each member, what (a) is their background and expertise (b) is the term of their appointment (c) remuneration, including salary or travel expenses, do they receive and, for the length of each appointment to date, what amount was received?

2. Is there an Industry Advisory Committee advising the Board of Directors of the Canadian Commercial Corporation, and, if so, what is a list of the names of its members and, for each member, what (a) is their background and expertise (b) is the term of their appointment (c) remuneration, including salary or travel expenses, do they receive and, for the length of each appointment to date, what amount was received?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1(a); (b); (c) and (d): See below.

2. Yes (See below).

(a) See below.

(b) Appointed by the Board until revoked by the Board.

(c) No renumeration by way of salary or travel expenses is paid to members of the Industry Advisory Committee.

CCC Industry Advisory Committee

Organization		
Air Industries Association of Canada (ALAC)	1.	—President
	2.	V. V. R. Symonds (Litton Systems Canada Limited)—Chairman, Marketing Committee, AIAC
Association of Consulting Engineers of Canada (ACEC)	3.	C. G. Smallridge—Vice-President (Lavalin Inc.)
	4.	H. R. Pinault—Managing Director
Canadian Bankers Association (CBA)	5.	E. J. Morris (Can. Imperial Bank of Commerce)—Chairman, Export/Import Committee, CBA
Canadian Chamber of Commerce (CChC)	6.	S. F. Hughes—President
	7.	—Chairman, Intern. Affairs Committee, CChC
Canadian Construction Association (CCA)	8.	R. E. Nuth—President
	9.	R. Balfour (R.B.E.C.S. Ltd.)—Chairman, CCA Export Committee
Canadian Export Association (CEA)	10.	T. M. Burns—President
	11.	P. G. Opler (The Foundation Company of Canada Limited) —Chairman, Foreign Capital Projects Committee, CEA
Canadian Federation of Independent Business (CFIB)	12.	J. F. Bulloch—President
Canadian Manufacturers Association (CMA)	13.	R. L. Phillips—President

	14.	Ronald McCallum (Hawker Siddeley Canada Ltd.)—Chairman, Export Committee, CMA		16.	N. J. Fodor (Electrovert Limited)—Chairman, Export Council, EEMAC
Electrical and Electronic Manufacturers Association of Canada (EEMAC)	15.	D. E. P. Armour—President	Royal Architectural Institute of Canada (RAIC)	17.	Executive Director
				18.	Boris Zerafa, FRAIC

Name	(a) Background Expertise	(b) Term of Appointment	(c) Remuneration [1] Dir. Fees $	Tr. Expenses $	(c) Total Remuneration Since Appointment $
R. A. Anderson	ADM, Int. Trade Development, EA (Government)	During pleasure (3.11.1983)	0.	0.	0.
S. I. Bata	Director, Bata Limited (Business)	During pleasure (11.4.1978)	6,950.	4,829.30	11,779.30
J. H. Dickey	Sr. Partner—McInnes, Cooper & Robertson (Barrister and Solicitor)	During pleasure (11.4.1978)	8,400.	8,230.01	16,630.01
R. Giroux	Director, Power Corp. of Canada Ltd. (Business)	During pleasure (11.4.1978)	2,900.	988.10	3,888.10
W. A. Hadden	President, Champion Spark Plug Company of Canada, Ltd. (Business)	During pleasure (4.9.1981)	2,850.	3,203.70	6.053.70
R. V. Hession	DM of Supply, SSC (Business and Government)	During pleasure (27.1.1983)	0.	0.	0.
J. E. G. Howarth	President/CEO, CCC (Business and Government)	During pleasure (15.10.1982)	0.	0.	0.
A. A. MacNaughton	President/CEO, Genstar Corporation (Business)	During pleasure (22.6.1978)	3,400.	246.23	3,646.23
G. E. Shannon	ADM, Intern. Trade and Finance, DoF (Government)	During pleasure (26.10.1982)	0.	0.	0.

[1] Directors from the private business sector are paid a director's fee of $350/day and travelling expenses for each meeting of the Board (or one of its committees) they attend, or for each day, or part thereof, of any other service to the Corporation.

MR. WILLIAM ELLIS

Question No. 369—**Mr. Siddon:**

Did Mr. William Ellis (L. 12973) serve with the South Saskatchewan Regiment during World War II and, if so (a) did he take part in the 1942 Dieppe raid with the regiment (b) is he also a veteran of World War I (c) is he the last former member of the Regiment living who participated in the Dieppe raid having previously served during World War I (d) does he receive a veterans pension or allowance from the Government and, if not, for what reason?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): This question requests information of a personal nature concerning Mr. William Ellis, the disclosure of which is governed by the Privacy Act. See reply to question No. 2,351 answered on May 25, 1981.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

● (1510)

MOTION TO ADJOURN UNDER S. O. 30

[*English*]

ENERGY

IMPACT OF JAPANESE WITHDRAWAL ON DOME PETROLEUM

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I sent notice the other day of intent to raise a matter concerning the information which became available on the financial situation of Dome Petroleum. It was my hope that this matter would appeal to you and the House as being of such serious consequence that the House would in fact adjourn to debate that motion.

That company faced bankruptcy within one day at the end of March 1982. Based on a file which it developed called the Armageddon file which listed the horrific consequences to Canada if that company collapsed, it was able to phone key officials of the Government of Canada and Ministers in the

middle of the night and have them commit $500 million to the restructuring.

I suggest that today, with the information that the Japanese have determined there is no oil at the bottom of the Beaufort Sea and they will not be financial bankers, Dome Petroleum would be unable to obtain continuation through the American Citibank and would hope—

Mr. Speaker: The Hon. Member cannot put his argument. He has to put a case for priority in this matter. The Hon. Member for Comox-Powell River gave me notice of his intention to seek an emergency debate on the operations of Dome Petroleum Limited. The Chair finds it difficult to reconcile the request for an emergency debate on this issue with the requirements of Standing Order 30(5). These provisions require the Speaker to "have regard to the probability of the matter being brought before the House within reasonable time by other means".

It can hardly be claimed that Dome Petroleum's financial problems, while serious, amount to a sudden emergency. They have been in existence for a long time. We are currently debating the Budget. This is a six day debate which is wide-ranging in its scope and would provide an opportunity for raising this matter. The Estimates were tabled yesterday providing further opportunity of raising the matter in committee or on an allotted day.

The Hon. Member indeed asked questions yesterday in Question Period on the subject of Dome Petroleum. He also raised the matter when commenting on the statement of the Hon. President of the Treasury Board (Mr. Gray). There was an exchange in the House on the subject.

In addition, I find a procedural problem with regard to the motion which the Hon. Member indicated to the Chair he intended to move. If an emergency debate were granted the motion before the House would be "That this House do now adjourn". The Hon. Member in his notice to me proposes to move a completely separate motion recommending the launching of a public inquiry. The purpose of Standing Order 30, to use the words of Citation 285 of Beauchesne's Fifth Edition, is that the question to be debated must "be specific and must require urgent consideration". I do not think it was ever the intention of the Standing Order to provide a means of debating a motion for a public inquiry.

For all these reasons the Chair is unable to accede to the Hon. Member's request.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approve in general the budgetary policy of the Government and the amendment of Mr. Crosbie, (p. 1445).

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on the Budget introduced by the Minister of Finance (Mr. Lalonde) on February 15. On the first page of his *Budget in brief* it reads:

"Securing growth and jobs depends on our success in four basic areas: reducing and controlling inflation; increasing investment; reducing the government's deficit and increasing our competitiveness and productivity."

This is the promise, Mr. Speaker. Let us look at the performance. Only one day after this speech was delivered, the Dominion Bureau of Statistics indicated that the inflation rate in Canada was again on the rise. Our horrendous deficits are now like a brush fire feeding on the heat they have generated till foreigners and Canadians alike are fearful of investing in Canada. It takes money to provide jobs, and without new capital investment Canadians cannot increase their competitiveness or productivity. If we are to secure jobs in the four basic areas which the Minister stated, I say to him, through you Sir, that the Minister has failed miserably.

Only two days after the presentation of the Budget, the Government asked for $4 billion more than the Budget indicated. The Government said in the Budget that it would need to borrow $25.5 billion, which is $4 billion less than the new legislation seeks to have in its projected deficit of $29.6 billion on total expenditures of $97 billion for the year beginning April 1.

It is this type of time-bomb budgeting that is deeply worrying Canadians. When the Finance Minister is borrowing 31 cents out of every dollar he spends, the close connection between expenditures and taxes becomes a little bit foggy, as we say in Nova Scotia. It is more like a magician's hat trick than honest accounting. This scenario reminds me of the words of that famous poet, Sir Walter Scott, in his poem *Marmion* in which he said, "Oh, what a tangled web we weave, when first we practise to deceive!"

Today we find ourselves at a rather precarious point. We have been through the worst recession since the years of the Great Depression of the 1930s. Yet while we sense that we are on the threshold of recovery, we cannot be too sure we are going to make it through the door. We are called upon to review another Budget and assess the plans, policies, predictions and programs of the Government. Quite frankly, Sir, we cannot rely on this document to propel us into recovery. At best, we can be thankful that the economic success of the United States and the dedicated persistence of energetic Canadians is keeping us afloat—to use a Maritime expres-

sion—despite the perverse policy and the misinformed outlook of the Government.

In his Budget the Minister of Finance stressed the importance of confidence and the stability that confidence can bring to the Canadian economy. On close examination of the facts, we have every reason to doubt even the most basic aspects of the economic dexterity of the Government. How can business, large or small, have confidence in a Government which only a few budgets ago launched an energy policy which virtually expropriated the western petroleum industry at the high cost of jobs lost, exorbitant debts and expenditures and confidence lost in Canada?

How can Government claims be believed when six and five is given credit for effects which simply could not have worked their way through the economy in the time frame permitted? Is it not less than honest to neglect to tell Canadians that the economy of the United States influences ours significantly and that the United States had lower inflation and interest rates long before we did as a result of strict monetary control and responsible fiscal management totally without the gimmickery of a six and five political campaign? If six and five was the answer, what happened to this guideline as it applies to the Government's own spending?

Yesterday the Government tabled its spending Estimates for the fiscal year ending March 31, 1985. Did the expenditures increase by only 5 per cent? If the Government had believed in its own doctrine, this is what would have happened. Instead, we have Estimates from the President of the Treasury Board (Mr. Gray) showing that next year's spending will jump by 10.5 per cent to $98.2 billion with more than $20 billion set aside just to pay the interest on the public debt. Mr. Speaker, I call the $98.2 billion a sort of springtime sale figure. Speaking from experience, in every year of my more than 26 years in the House I have noted that, following the budget presentation, supplementaries are presented to the House. These supplementaries are to carry the Government through any additional expenditures it may have between now and next March 1.

Let us examine the supplementaries for the past four years. You will find that there was never less than $2.5 billion and sometimes as much as $7 billion. The average for the past four years is something like $5 billion. What we are looking at today is not a budget of $98 billion for the next year but a budget that, I submit, will amount to approximately $103 billion.

● (1520)

This brings another thought to mind. In 1968, when the Right Hon. Prime Minister (Mr. Trudeau) came into office, I recall well that it cost about $12 billion in that year to look after the affairs of all of Canada. We were then a nation of approximately 20 million people. Today we are only 25 million, which means that our population has increased only by 5 milion. I gave that figure just to illustrate the extent to which the Government has mismanaged Canada's economy.

How can we take the predictions of the Minister of Finance seriously when he admits that the predictions in his last Budget were not correct? If growth exceeded his expectations, as he points out, why were his expectations so erroneous? What does that suggest for the forecasts in this Budget? How can anyone have any confidence in the forecasts in this Budget of the present Government? The medium range predictions in the Budget of 1980 are an embarrassment to anyone who has a memory for history. There is absolutely no reason to expect that the Government is any more reliable in this Budget.

In any case, an unemployment rate that is projected to be down to only 8 per cent—and that will not be reached until 1988—is certainly nothing to set the heather afire in any part of Canada, especially in Atlantic Canada.

Co-operation is another theme of the Minister, but again the record speaks for itself. There is hardly a group in the Canadian economy that the Government has not alienated. The Budget is no more than a feeble attempt to undo some of the damage that has been done in the past. No one in the small business sector of our economy needs to be reminded that the tax reform by the Minister in this Budget is simply a reform of previous tax changes by the Government which have left the small Canadian entrepreneur in an incomprehensible and frustrating taxation morass. No one needs to be reminded that our economy has not even returned to the level of prosperity that it enjoyed several years ago. Rosy proclamations announcing big gains in our GNP will simply not wash with the Canadian public.

When our economy has sunk as low as it has under the leadership of the Government, the rebound is certain to be spectacular. There is a theorem which states that for every action there is an equal and opposite reaction. Therefore, when the Minister brags that our economy has grown more quickly in recent months than that of most developed countries, he neglects to state that our recession was worse than that in any of them. While our ship of state may be off the rocks, we are still a long way from home port without a chart, compass or capable captain, while the leaks threathen to sink us before we repair the engine, much less get it started.

With respect to the competitiveness of Canadian industry, the Minister has continued, in the television tradition of the right Hon. Prime Minister, to chastise the nation and tell us that we have to be of world class. It seems to me that the Government has taken a lot of time to convince itself of this position. Yet it can hardly take credit for the growth in our merchandise trade surplus which reached a temporary high because of two factors: one, the relatively better performance of our trading partners, which allowed them to consume more of our goods; two, the demoralizing slump in our economy, which made Canadians unable to afford the goods that they are accustomed to importing from abroad.

As for the competition policy at home, we have waited almost 10 years for action on this issue. There is grave doubt that the Government can act with any effectiveness on this particular promise in the short period of time before its mandate expires. Canadians will wisely place no stock in this promise as well as on other promises, such as pension reforms that will not be completed until 1987.

The Government's actions remind me of a suitor courting a girl whom he has not intention of marrying. He will promise her just about anything if she will only be nice to him. I believe the Canadian electorate will view this Budget and its promises for what it really is, a bunch of paper roses. They will reject the suitor and his false promises at the first opportunity for a Party and a Leader that stand for a more stable future.

Home owners and home buyers have little cause to thank the Government. The dramatic concern directed toward this group of Canadians simply comes several years too late. Where was the Government when mortgage rates were at record levels of anywhere from 20 per cent to 22 per cent? Crisis followed by heartbreak hit Canada's households from the Atlantic to the Pacific.

The Government's economic policy must be assessed against the background of current economic conditions and prospects for the future. Although the Minister, in his Budget, has tried to put these conditions in the best possible light, the actual situation is very, very bleak by every major measure. In fact, the economic recovery has begun to falter even before our economy has recovered the ground that we lost during the recession.

The Minister laid stress on the importance of credibility and feels that it is necessary if his policies are to be effective. I cannot disagree with him in that respect. In my opinion, credibility is earned on the basis of good performance, not flimsy, long-term projected promises. Although the Minister promised much ado about many things, he totally neglected many of the economic difficulties facing our most disadvantaged regions.

For example, the Budget totally ignored the plight of our independent fishermen who are struggling along the coasts of Atlantic Canada to wrest a living from the deep. Nowhere in the Budget are these fishermen and those who run our independent fish processing industries given any consideration. Yet the fragile economy in many communities rests solely on the success of a single processing plant and the success of a group of fishermen around that plant to bring in sufficient catch to make it viable. I know that you are aware of this, Mr. Speaker, because you have such plants in your riding. There is not a word in the Budget about that.

In my Province of Nova Scotia, where our people have been struggling for months to retain control over their industry, many independent processors are facing very severe difficulties today in obtaining bank credit to finance their operations. The bank sector, which so often seems so far detached from Atlantic Canada and the small communities in that area, has reduced the flow of new loans that people need to keep their business afloat by as much as 50 per cent. The risk today is obviously considered too great for the commercial banks.

Some fishermen today face the risk of losing their enterprise as well as their way of life. It is situations such as these that at the very least call for the attention and the compassion of the Government. Yet not a word is addressed to this vital need.

The bright forecasts of better years to come, not in the *Alice in Wonderland* but in the "Lalonde in Blunderland" era, are of no consolation when time is of the essence.

Fuel costs have increased drastically for our fishermen, not only because of the actions of the Government but because they must roam farther over the ocean than ever before in an effort to get a catch. Some assistance in this area in the form of fuel subsidies or tax rebates not only for the fishermen of Atlantic Canada but for the fishermen of central Canada and British Columbia would have been a welcome and practical gesture. It would have been of greater help to the overall economy than hand-outs in the millions of dollars for the Government's friends, such as Maislin and Canadair. Perhaps I should include the $21 million that is estimated to be spent by the Macdonald Royal Commission on the Economy. I think that is the most expensive royal commission in Canada's history. The shame of it all is that the Macdonald Royal Commission is entirely unnecessary. It is simply duplicating the work that is being done every month by the Economic Council of Canada. People on that side sometimes say, "Okay, where would you cut?" Well there is $21 million that we could cut out immediately without in any way hurting the economic forecasts of this nation.

• (1530)

What about the wharves and harbours in Atlantic Canada? For the most part they are in such a decrepit state that we will have to go a far distance beyond the Special Recovery Program funding of the April Budget to modernize, renew and make serviceable the harbours on which our communities depend. The job is not finished, Sir. It has hardly begun. Yet this Budget ignores this important segment of Canadian society and heritage as if it did not even exist. We need dredging. Some of our harbours need dredging in the worst way. The present Minister of Public Works (Mr. LeBlanc) who was the former Minister of Fisheries, I am glad to see is in his seat. He will be well aware, if he looks at his files as far back as three and four years ago, that I made pleas to him to see that the Lunenburg harbour was dredged so that our ships, our draggers, would not scrape bottom at half tide. I have made pleas that Liverpool harbour be dredged ever since 1968 when it was last dredged by the then Diefenbaker Government. Nothing has been done. This Government looks around for make work programs. I am talking about viable, necessary ones that would provide work and ongoing jobs by improving the infrastructure. None of this has been done and there is nothing in the Budget to say that this Government will do anything about it.

During debate on Bill C-170, the Government, while claiming to restructure the fishing industry, proclaimed loudly its intentions to privatize the industry. We on this side expected some mention in the Budget of the Government's future role in this major industry, some statement as to how this Government was going to get out of its management role. But there is not a word in the Budget on this topic. There is no word as well about a tax shelter for vessel owners in order to improve their ability to replace and maintain their vessels and gear.

One of the weak points in the overall restructuring agreements covering the fishing industry in Atlantic Canada was a decision made by the federal Minister of Fisheries and Oceans (Mr. De Bané) to transfer management rights covering 12 Riverport-based scallop draggers from Nova Scotia to Newfoundland. This has caused heartache and headaches to the citizens of Riverport who have said to me, either on the phone or in their letters, "Please, you are a Member of Parliament, what steps can be taken to keep this fleet out of the hands and out of the control of the federal Government?" That, Mr. Speaker, is fear. You can sense it. It is direct fear.

I see you are motioning me to come to the end of my speech, Sir. Two of the fleet have already been transferred out of Riverport. Neither the Newfoundland fisheries agreement nor the September 30 Nova Scotia fisheries agreement give any guarantee that other ships will not be transferred out of Riverport. In addition, not even a hint has been given by the Minister of Fisheries and Oceans or the Minister of Finance that any investment will be made in this community to rebuild or improve its position. I must ask why that is so. We seem to have funds for frivolous expenditures but none for those that are worthwhile. I claim it is time that this Government examined its priorities.

I agree that this country has the potential to shape the world with its wealth, its genius, its imagination and its youth. But nowhere has such promise met with such disappointment, and at no time should it have been met with more urgency. For all these reasons, I am happy to state that I will be voting against the Government, because of its policies which are working a hardship on our people, by voting for the amendment moved by the Hon. Member for St. John's West (Mr. Crosbie).

[*Translation*]

Mr. Deputy Speaker: Order, please. Questions and comments. Debate.

The Hon. the Minister of Public Works (Mr. LeBlanc).

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, I appreciate this opportunity to take part in this debate to express my support for the budget tabled by the Minister of Finance.

[*English*]

The Budget, as the Minister of Finance (Mr. Lalonde) stated, puts into action the process of growth, opportunity, security and partnership which was outlined in the Speech from the Throne. It is a courageous Budget, one which will create a strong and growing economy and generate meaningful jobs. I say it is a courageous Budget because it would have been easy to embark upon a crusade to reduce the deficit in a rapid and chaos-producing manner. This approach would simply have created more problems and delayed economic recovery. The Minister of Finance has taken a balanced approach to reduce the deficit in the coming fiscal year. In fact, the deficit will fall by some $2 billion and it will continue to fall in future years.

[*Translation*]

Mr. Speaker, I said this was a courageous Budget, because the Government is meeting its commitment to help those who are in greatest need, which is borne out by the increase in the Guaranteed Income Supplement for single pensioners. The proposed changes to the pension system are essential to the well-being of those Canadians who have worked all their lives to build this country's prosperity.

Pension reform is of vital importance to most Canadians. I am proud to be a Member of a Government that has not shirked its duties in the field of social policy, a Government that has maintained and, where feasible, expanded its social security system, in particularly difficult times.

Mr. Speaker, during difficult economic times, we must maintain our network of social services because that is when these services become increasingly important. The Minister of Finance has shown this commitment and this attitude by providing more assistance to those who are in need.

[*English*]

I was struck by the remarks of the Hon. Member for South Shore (Mr. Crouse) and by suggestions from Members opposite. They say the deficit should be reduced, but then they suggest a few small expenditures as a magic solution. At the same time they are not really identifying those large reductions which would have to be effected if we were to reduce substantially the deficit. It is really not good enough, Mr. Speaker, for the Opposition to say, "Reduce the deficit, but increase expenditures in particular areas", but not give us the blueprint of how to do it. In fact, the Minister of Finance of that short-lived Government indicated some time ago that if the Tories were to tell us what they might do, perhaps the people of Canada would not vote for them. It is easy to do all things for all people if one only speaks in generalities and if one is unprepared or unwilling to face the difficult choices and to speak clearly. I suspect that Hon. Members across the aisle, especially those from the Atlantic Provinces, remember only too well when the President of the Treasury Board of that ill-fated Government, better known in popular parlance as "Sinc the Slasher", was reducing expenditures when, in fact, he was abolishing job-creation projects. I remember Members opposite, including some Ministers representing certain Provinces, having to run to their Premiers to ask them to intervene and to protect Members and people from the Atlantic region from the reductions being imposed by the then virtuous President of the Treasury Board.

This Government has faced some difficult issues. It has introduced the six and five program and taken leadership in reducing inflation. It has taken a clear stand on medicare. It has acted to create jobs. In my own portfolio, close to $1.5 billion was spent to create much needed construction employment. For those home owners who could have lost their homes because of extraordinary rises in interest rates, we provided assistance and showed that we cared. However, I did not stop there. In the housing area we have actively consulted with the industry associations and with the lending community. We

have listened to individual Canadians who said that they wanted more security and confidence when purchasing their homes. The Budget outlines measures which will foster a return of security and confidence to home owners. I am pleased to say that housing industry associations have responded favourably to our initiatives. The measures announced in the Budget were at the top of the priority list of many associations. They know the Government has listened to them and that their advice has been heard.

● (1540)

I should also say that there is another part of the Budget which is very important to the home-building industry. As Hon. Members know, that industry is largely comprised of small businesses, small builders. Proposals announced in the Budget to simplify taxes for small businesses will be very important to them. In fact, HUDAC is meeting right now in Quebec City and agrees with the Minister of Finance that tax simplification can and should free valuable resources for the critical task of running the businesses and making them grow.

I return briefly to the Mortgage Rate Protection Program, an ideal which CMHC officials have developed with other Departments of Government and in close consultation with the housing associations. Home owners should not have to face extraordinary payment increases at mortgage renewal time. Proposals presented in the Budget allow home owners to protect themselves against large payment increases at renewal time or to have the opportunity to take out longer term mortgages. The cost of this will be borne by home owners themselves. Until now there was no readily available way for home owners to protect themselves. The Mortgage Rate Protection Program in many ways offers home owners the best of all possible outcomes. If mortgage rates decline at renewal time, home owners can take full advantage of the lower mortgage interest rate. If mortgage rates increase, home owners will not face large payment increases. Therefore, the home owner is in a "no lose" situation. He is able to take advantage of interest rate declines and is substantially covered if rates rise. In that way stability and confidence should be restored.

Canadians have traditionally looked to home ownership as the way in which they could control the single largest element of their household budget, but over time with income growth and property value growth, home owners were devoting a reduced proportion of income and wealth to housing. For example, on average home owners spent 21 per cent of their income on housing in 1970. Given income growth and no problems with mortgage renewals, these households would have spent about 10 per cent of their income on housing in 1980, ten years later. The experience of the last few years had changed this perception of home ownership. We saw mortgage payments increase dramatically. In many cases it depended upon the luck of the draw or the timing of the mortgage renewal. This created uncertainty and insecurity and, one might be tempted to say, some inequities. For example, someone who renewed his mortgage in June 1980 would have faced monthly payments 24 per cent higher than someone who renewed in April, 1980. The measures announced in the Budget will help overcome some of these uncertainties. Perhaps an example could make this clear.

Assuming a home owner takes out a five-year $70,000 mortgage at 13 per cent and purchases the insurance plan. The cost of the insurance would be about $11 per month when amortized with the mortgage. If the mortgage rate were to be 18 per cent at renewal time, the home owner would receive close to $6,500 over the next five years to reduce the monthly payments. If the rate were to increase to 20 per cent, the benefits would be close to $11,000. Of course, if the rate were to increase to 15 per cent in this example, the home owner would not receive any benefit as the $100 increase in the monthly mortgage payments should be within normal financial capability.

In effect, the program limits monthly payment increases to be borne by home owners to roughly $100 a month and, beyond that, the program would pick up 70 per cent of any increases in monthly mortgage payments. In a very real way this will limit the exposure of home owners at mortgage renewal time. Stated differently, it should contribute toward enhancing dramatically the security and the confidence of those people who are deciding whether or not to purchase homes.

Consultations with industry representatives have already started and will continue in coming weeks. When the time comes and after appropriate discussion and study, I hope the measures can be presented to the House and that Members on all sides will feel that this program will go a long way toward creating a climate of security and confidence among Canadians who want to own homes.

Mr. Fisher: Mr. Speaker, I would like to take advantage of this opportunity to ask the Minister a question which follows on a meeting I had on Saturday with some very responsible officials of the Peel non-profit Housing authority in my city. The Minister will know that these people administer municipally public non-profit allocations from the social housing program in my area. Also he should know that 1,100 units have been built and are being managed by this authority. They house moderate and low-income families and seniors, and the authority does it very well. Of course it is a public non-profit organization which comes under the supervision of the Province of Ontario. The housing authority has asked me to determine when Ontario's allocation will be announced. We understand that there are ongoing discussions between the Minister's office and the Province of Ontario. We would like to see the allocations as soon as possible. I did not want to miss this opportunity to put in a plug and to tell the Minister, as well as Claude Bennett, that Peel needs at least 300 units this year to stay even.

Mr. LeBlanc: Mr. Speaker, I assume the Hon. Member's suggestion could be interpreted as a representation rather than a question. I certainly hope that we arrive very quickly at a proper distribution of the units. I felt it was my responsibility to ask the public bodies which would be utilizing units in the

social housing program to indicate their priorities so that we could, where our program was involved, try to make allocations as fairly and as quickly as possible to the groups most in need.

My approach to social housing is to try to target the program gradually. Everyone admits that it has not been perfectly targeted. In fact, I wish I had made the remarks which I had intended to make, as I wanted to address the matter of better targeting. We are trying to move in this direction. We have asked the provinces and associations of all kinds to give us their views on the evaluation that has been done of social housing programs. Some are beginning to trickle in. I hope that very soon we can get those who are interested involved in a process of consultation. What is important to remember is that we want to get as big a bang as possible for the federal buck that is being spent on social housing. That is certainly my philosophy.

• (1550)

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Joliette.

Mr. La Salle: Mr. Speaker, although from a distance, I listened as carefully as I could to what the Minister of Public Works (Mr. LeBlanc) was saying. I would like to know, in the interests of all Canadians, whether he could inform the House, in connection with the Mortgage Rate Protection Plan, when approximately we will be advised of the details of this program, and could the Minister also inform the House at what rates the program will protect home buyers?

Mr. LeBlanc: Mr. Speaker, if I remember correctly, the Minister of Finance (Mr. Lalonde) indicated in his Budget that the program will be in effect as of March 1, although it may be necessary to make implementation of the program retroactive, and in any case, he expected that consultations would be held very soon and that we would be able to table appropriate legislation in the House very shortly. Personally and I suppose I am sticking my neck out I have the impression that we will be ready to proceed about the end of March, with legislation that will protect those who will have renewed their mortgages or purchased homes since March 1st. What we want to avoid is to have a very long period during which Canadians who would otherwise have benefited under the program would not be eligible.

As for the fee or rate, if I understood the Hon. Member's question correctly, I suppose he would like to know how much the monthly payment would be. Is that correct?

Mr. La Salle: The rate protected under the plan! What rate?

Mr. LeBlanc: The interest rate! Of course, I gave an example, and, if the Hon. Member would care to look at the next of my speech, he will see that my example was a 13 per cent mortgage. I said there was a deductible of 2 per cent, so up to 15 per cent, the home owner would pay. This could be as much as $100 per month, depending on the mortgage. However, assuming that the homeowner has a 13 per cent mortgage, if the rate rises above 15 per cent, increasing a maximum of 10 per cent, which means up to 25 per cent, the homeowner will be compensated for 75 per cent of the increase.

In other words, this is a plan in which the homeowner does carry part of the costs, as is the case in all kinds of car insurance, and similar arrangements, and we are trying to protect the homeowner against dramatic increases in interest rates similar to those we have experienced in this decade.

[*English*]

Ms. Mitchell: Mr. Speaker, I commend the Minister for his continued support of co-op and social housing, despite some of the biased evaluations in his Department. I, of course, regret that there were not more units. We hope he will be able to do something about that.

There is a critical situation in British Columbia. As a result, I gather, of CMHC policy, co-ops are being prevented from contracting with unionized labour to build co-ops. In some instances the labour movement, particularly the carpenters, are actually putting their pension funds into the financing of co-ops. There is quite a lot of union money going into the financing of co-ops. I gather this is the result of an exemption that was made to the fair wages section of the Labour Code. Will the Minister look into and reconsider this matter? It is grossly unfair. In many cases the product is not up to standard. It is costing a great deal of unhappiness and concern for co-ops, as well, of course, as for workers who are suffering from the great unemployment in the construction field.

Mr. LeBlanc: Mr. Speaker, I apologize to the Hon. Member if I am not able to give an informed and detailed answer to the technical point that she raises. Obviously I will look into it and inform her as soon as possible. The last thing I want to do is to be unfair to anyone.

On her general comment as to co-op and social housing, I remind the House that co-operatives are but one element of the social housing program. It is a very broadly based program covering rural and native people, senior citizens, non-profit groups and so on. These are all potential clients for our social housing programs. I am not usually looking for quarrels with provincial governments, but I may make the suggestion to the Hon. Member that she suggest to her provincial colleagues that they should try to influence the attitude and the programs of the provincial Government of her province.

In the remarks I made to the HUDAC group yesterday, I deplored the fact that in the area of social housing, some rather well to do provinces are increasingly opting out of social housing programs. I expressed a strong hope that they will go back to helping those who are in need. As generous and as willing as we are, the queue of those who need some assistance and need improved social housing is getting longer all the time.

Perhaps the Hon. Member should consider running in another place and expressing her views very strongly.

Mr. Deputy Speaker: The House will now proceed to debate. The Hon. Member for Parry Sound-Muskoka (Mr. Darling).

Mr. Darling: Mr. Speaker, I suppose I cannot get permission to ask the Minister a question because I have now been recognized for debate.

Mr. Deputy Speaker: Let me put it this way. The Minister did not use all of the speaking time allotted to him. By unanimous consent of the House, we could extend the questioning period. Is it agreed?

Some Hon. Members: Agreed.

Mr. Fisher: Mr. Speaker, I rise on a point of order. May I get it clear in my own mind, are you asking for unanimous consent to extend the question period only to the end of the Minister's otherwise allocated time?

Mr. Deputy Speaker: That is a good question. By unanimous agreement we extend the time, or we do not. It is a matter of being reasonable in all circumstances. The Minister had ten more minutes of speaking time which he could have used but did not use. If the House wishes to extend questions and comments for a further ten minutes, I will see if there is unanimous agreement. Is it agreed?

Some Hon. Members: Agreed.

Mr. Fisher: Mr. Speaker, I rise on a point of order. I am sorry to be a nit-picker but I have experienced this before and I would like to be clear in my own mind. Are you asking for an extension of ten minutes only? If so, I would be happy to agree.

Mr. Deputy Speaker: The Chair always does its utmost to be helpful in circumstances like this. I thought I had asked if there was unanimous consent to extend, if need be, the question period for another ten minutes. Is it agreed?

Some Hon. Members: Agreed.

Mr. Darling: Mr. Speaker, I am delighted to see the Minister in the Chamber and also to learn that he addressed the HUDAC Convention in Quebec City yesterday. I, too, commend the courageous Minister of Finance (Mr. Lalonde) on those parts of the Budget that will help housing, such as protecting interest rates and allowing a mortgagor to pay off a mortgage without having to pay an arm and a leg. How were the Minister's remarks to HUDAC received? What did HUDAC think of the items in the Budget? Did they feel they go far enough? In today's Question Period it was mentioned that there is 33 per cent unemployment in the construction industry, which is tragic. That construction industry is very important to the economy of Canada. I think the Minister will recall the time when the Government, and more power to it, had a special incentive grant of $3,000 for new house construction. That was a shot in the arm. I am sure that the Government got its $3,000 back many times in sales of houses, in income tax, sales tax and so on.

• (1600)

I would appreciate the Minister's comments on an incentive grant like that to stir up the economy, and also on what HUDAC would like.

Mr. LeBlanc: Mr. Speaker, I would gladly have given consent for the Hon. Member to continue because I know his interest and knowledge in this subject.

I am somewhat at a disadvantage because I cannot speak for HUDAC; I can only interpret its reception of my speech. While I cannot qualify its reception of it because my modesty obliges me to be restrained, I thought the speech was received with as much good will as it was delivered.

I can say to the Hon. Member that at least two of the ideas, the one for the mortgage rate protection plan and the other of a mortage backed security which should trigger longer term mortgages, were ideas on which HUDAC had been consulted and which it supported very strongly. I think it supported the measure introduced by my colleague, the Minister of Consumer and Corporate Affairs (Mrs. Erola), on the subject of buying out from a high interest rate mortgage.

I should say that the national association indicated quite clearly in the speech that the incoming President made that it did not favour a $3,000 stimulation at this time. It took a rather strong position on not increasing the deficit, feeling that whatever benefit we might get from a $3,000 incentive of the type we had about a year ago, if it did trigger a dump in the interest rates, then in the long run it would have a negative effect on the housing industry.

Its support for the mortgage rate protection plan is very much inspired by the same preoccupation that we have, I believe, which is for the restoration or establishment in the industry of confidence and a climate of security, especially on the part of potential home buyers.

Some months ago I said that I thought I needed a psychologist to reassure people, more than an economist. I still feel that way. I think that we have to promote the idea that if you do invest in a home or in a major purchase of that type, you should have at least a guarantee that the type of roller-coaster interest rates we saw some time ago and on which I reflected in my speech, would not bring hardship to those purchasing homes.

I hope I have answered the Hon. Member's question.

Mr. Deputy Speaker: Order, please. The answer was rather lengthy. The Hon. Member for Edmonton West (Mr. Lambert).

Mr. Lambert: Mr. Speaker, I wonder if the Minister could indicate what he feels will be the effect on new housing construction starting later this year when the 1 per cent increase in excise tax on building materials goes into effect.

This is one of those hidden tax proposals included in the Budget of last year. There is a considerable effect on government revenues as a result, supposedly, according to the Minister of Finance (Mr. Lalonde), of that 1 per cent increase in sales tax on building materials to 6 per cent.

Mr. LeBlanc: Mr. Speaker, I expect that these are judgment calls which all Ministers of Finance make at one point or another. I feel that if there is a negative effect, certainly it must be reduced by the fact that we are looking at an inflation rate which has been dramatically lowered and we are also looking at stability in wage rates in the building industry. The HUDAC representatives who spoke this week interpreted that as a positive element in their planning process. In fact, the President of HUDAC was rather vigorous in saying that the industry had historically thought that it could learn to live with inflation by simply passing the cost on to consumers. He advocated a program of restraint and measures that would keep inflation under control.

I suspect that those factors are probably quite a bit more important than the 1 per cent the Hon. Member discusses.

Mr. Wenman: Mr. Speaker, in view of the fact that it takes from five to nine days for a piece of first class mail to reach Ottawa from Vancouver, there are still a series of $3,000 grant appeals before the Minister. Speaking of just those appeals, and not opening anything else up, and because the problem was caused by the mail, would the Minister consider giving special attention to those cases that missed the deadline? The stamp on the envelope could be taken as the reference point.

Mr. LeBlanc: Mr. Speaker, I have tried to take as generous an interpretation of the problem as I could. In a case where documents would indicate that a home owner or home buyer had made a commitment, wherever possible I have interpreted in favour of the home buyer.

I might say that I do not quite understand the Hon. Member's question about nine days. Applications were made to the regional office, and therefore they would have been in contact with CMHC offices within the province. I am not sure, therefore, that this is a valid issue. Certainly, where I have been able to interpret in favour of the applicant, I have tried to do so. I know there are some disappointed people, and I can assure the Hon. Member that I never sign those letters with any sense of satisfaction.

Mr. Young: Mr. Speaker, I want to go back to the question of social housing. In his comments a few minutes ago the Minister reiterated comments of officials in his Department about transferring money from CMHC which had previously been used for co-op housing to the private sector and not to social housing. He spoke about the "biggest bang for the buck! It seems to me that when we talk about the biggest bang for the buck, surely we are talking about providing adequate, good housing at affordable prices to those thousands of people across the country who cannot afford any housing at all.

It seems to me that co-op housing is the route that provides many young married people who cannot afford to get into the private housing market, with an adequate good supply of housing.

I am distressed when I hear the Minister repeat what his officials had been flying kites about a couple of months ago in which there was a clear indication that the Government was going to change its policy in that direction. If I am mistaken and the Minister was not implying that, I would like to hear him say so.

Mr. LeBlanc: Mr. Speaker, I am beginning to regret that I did not read the four extra pages that I had on social housing. I tried to speak to items in the Budget Speech and for that reason I did not use those remarks.

The fact is that, first of all, co-op housing and social housing should not be equated. Co-ops are a form of social housing. There are some good co-ops and there are some less than good ones. The Hon. Member did not touch upon one of the most difficult problems in the area of social housing, particularly co-op housing, and that is the issue of targeting. In other words, Mr. Speaker, the obligation which a group in a co-operative plan has is to have at least 15 per cent of clear assistance. This percentage is obviously too low. We are now working with a co-op group to see how we can increase it. In fact, we have talked about avoiding ghettos, and trying to correct what possibly was a distortion when, perhaps, we had much more money than we have now. The problem is that for co-ops or other forms of social housing—which are comfortable, and I do not deplore this at all—the queue of those who are waiting to get in is getting very long. I am sure the Hon. Member, who represents a Party which is to the left, would want to find a way for the program to help more and more of those who are in real need.

• (1610)

Mr. Deputy Speaker: Order. The extended time has elapsed. We will now proceed with debate.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is a privilege to have the opportunity to speak on the Budget. To begin with, I presume it is in order to say a word to the Minister of Public Works (Mr. LeBlanc) in the form of a question which perhaps he could answer following my remarks, that is, that I hope the Government is continuing two of its very important programs, namely, RRAP and the Rural and Native Housing Program. The Minister and the Cabinet should be given full marks for those very important programs. I believe you will agree, Mr. Speaker, representing as you do a rural riding, that they are job providers and also that you take advantage of those two programs because they certainly help the economy of the country.

With respect to the Budget of the courageous Minister of Finance (Mr. Lalonde)—I believe that is how the Minister of Public Works addressed him—or was it the courageous Budget? However, he was a courageous Minister to have brought that Budget in. I will concede, as will a good many Hon. Members from all sides of the House, that there were some very good points and positive proposals in it. For

instance, the guaranteed income supplement for the estimated three-quarters of a million senior citizens will be increased by $50 a month over the coming year. It will not be all at once as, I suppose, some hoped. However, they will receive $25 a month from July 1 and then $25 a month starting December 1.

However, the sad part about it is that it is restricted to single senior widows or widowers. There could be couples who are finding it hard to get along on the present amount of money because of high rents and, in the case of home owners, the cost of fuel over the severe winter we have just experienced. It does benefit some, that is true, but there are still a lot of senior citizens who are left out in the cold.

I also look favourably on the announcement that low income pensioners, many of them immigrants, who receive partial old age pensions, will be able to qualify for additional guaranteed income supplements so that now they will have the same guaranteed minimum retirement income as do other Canadians.

Another positive step is aid provided to small business by the simplification of tax measures. The corporate tax form will be shorter and simpler, fewer special situations will exist in small business tax laws. Growing small businesses will have increased access to tax savings and their savings in administration and consultation costs will be substantial. Of course, a good many of us who are small businessmen ourselves say amen to that, but why has it taken so long for the Government to wake up and improve this situation?

As the Minister of Public Works himself pointed out, the mortgage interest protection plan is a good idea. He has outlined what a mortgage will cost after a five-year or 10-year term. I believe he mentioned that a $70,000 mortgage would cost about $11 a month to insure. After the tragedies of a few years ago, I presume that most people will consider an extra $11 a month to protect their homes to be certainly well worth it. Of course, they must pay the first 2 per cent of the higher rate, I believe, but I would hope that most of them will be able to look after that increase.

Again, on a positive note, I must comment on the idea of doing something for the farmers. The farm community is probably one of the hardest working sectors of our economy, and the sector which does not get the breaks. I have said before and I will say again, "Farmers buy everything retail and sell their products wholesale". It is said that all farmers live poor but die rich, if they have a big farm. But if farmers wanted to sell their farms, of course, under the previous legislation, the Department of National Revenue would step in and take a substantial amount of the price of the farm. This has been remedied with an annuity plan for farmers in the amount of up to $120,000, and more power to them for that. Finally the Government is waking up and is giving some relief to the farmer who will be handing the farm down to the next generation, the son or daughter.

I will give the Government full marks for these good things, and that may be unusual coming from this side of the House, but I will say that it is about time the Government woke up. The federal sales tax will remain at the manufacturer's level, where it should have been left in the first place. Whoever the idiots were who were twisting the arm of the Minister of Finance to change it, I hope that they are put out to pasture now. One glaring error has been rectified. Most of us are aware that Japanese and Europeans cars received a special break of $200 over domestically manufactured cars. I cannot imagine anything more idiotic. I understand that has been looked after so that cars manufactured in Canada will be able to compete, at least taxwise, with European cars.

The Budget has been described as neither stimulative nor job-creative. It is clearly a political Budget. I would say it is an election Budget. The Minister himself, I believe, stated that there is no other Budget on the horizon at the present time. I am one of those who feels that political as the Budget is, there is no election going to be called in the next two or three months. There is very little in this Budget which addresses the most important concern of Canadians, that is, the unemployment situation. This is the tragic and sad part of it, Mr. Speaker. There are things in the Budget, as I say, which are positive, but there is nothing of a meaningful and lasting nature as far as employment is concerned. The Minister made much of the fact that there was $150 million for youth employment, and $150 million may sound like a heck of a lot of money. However, as far as jobs are concerned, that would only provide jobs for about 10,000 of our youth—and when I say "youth", I mean young people up to the age of 25—and where does that leave the other 400,000 or more unemployed youth? They are still waiting and looking for a job. Something must be done to help all our unemployed, but especially the unemployed youth. After four years of Liberal economic promises, the Finance Minister tells us in the Budget that he is dedicated to building a strong and growing economy, an economy which will generate lasting, meaningful jobs for all Canadians who want to work, an economy which will provide the economic opportunity and security all Canadians seek. Those are wonderful words, Mr. Speaker, but we can say to the Minister of Finance, "Come on, Mr. Minister, where have you been? Canadians have been saying this for a good number of years". How can we believe him now? Rest assured, most Canadians do not believe him, nor will they forget that when the next election comes along.

The 1981-82 recession was the worst since the 1930s. The real GNP fell by 6.5 per cent between the second quarter of 1981 and the fourth quarter of 1982. According to the January, 1984 Conference Board report, the Canadian economy is heading for a disastrous year, possibly another recession in 1985. That certainly is a gloomy forecast. Canadian factories are operating at only 71 per cent of capacity. One worker in nine, almost 1.5 million people, is officially unemployed. These are hardly circumstances which enhance dignity, create opportunity and provide security, Mr. Speaker. According to this Budget, unemployment will exceed 1.1 million people until at least 1988. That is four years down the road. Even with an economy forecast to be on the upswing, it is alarming to think that four years down the road the Government—and I expect

it will be as optimistic as possible—is giving a figure of over one million unemployed.

● (1620)

There is nothing in the Budget to address the disastrous state of the federal Government's balance sheet. Indeed, the Budget clearly indicates that between $15 billion and $20 billion of the deficit is a permanent structural deficit. I believe it is one dollar in four which goes to pay interest on the national debt, and within a year or so it will be one dollar in three. There is also nothing in the Budget to address the problems of low income Canadians under the age of 65. As for the economy, the Budget's financial projections hinge on what are overly optimistic assumptions of economic growth. The Government sees continued strong real growth of 4.9 per cent this year and 3.5 per cent next year. However, StatsCan has recently warned that the recovery is losing its vitality and the Conference Board has predicted a growth of only 3.3 per cent this year and .3 per cent next year. That is not too optimistic. This is significant as the consequences of highballing the growth projections are to paint an overly optimistic picture.

Expenditures rise at a slower pace in periods of strong growth while revenues rise at a faster pace. This rosy economic forecast is due in large part to two unrealistic assumptions. The first is that all the available evidence suggesting poor levels of capital investment is wrong. The second is that the savings rate falls to levels unheard of as consumers spend the economy into further growth. The Budget also predicts a 5.2 per cent inflation rate this year. As inflation at the end of 1983 was only 4.5 per cent, the clear projection is that it is going up.

Whether all of this is right or wrong depends on what happens to the economy this year. The Minister of Finance, probably for political reasons, chose to bring this Budget down before he obviously knew what the figures were, so he is guessing. We will not even have the first estimates for the growth of the economy in the last quarter of 1983 until later on, probably at the end of this month. Ignorance may be bliss for a Minister of Finance who is overly optimistic, but it sure hurts the ordinary citizen. In the Minister's case, he based his economic forecasts on stale data, choosing not to notice that things have taken an adverse turn recently. Therefore, who is right, the forecasters or the Government? No one knows for sure, but there is no reason to assume that a Department of Finance which has failed completely to foresee the 1981-82 recession must be right when it sees no slowdown at the present time.

On the most important issue of all, unemployment, there is too little, too late. In the recent Budget the Minister said that none of us can be satisfied with more than 1.4 million unemployed Canadians, our children, relatives, friends and neighbours who cannot find jobs. However, Mr. Speaker, that does not include another 500,000 who are not counted in the overall figures because they are no longer drawing benefits, they are either living on welfare or eking out an existence on their savings and probably some part-time work. This is certainly a tragedy. However, it is obvious he is not disturbed enough to do much about it. His own projections say there will be an average of 1.3 million of our friends and neighbours out of work until 1985, and this is an optimistic assumption about growth. If the Conference Board of Canada staff and other like-minded economists are right, employment will be rising instead of falling.

What was the Government's reaction to this possibility? Make work projects and a great deal of money announced in the Budget by the Minister was money and projects pledged in previous announcements and previous Budgets. As I said before, the only actual new, hard cash is the $150 million earmarked for youth employment.

The Minister of Finance's deficit numbers are worse than he expected last year. Yet he has made no aggressive move to close the gap. In the 1983 Budget he forecast that the deficit would drop by $2.5 billion in the fiscal year starting this April. He then put the 1984-85 deficit at nearly $29 billion. Now he has forecast a deficit to be about $30 billion for the coming year, only $1.8 billion down from the fiscal year ending this March. It becomes obvious that the Minister of Finance had to work very hard with his officials to make a stand-still Budget look as though it were going somewhere. Where it is not going is what really counts.

What about taxes, Mr. Speaker? This Budget contained no major tax increases, but it did not have to; the April, 1983 Budget took care of that. In addition, there are delayed increases in unemployment insurance premiums built into the tax structure through existing legislation. Many of these taxes are hidden taxes, and here are some of them. The federal sales tax would be increased by 1 per cent for the period October 1, 1984 to December 31, 1988. The new rates will be 6 per cent on construction materials, compared with 5 per cent. This was brought up here earlier this afternoon and this is not going to help the building industry. There will be a 13 per cent tax on alcoholic beverages and tobacco instead of 12 per cent, and 10 per cent instead of 9 per cent on other taxable goods. The $100 standard medical deduction is eliminated starting in the 1984 taxation year, and receipts will now be required for all charitable and medical deductions.

Another example is the Child Tax Credit. The income threshold above which the Child Tax Credit is reduced by 5 per cent for every $100 of household income will be de-indexed at the 1982 level of $26,330. As income rises with inflation, it will mean fewer and fewer people will qualify. The Canadian ownership special charge is a bruising tax. It takes money out of the pockets of every Canadian every time he or she pulls into a gas station. The tax is equal to four cents a gallon and it was originally imposed as a temporary measure for the purchase of Petrofina by Petro-Canada. It has been extended as a permanent revenue tax. I suspect this will probably surface again once the election is under way.

● (1630)

How does the Minister help domestic demands in this Budget? He does not help them at all. As far as I can see, this is because he increases the taxes and takes four times the

revenue that is given back. He might help demand if he did away with this Canadian ownership tax. He would also help consumer demand if he did away with the 1 per cent increase in the federal sales tax. This is a regressive tax which hurts everyone. This increase in the sales tax will take $365 million which is needed out of the economy.

In closing, Mr. Speaker, the Government is running on borrowed time. One indication of this is the $300 million which was earmarked for job creation. A further breakdown of funds shows that the Province of Ontario, with 421,000 unemployed, received $56.4 million. In comparison Quebec, with 416,000 unemployed, received $85.9 million. Ontario has more unemployed than any other province. It received $26,320,850. Of this, $18,400,000 odd went to Liberal ridings with less than $3 million going to Conservative ridings under the Special Employment Initiatives Program.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member but his time has expired. The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) for debate.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, it is no secret that the biggest economic issue throughout Canada and thewestern world is unemployment, especially youth unemployment. For the past four years this has been my major preoccupation. Between 1980 and 1982 I served as the chairman of the task force on employment opportunities for the eighties. Since early 1983 I have served as Chairman of the Standing Committee on Labour, Manpower and Immigration which has been studying a reference dealing with unemployment.

Recently a number of members from that Committee attended an OECD conference on the subject of employment growth in the context of structural change. Having listened to many groups, experts, educators, trade unionists, business people and others involved in the field, I have come to the very strong conclusion that double-digit unemployment is not necessary and not inevitable and, with the right policies, co-operation and political will, we can make great strides in bringing down that high unemployment rate. There are lots of jobs to be done everywhere in this country at all levels. They are not in place because they are not being financed. There are people to be helped, resources to be developed and services to be provided. Where are these jobs and how do we get them?

I will give a few examples from areas in which I have worked. There are many examples of shortages of skilled, committed workers. As a former Solicitor General I saw that in the area of corrections we had and still have parole and probation officers carrying caseloads of 60 to 1 and 70 to 1. Most people suggest such case loads should be about 30 to 1. We have shortages of policemen in this country, especially specialized policemen working in preventive policing and on youth squads. In areas of special education we are lacking people to help educate handicapped people, slow learners and the blind. We are short of people to work in areas of alcohol and drug rehabilitation, recreation and leisure. There is a great shortage of people to work with the aged and with health care, preventive and curative.

In my work with the Standing Committee on Health, Welfare and Social Affairs this week I have heard witness after witness indicate that there are shortages of skilled and semi-skilled workers in the health field. There is much work to be done. People are not being taken care of because the trained employees are not there to do that job. With respect to literacy and retraining we hear a lot of talk about the need for retraining during the structural change we are going through. There are lots of jobs there as well.

When the Canadian Council on Social Development appeared before the Standing Committee on Labour, Manpower and Immigration a few months ago, they indicated that there are 300,000 jobs with groups associated with their council which could be done but are not filled because they do not have the financing. These are principally jobs in the area of personal services.

There is a lot to be done in the country and a lot of unemployed people not doing those jobs. There is a mismatch. There are things to be done but unemployed people are doing nothing. How do we change that situation? First of all we make our economy as efficient and competitive as possible. We encourage the rapid introduction of new technology. By doing that it is true that we might lose some jobs in manufacturing. That new technology may replace workers who are doing things with older types of technology. However, by doing that we are keeping those industries in Canada rather than losing them in the long run. If we prop up inefficient industries, sooner or later we will not have those industries at all. Therefore we make them as efficient as possible, keeping the wealth producer in Canada and taxing that wealth producer.

We will have very profitable industries that may not be able to employ as many people as they did in the past, but will produce wealth and profits for the Government to fund the personal services which are in great demand in the health field, the educational field, the correctional field, the crime prevention field and in recreation and labour. I could continue naming areas where things have to be done.

At the OECD conference the representative of the Ontario Federation of Labour referred to the Luddites who destroyed the machines because they felt the machines were taking their jobs. Jobs that are oppressive and boring will be replaced by more interesting jobs with the proper retraining and upgrading.

That brings me to the question of retraining. If we are going to encourage and bring about the introduction of technology to make our industries as efficient and competitive as possible, we need the proper adjustment and retraining policies. This requires a very strong commitment to retraining, upgrading, life-long education, paid educational leave policies, broader and more flexible apprenticeship programs and movement at a much faster pace to the co-operative education model which we see at the University of Waterloo and the University of Sherbrooke and which is becoming more widespread in

Canada. We need an expanded right to train while on unemployment insurance and support for part-time and shared work so that those jobs have the pension rights and all the benefits of full-time work. We need support for the people who must take this retraining. For a middle-aged person who has a wife and two children, who is put out of work because of structural change in his field, to go into a retraining program which is good for him and for the economy, he has to have support while he is on that retraining program. We must have good mobility policies so that the people can move to the areas of the country where the new industries are being created.

Mr. Blaikie: You are going to need retraining after the next election.

Mr. Allmand: I am trying to be serious, Mr. Speaker, and I ask Hon. Members to be serious as well.

● (1640)

We must also make a commitment to full employment. I accept that the concept of full employment is hard to define. Certainly it does not mean 100 per cent employment because in any dynamic economy there will be obsolete industries going out of business and new creative industries coming on line. Therefore employees will be leaving the work force, going into training and coming back into the work force. There will be a margin of unemployment because they will be retraining and upgrading. Nevertheless, we need that commitment to full employment, no matter how it is defined.

It is interesting to note that when the Government made the commitment to full employment, we almost achieved full employment on two occasions since World War II. Under a Liberal Government in 1945, with the introduction of the white paper on employment and income, full employment policies were introduced. Between the period 1946 and 1953, there were unemployment rates of about 3 per cent. The second time was in 1964. With the publication of the first annual review of the Economic Council a commitment was made to full employment, and we had unemployment rates of 3.8 per cent between 1964 and 1967.

The commitment to a full employment policy is important. On those occasions in this country when we made that commitment, we almost achieved it.

Other measures which can be combined with those policies are adjustments in our working time schedules. By this I mean the shortening of the work week. In doing so, the aim is to achieve full employment and improve the quality of life. Let me quote from a study in Europe. According to the European Economic Commission, half a reduction in working hours translates into extra jobs and the other half translates into increased productivity. In other words, if the Canadian work week were reduced by 10 per cent, say from 40 hours a week to 36 hours a week, that would produce a 5 per cent increase in jobs which would cut our unemployment rate almost by half.

I should point out to the House that there was a time, which many of us will remember, when we had a 60 hour work week. If that 60-hour work week still existed, we would have an unemployment rate of 40 per cent rather than 11 per cent or 12 per cent.

The reduction in work hours is not something new; it has been a steady trend throughout this century. It does not mean lower productivity. It is combined with the introduction of machinery which is far more productive and thereby releases people to do other things, such as retraining, upgrading and taking part in cultural and leisure time activities.

We should combine our commitment to full employment with adjustments in our work time schedules. We also need an industrial strategy, an industrial strategy that is made in consultation with business, unions and the educational sector. It must be a strategy which would make the best use of our resources, our work force and market potential. It has to be clearly articulated, long term and tied to our Government policies at all levels with respect to financing, training and adjustment policies.

I believe that Government policies introduced over the last three or four years and in the last two Budgets have been moving in this direction. For instance, we have a new National Training Act. We have a commitment to the introduction of high technology. There is a commitment in the latest Budget to mobility policies, job creation, subsidization of internship jobs and so on.

One of the most important measures was the establishment of the Centre for Productivity and Employment which I believe is a great step forward. It is one of the few occasions in many years when organized labour and business have come together to solve problems in this country.

Having said that, I suggest that more is needed. We must have more support for personal, social and health services employment. There should be more help to those established voluntary groups that work in the voluntary services field, such as the John Howard Society, the YMCA and halfway houses which provide needed services to many people. This might also involve the implementation of the give and take policy under the tax system for these voluntary groups which, as I said, would supply jobs and very needed services to Canadians. It might also mean that we would amend our labour codes in order to encourage the shorter work week.

In conclusion, let me sum up the message I want to leave with the House today. First, we must encourage our industries to become very efficient and competitive. This means first-class management and first-class technology.

Second, this must be combined with a commitment to labour that benefits and profits derived from these efficient and profitable industries will be channelled into the creation of new jobs, especially in the area of personal services.

Third, combine this with policies leading to a shorter work week. I emphasize a shorter work week, but with greater production, which is possible.

We must dispel the pessimism which is abroad in this country that we must live with double-digit or high unemployment. We must spread optimism, which I believe is realistic. It is not being Pollyannaish or rose-coloured. Full employment is

possible if governments at all levels, the private sector and public sector, management, labour and education co-operate. One government cannot do it alone. The public sector cannot do it alone. We must all agree to move in that direction. If we have the political will to do this, we can bring unemployment down by a country mile.

Mr. St. Germain: Mr. Speaker, I was fortunate to be at the OECD conference with the Hon. Member. I think he forgot to mention a fact that was pointed out at that meeting by those countries that are recovering as being clearly required. It is that investor confidence and the private sector were the keys to recovery. When he cites the jobs that will be made available, he merely cites jobs in the public sector.

Would the Hon. Member explain to the House why he left that particular facet out? Japan and the United States, which have the strongest economies and show the greatest decrease in unemployment and the most stable economic picture, were the countries that clearly stated that the private sector had to be motivated again. Would he comment on that?

Mr. Allmand: Mr. Speaker, when I referred to policies which would enable industry to be as efficient and competitive as possible, I was referring to the private sector. Well over 90 per cent of our industry is in private sector hands. Of course, there must be confidence to invest in the private sector. I was suggesting that governments—I do not mean just the federal Government—unions and management must co-operate in developing policies which will allow the private sector to move as quickly as possible into new technologies in order to be competitive. I might have used different terminology but when I talk about an efficient and competitive industrial sector, it is the private sector. While there are other sectors in private hands, I was talking principally about that sector.

It is true that there is 2 per cent to 3 per cent unemployment in Japan. However, Japan's social and economic structure is quite different from ours. There are massive conglomerates that are involved in many fields. You may find that there is one company that is involved in transportation, chemicals, construction materials, electronics and so on. When obsolescence in one of those companies comes about, the Japanese redirect or reassign their employees to another part of the company, with retraining given. I must say there seems to be very good co-operation in Japan between government, labour and management.

● (1650)

The Japanese system is not the same as ours. The United States is closer, but while the United States has had some improvement, as we have had, I doubt whether one could claim that the U.S. today has a satisfactory employment or unemployment situation. Unemployment in the U.S. is a few points lower than Canada; but in both countries it is still much too high and we both have a long way to go to reach what the Japanese have achieved in terms of unemployment.

Mr. Orlikow: Mr. Speaker, I have a question for the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). He has expressed his support for the idea that we should work to have a full employment economy. He has referred to the period just after World War II when we had full employment. The Liberal Government of that day issued a white paper which promised the people of Canada that we would have full employment. The Hon. Member has referred to the Economic Council's report in the early 1960s that said that we had very low unemployment at that time. Since that time we have had a Liberal Government, of which the Hon. Member has been a part, and our unemployment has gone from about 4.5 per cent to 5 per cent in the early 1960s to over 11 per cent at the present time.

The Minister of Finance (Mr. Lalonde) in his Budget Speech, which we are now debating, has indicated that we will have double-digit unemployment for the next four or five years. Obviously, this Liberal Government is not as committed to a full employment policy as the Hon. Member for NDG and is not doing very much to accomplish that. I would like the Hon. Member to explain why his Government is doing so little to achieve the purpose to which he says he is committed, namely a job for every Canadian who wants to work?

Mr. Allmand: There is no doubt in my mind, Mr. Speaker, that the highest priority of this Liberal Government today and for the last year has been employment and the problem of unemployment. It is true that the Government has not made the commitment to full employment. We can debate that. I personally believe there should be that commitment, the same as the Liberal Government had in 1964 and in 1946. The highest priority has been employment. One need only look at the Budget, the Speech from the Throne and last year's Budget of April, 1983 to see that employment is a very high priority.

On the other hand, I think we are in a situation today which is quite a bit different from 1946 or 1964. My colleague, the Hon. Member for Mission-Port Moody (Mr. St. Germain) will confirm—because he was at the same conference—that many countries in western Europe are concerned with the structural change that is taking place. We are into a massive revolution of technology and a lot of displacement is going on. I am still committed to a full employment policy because I think by having it you are more likely to achieve it. There is a lot to be done. It is much more difficult to achieve than to state.

Mr. Blaikie: Mr. Speaker, I have a question for the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). How does he expect Canada will be able to cope with the structural changes going on in the global economy if we do not have a Government committed to giving the kind of direction to investment that will be necessary if we are to get through this transition period? Many countries which seem to be handling what is going on in the world economy better than we, are countries where governments take a much more active part in the direction and planning of investment. Here we have on the part of the Liberal Government for all intents and purposes a virtual abdication to international market forces and to the private sector. There is no political will on the part

of that Government to direct investment at all so as to make sure Canada does survive the transition.

Mr. Allmand: Mr. Speaker, I think the Hon. Member is exaggerating the situation. He says the Government has no policies whatever. I have in my hand a document which is available to him as well as to myself, put out by the Department of Employment and Immigration, entitled: "An Inventory of Federal Employment and Manpower Measures". Among those measures—if I were to read them it would take another 10 minutes—are many direct job-creation programs in that Department, many programs to assist employment. There are other Departments, such as DRIE, Agriculture and Fisheries, which also have policies to create employment.

That having been said, one of the difficulties in this country, and I suppose a benefit as well, is that we are a federal state. I see situations from time to time where we have governments at one level wanting to go in this direction and governments at another level going in another direction. Britain and France are unitary states. The United States is a federal state but most of the economic power is in the hands of the federal Government, the central Government.

I am not saying that things are perfect here, I admit that. I would like to see us go much further in co-ordinating this employment policy about which I have been speaking. But to say that nothing is being done is not fair, nor is it correct. I know, because I am a member of this caucus, that the highest priority of members of this caucus is the easing of unemployment. We have done quite a bit. We have created a lot of jobs. But for the long term, I am suggesting some measures that could still be taken that would improve the situation.

Mr. St. Germain: Mr. Speaker, I have one question for the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). I do not doubt the honest intent of the Hon. Member having worked and served with him on standing committees. However, on the question of shortening the work week, I think the Hon. Member will agree that shortening the work week is a very controversial issue in economies in the western world today. The Hon. Member cites extra jobs and improved productivity as part of the shorter work week. First, given any information that has been received, this is one side of the coin, not necessarily the picture from the actual job creators, and on that I think the Hon. Member will agree. Given the state of the economy in Canada and the plight of small business—I am not saying big business that has been propped up by government—in this time of recession and low profits how can he possibly suggest that we go to the small-businessman and ask him how he can shorten the work week and maintain the status quo on wages?

Mr. Allmand: Mr. Speaker, I admit the proposals for a shorter work week are controversial. In West Germany I believe it is the steel workers who have now put on the table their demands for a 35-hour work week. That proposal is being very strongly opposed by the employers and the German government. However, I attended a conference last year at which Swedish representatives from all sectors were present. They made a point that this is essential but it can only be moved forward in an expanding or a recovering economy. I would suggest that we are in a recovering economy, an expanding economy. If you do move to the shorter work week, of course, it has to be done as a trade-off for other benefits. Obviously, if you want higher wages you cannot have—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member but he can only continue at this time if there is unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Allmand: If you are going to have the shorter work week, no union will accept a cutback in wages; but some, as in West Germany, are willing to accept a curtailment in the increase of their wages in exchange for the 35-hour week. That can be done by increasing employment in a recovering and expanding economy.

● (1700)

With respect to the Hon. Member's question about the small business sector, I am not suggesting that the shorter work week be imposed. Principally that has to be achieved through collective bargaining. I am trying to put the argument before the House that it has benefits not only in terms of lifestyle but in terms of employment. I recommend strongly to unions, governments and managers that where it is a subject of collective bargaining, they look at it seriously.

In terms of the small-business sector, in many cases they are not unionized. When one has only three, four or ten employees, it is very difficult. Very often those employees work much longer hours; they do not work labour standards hours. I am suggesting that we can achieve it in two ways—principally by collective bargaining, which would not apply in many respects to the small business sector; and, second, through labour standards.

We have a Labour Standards Code in the country. By the way, labour standards have been improved by legislation at the federal level. Whether it is the minimum wage, fair employment practices or whatever, something could be done in terms of amending the labour law to provide labour standards to bring about a shorter work week in our transportation and communication industries, which are large industries.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Budget we are debating has been described by at least two columnists who write regularly about economic matters as having been produced by the use of smoke and mirrors. We have been told by the Minister of Finance (Mr. Lalonde) and by other speakers on behalf of the Government that the recession is over; or, if it is not quite over, we are moving away from it. This is despite the fact that there are 1.5 million unemployed people at the present time.

Also we were told that the Budget was designed to help people who needed it most. However, when we analyse the details, we see that 80 per cent of the benefits which will flow from it will go to those in the middle and upper-income

brackets and that the needy will receive a few dry crusts of bread.

Particularly ignored in the Budget are Canada's young people. Over 500,000 young people, almost 20 per cent of all young Canadians, are unemployed at the present time. While the Minister of Finance has been able to give large tax breaks and concessions to the wealthy and to corporations, he was only able to find $150 million in new money for job creation for Canada's youth. That will provide jobs for less than 1.5 per cent of the more than 500,000 unemployed young people.

If one wants to see how the federal Government really looks at the problems of young people, one just has to look at some of its major decisions about education and improving the skills of young people. The remedial literacy programs operated through the Department of Employment and Immigration have been reduced over the years so that many young Canadians lack basic educational skills. It has been estimated that almost 30 per cent of Canadians are functionally illiterate. That is a disgrace. Funding for the Social Sciences and Humanities Research Council has been cut back this year. This will have a devastating effect upon post-graduate students and upon the ability of Canadian universities and colleges to meet their faculty needs in the 1990s. Bill C-12 was passed recently in the House over the objections of the provinces and Opposition Parties. It limited the increase by the federal Government for post-secondary education for the coming year to 5 per cent, which is much less than needed. The $150 million allocated for job creation for unemployed youth will give temporary jobs to only 1.5 per cent of those unemployed.

The Budget papers of the Minister indicate that he foresees double-digit inflation for the next number of years. In other words, he sees very little decrease in the next four years or five years. We are in danger of losing a whole generation of our youth. Not since the hungry 1930s have the prospects for our young been so dismal. I graduated from high school in the 1930s. Many of the young people who started school with me did not graduate. However, the majority of those who graduated in my year were unable to find jobs. When the former Leader of our Party, Mr. Douglas, who was then a Member of Parliament, suggested a fund to put people to work, he was told that the money could not be found. In 1939 war broke out and suddenly there was no problem about money. All the money needed was suddenly found and every Canadian had a job if he was not in the armed forces.

We believe, as do most Canadians, that for the foreseeable future most jobs will be provided by the private sector. We live and will continue to live, as do nearly all people in the western industrialized world, in a mixed economy in which some people provide services, be they employed by a federal, provincial or municipal government or some agency such as a hospital funded by public funds. However, most people work in the private sector. That will continue as far ahead as anyone can foresee.

Given the world-wide recession we are facing at the present time and with which we have been living for the last few years, it is obvious the private sector cannot provide all the required jobs. As the economy is improving, most companies will be able to manage with less workers than they had before or, at most, will rehire some of their senior employees. That forebodes very serious problems for young people who are now unemployed. If the private sector cannot provide the jobs for those who want jobs, we believe the Government must be able to provide them for every Canadian who wants one. The Government should accept that responsibility, a responsibility which the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) accepted in principle.

Particularly hard hit at the present time are young people living in the core area of our cities—young native people and new immigrant children. Their education has been proven to be deficient. The only jobs they may be able to obtain if the economy picks up are low-paying, unskilled, boring, dead-end jobs, most at minimum wage or slightly more.

The federal Government played a major role in permitting immigrants to enter Canada. It permitted or encouraged native Canadians who for generations had lived on reserves to move into our cities. Cities such as Winnipeg, Regina, Edmonton and Vancouver now have large native populations. Among that group the unemployment rate is 20 per cent, 30 per cent and 50 per cent, not 10 per cent or 11 per cent. On the reserves the unemployment rate is 80 per cent or 90 per cent. Having been responsible for encouraging people to emigrate to Canada, the federal Government cannot ignore those people and say that they are the responsibility of a province or a city. It has the duty to play a major role in helping these people adjust or integrate into urban life which until now it has refused to do.

We do not need the plethora of individual job-creation programs, many of which are designed for political purposes, as we heard so graphically and clearly during Question Period today. Many of them are changed every year, so people do not know what kinds of job programs are available.

We need also a national youth policy. The year 1985 has been designated as the International Year of Youth. We should use that occasion to focus on the contribution that our young people can make to Canadian society. The federal Government can play an important role in this area.

• (1710)

The most notable changes in Canada in education in recent years have been the increase in the number of young people getting instruction in one of the official languages, French in English-speaking Canada and English in French-speaking Canada, and in vocational education. Both of those programs, which are the most significant changes which have taken place in the educational system in Canada in the last 25 years, came into effect as a result of the initiative of the federal Government, the federal Government putting money into those programs. If the federal Government could do that, it could initiate a national youth policy which would put the young people of Canada back to work.

We have had examples of programs which have worked, some better than others. How can we learn what will work

except by doing? We have had federal programs such as Opportunities for Youth, the Local Improvements Program, Canada Works and Summer Canada. Each of these has indicated in a small way what can be done if there is a will.

By a national youth policy, I do not mean a blizzard of individual youth projects, many of which to date have helped mainly middle and upper-income youth. Such a policy is urgent because of the changed position of young people in our society. It is generally agreed that major institutions for youth, our schools, have somehow been unsuccessful in meeting the needs of young people.

I was a member of the parliamentary task force on employment in the eighties. We travelled across the country. At our hearings we heard from employers, service clubs, labour and educators. They told us that young people coming out of our schools have not been trained to do the jobs which are or will be available. To a large extent, their education has been designed in a vacuum, designed in the offices of provincial departments of education or individual school divisions. There has been virtually no consultation with employers, labour and educators. I am talking about the teachers in the classroom. The last to be asked what they need and what they should have are the students.

We need a great deal of decentralization, rethinking and consultation. We need to involve our young people in not only identifying the problems but in helping to work out solutions. We know from experience that our young can take innovative approaches. We need to have them help us design programs that will work so that they can have the work they want and need in the next few years.

How can we apply a national youth policy? I am not talking about a policy designed by Ottawa, the Department of Employment or any other Department. I am talking about a policy worked out in consultation between the federal and provincial governments, labour, management, educators and our young people. If we are going to adopt a national youth policy, and we need one, we should first hold a national conference, bringing together not just representatives from the federal, provincial and municipal governments, but representatives of our young people as well as labour, management and educators to see the situation that exists. We need local participation and decentralization instead of what we have had up until now—single-minded decisions being made from the top down here in Ottawa.

We need to encourage demonstration projects. I talked earlier about programs we have had in the past, such as Opportunities for Youth and the Local Improvement Program. Some did not work but many were a great success. To my knowledge, an analysis was never made of the projects which were funded to see which worked, which did not work and whether those that worked could be used as examples.

In Manitoba, when Governor General Schreyer was Premier, for the first time in any province we had the development of a native teacher training program. It has been a tremendous success. Information as to what occurred in Manitoba was not passed along to the other provinces. Provincial representatives were not asked to come to Manitoba to see if they could establish similar programs. We need a series of demonstration projects, funded by governments, so that young people can decide what are the local issues and work on them. It would show what young people can do and would deepen the public perception of the kinds of programs that are needed.

We need resource centres in Canada. Cities would assist in the collection and dissemination of information on projects, the evaluation of projects, development of the recommendations for legislative and policy changes as experience would demonstrate. Our program for youth should be pluralistic and decentralized. You do not have to be an expert to know the tremendous problems that are not being dealt with and in which our young people could be involved. It would not only create employment for them, but begin to solve some of the major problems which are being ignored.

Let me illustrate with a couple of examples. In recent years a number of very important studies have been done. They indicate that because of inaction and shortage of funds from the federal and provincial governments, our forest industry, one of our major industries in terms of employment and providing foreign exchange, is in tremendous danger. Unless steps are taken immediately, 25 years from now there will probably be 50,000 to 60,000 less people working in this industry. We need a major reforestation program. This is not a wild-eyed dream. Franklin Delano Roosevelt did this in the United States in the 1930s in the midst of the Depression. If he could do it then, we can surely do it in Canada in the 1980s.

We need to clean up the environment. Our environment is being degraded every day in every way. Our water, air and soil are being destroyed. It is easy for the Minister of the Environment (Mr. Caccia) to go to the United States and say that they must do something about acid rain. We have Sudbury, Thompson and Flin Flon. I am sure there are thousands more examples where Canadian industry is creating major problems and is a major factor in the destruction of our lakes, our soil and our air. How better could we tackle this problem than by putting our young people to work.

• (1720)

Those are a couple of ideas that I have, Mr. Speaker, but let me give one more. In the centre or core area of every city in Canada we have homes that are 50, 75 or 100 years old. When they were built people did not know anything about insulation. They use much more irreplaceable energy than they ought to and they need to be upgraded, insulated and retrofitted. Insulating a house is not expensive and it does not take highly trained people to do it. There is not a better project for a major objective than the insulation of our old homes.

There is a great deal to be done in the country and we need the will to do it. Unfortunately, the Budget indicates that the Government has neither the will nor the desire to deal with the major problem of unemployment among our young people with which we are faced at the present time.

[*Translation*]

Mr. Deputy Speaker: Order! Questions, comments, debate. The Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Dubois).

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to be taking part in the debate on the Budget today and to have this opportunity of making a few comments on the Budget that was brought down last week—last Wednesday, to be exact.

Mr. Speaker, there have been many comments to the effect that the Budget did not do enough for job creation, and that it did absolutely nothing for the low-wage earner. My colleague from Beauce (Mr. Lapointe) does not share that view, and in fact, he was one of those who praised the Budget ever since it was brought down here in the House, and he has done so in his riding and elsewhere.

Mr. Speaker, I would like to speak to two specific items in the Budget today. I see that my colleague from Manicouagan was listening, and I am sure that all his constituents will benefit from the information I will be giving, which the Hon. Member can include in his parliamentary bulletin, with quotes from other Members here in the House today. Mr. Speaker, the proposal offering improved security for homeowners is the one described in the Budget Papers on page 20 and also in a small brochure published under the title "Improved Security for Homeowners—Proposals for a fairer and more flexible mortgage market."

Mr. Speaker, as far as the job creation situation is concerned, there is an expression in French: "Quand la construction va, tout va", which translates quite well in English: "When the construction industry is OK, everything is OK". The construction industry does provide an extraordinary number of jobs in Canada and Quebec. If we look at what the situation was in 1981 and 1982, the construction industry was affected by fluctuating interest rates. We must not forget this fact, Mr. Speaker, which is also emphasized in the brochure I referred to earlier. The brochure is very informative and is available on request. Hon. Members will recall that, in 1981 and 1982, 20 and even 21 per cent of young couples anxious to build a house would come to us and say: "Listen, is there anything the Canadian Government can do to improve the current situation? Do you think there might be a way so that the high interest rates . . ." That was the only thing we heard about. That is why we launched a program in 1982 to spur new home construction and sales of existing housing units. That amount of $3,000 was seen as a boon by contractors in Quebec and in the rest of Canada, and people who had always been renters before were able to buy a house, even an older one, thanks to that $3,000 grant. Indeed, new home buyers were also eligible for that $3,000 grant.

The program covering existing housing units ended in December 1982, but the other one for new houses was extended. There were a good many applications, to the point that the extension of the program had been announced in the Budget Speech of October 27, 1982 when the House resumed.

• (1730)

Perhaps I should explain why I am describing that situation. At the time, new housing starts increased dramatically and the real estate market was very active. Of course, the Canadian Mortgage and Housing Corporation did its best to process grant applications as quickly as possible. I would suggest that the home building boom had a significant impact on job creation. Now then, why can I say in the House that keeping interest rates in check is a source of new jobs?

Obviously, Mr. Speaker, mortgage rates can vary from 10, 10.5 and even 11 per cent over a one-year term. Slight adjustments can probably be made for three or five-year terms. However, those interest rates—Is it possible to have an increase in interest rates? Could there be ups and downs as we had in 1981, unfortunately, when the Government had to intervene through assistance programs for prospective homeowners, again with $3,000 grants? In the Budget and the budgetary Bills, which will follow, we are telling present homeowners, this is quite important—as well as future homeowners that they will he provided with some sort of mortgage insurance or guarantee and that their mortgage rates will be protected. This means that any individual or young couple who wants to build a house and get a mortgage will be assured of some stability in his mortgage payments on the condition that he pays 1.5 per cent of the mortgage up to a maximum of $1,050 for this protection. Accordingly, contractors can promote new residential construction by telling these future homeowners: "With the program implemented by the Canadian Government, you get protection as you will be sure of the amount of your mortgage payments." Some years ago, Mr. Speaker, you could borrow for 25 or 30 years at 6 per cent. What a security this gave homeowners! There are still some of them around today, although not too many. Of course, the economic situation was not the same and interest rates were not what they are today. There have been many changes and fluctuations in our economic system. What kind of security did these homeowners have, these people who may have been our parents or our friends and who had their homes built in 1965 or in 1968 and who were able to borrow for such long periods?

People who are now provided with this protection will be able to say: "Then, let us build our house!" The construction industry is a great producer of jobs, as it was recognized by the Canadian Government in its June 1982 Budget, as it was recognized in its April 1983 Budget and as it is recognized once again in the Budget brought down last week. This is a job-creating industry. Thanks to the protection given to homeowners, we will be witnessing a remarkable sequence of events. First, the builder gets a contract and he then hires people to

build the house. This might seem to be rather simplistic but this is really what happens. The contractor therefore hires five, ten, 15 or 20 people, something he would not do if he did not have a contract. In addition, when he buys building materials, this causes the building supplies retailer to hire more people. There is also the tradesmen involved in the construction itself, such as the people who lay the foundations, as well as the people in the various trades, who are very important. In this industry, especially in Quebec, workers need certification cards. However, many of them are available and willing to work. They are just waiting for such an opportunity.

The document lists the main advantages of this provision. If I may, Mr. Speaker, I would like to enumerate them very briefly. First, there will be protection and security against excessive increases in mortgage rates. Second, borrowers' rights will be strengthened. Third, a wider choice of mortgage instruments. Fourth, a more flexible mortgage market. Fifth, greater stability in mortgage costs, andfinally, fewer risks in taking out a mortgage.

Equally important, these proposals have not been restricted to one type of housing. We have tried to cover the entire industry so that more Canadians can take advantage of this program. Consequently, more construction workers will find jobs in their own field and earn good wages. We know that in the construction area, wages are rather attractive and that workers in that sector can do well.

To what group of individuals would that protection apply? We are told that it would apply to the principal residence including single and semi-detached houses, condominiums, mobile homes, the unit occupied by the owner in a duplex or an appartment building.

Mr. Speaker, we wanted to address the whole housing situation. I think that this series of opportunities is really extraordinary for people who say: "I cannot afford a $45,000 or $50,000 house, but I would like to buy a mobile home. I have just begun to work. I may get satisfactory wages for my one year of experience but I cannot borrow to build such a house." Many Canadians are in that situation or could say: "Well, I would rather buy a duplex or part of a duplex or a mobile home." Mr. Speaker, there is a great deal of mobile home construction in the Beauce area. Companies who make those units are large and thriving. They will benefit from this program and so will the constituency of Bellechasse where a lot of household electrical appliances are manufactured. There have been many programs aimed at taking over appliance firms to keep them in business. They will now reap the spin-off benefits in various ridings. I would like to say a few words about the houses in Schefferville, although it may be a somewhat peculiar problem. As my colleague has said, the federal Government is paying to have those houses move so that they can be used by others.

In fact, what I would like to point out, Mr. Speaker, is that we cover the whole range of possibilities in the construction sector. Hence, we cover the low income earners. Mr. Speaker, one could argue that as far as mobile homes are concerned, some models can be quite sophisticated and command stiff prices. Indeed, Mr. Speaker, if people need or want houses of this type in a wide range of sizes and prices, that's fine. Mobile homes are factory made and are one kind of very decent housing. This means that low income earners can actually buy them and benefit from this guaranteed protection, which does not apply only to new houses. For these reasons, I believe we really help home owners, we help people who are facing tough times and cannot meet increases. This applies to everybody since first mortgages will be eligible. As for second mortgages . . . Of course, lower ranking mortgages and so-called vendor take-back mortgages will not be eligible, except that it will be possible for people renegotiating their mortgage. What it says is how to proceed to secure this mortgage protection; the fee will be 1½ per cent of the amount of the mortgage to be protected up to a maximum of $1,050. And how will the program work? Well, the booklet fully describes the situation. What is important also is that, as mentioned in this very useful booklet, the program will pay three-quarters of any increases in monthly payments resulting from a rise of more than 2 percentage points in the mortgage rate. In effect, there will be a 2 per cent deductible.

● (1740)

Therefore, what is important—some figures are quoted—is the relevant amounts. What is also important in connection with job creation and the homeowners whose situation has changed and who want to make prepayments . . . There existed perhaps some problems resulting from the legislation dealing with interests and some adjustments were needed. And some mortgage contracts had a variety of prepayment penalty provisions which was also a source of problems. It is a well known fact that due to inflationary pressures and the economic crisis, interest rates had increased significantly—

Canadians who, at one time, had taken out a mortgage for a number of years found themselves compelled to renew their mortgage and were faced with increases in interest rates as high as 16, 16½, 17 or even 20 per cent. To some of them, this situation caused real hardship. Now, the interest rate situation has considerably improved, although prepayment problems still exist. If we had not made any change, these homeowners would have been unable to prepay their mortgage without paying exorbitant penalties.

I suggest that what we intend to do about the mortgage guarantee plan is important, Mr. Speaker, for the small wage earner, the worker, and also the builder who will create jobs, as he is a very important source of employment in that industry.

In the little time I have left, Mr. Speaker, I would like to deal with a subject matter of particular interest to my constituency, namely the subject of tax assistance to farmers, the roll-over of farm capital gains. We know that over the years,

some farmers have accumulated capital, although they may not have had enough cash each year to contribute to an RRSP, a retirement savings plan. Or if they did, it may have been for smaller amounts than other taxpayers.

Clearly, there have always been farmers which were very well off. As in any other area of economic activity, there are people with smaller assets amounting to the capital accumulated in their farm, which they could, so to speak cash in immediately if they decided to sell. And this is why over the years, they were able to amass capital without contributing to as RRSP because, for the better or for the worse, they were living off their farm. Their financial situation was stable, but in a way they managed to balance their budget thanks to what they could get from their land but did not necessarily have enough cash to contribute to a retirement savings plan.

But when they sold, it became very important for them to be allowed to deduct the $120,000 in capital gains on the sale of their property and to invest it into a retirement savings plan. This deduction is allowed for a ten-year period, from 1972-1983, provided one has ownership on December 31, 1983.

In other words, for that gain to be transferable to a RRSP the farm property must have been held by the taxpayer or his or her spouse on December 31, 1983.

So much for the agricultural sector and since last Wednesday, I have already received many comments, Mr. Speaker, from farmers who welcome this change regarding a RRSP.

Mr. Speaker, for these reasons, I think this is a Budget which, regardless of what some may say, provides for stability, and continuity and that it contains some job-creation proposals that will reassure many people, including farmers and small businessmen, and will allow our economy to sustain its growth and forge ahead so to speak, as it did a few years ago, but in fits and starts since then.

[*English*]

Mr. Taylor: Mr. Speaker, I was interested in the comments of the Hon. Member concerning capital gains. I was also interested in the comments made by the Hon. Member for Sudbury (Mr. Frith) the other day when he stated that farmers would now have $240,000 tax free. I tried to question him on that but was unable to get the floor.

Before asking my question, I might just say that a farmer's farm is his pension. He has no other pension. He works 20, 30, 40 or 50 years building up an asset, pays taxes all through the years, and when he gets to retirement he expects to be able to sell the farm to get enough money to buy a home in the city and live comfortably—not extravagantly—in his usual way for the rest of his life while looking after his wife and family if he has one. The regulations say "up to $120,000", which makes me wonder why the Hon. Member for Sudbury said that every farmer would have $240,000.

I do not expect the Hon. Member to answer for the Hon. Member for Sudbury, but I do want to ask whether this $120,000 is based on the price of the land or the size of the farm. If a quarter section farmer with 160 acres sells it for $200 an acre, that does not come anywhere near $120,000. A half section farmer with 320 acres sells for $200 an acre, which is a pretty good price in most places, which would be $64,000. Leaving aside expenses, $32,000 of that would be subject to capital gains taxes. What proportion of this $120,-000 is he now going to be able to get tax free?

• (1750)

[*Translation*]

Mr. Dubois: Mr. Speaker, regarding the question about my colleague the Hon. Member for Sudbury (Mr. Frith), I must indicate at the outset I have not read his speech. Therefore, I am obviously not in a position to comment on what he said. All I can say about the situation of that particular person is that he deducted over $60,000 . . . You have to remember the actual amount depends on the number of years he has owned his farm. If he owned his farm between 1972 and 1983 and he really wants to put in $10,000 at that time in order to get the maximum benefit, he will be able to do it. I am aware that he could not claim $120,000 if he sold his farm for $60,000 but according to the notes I have here, he could claim as much as $10,000 multiplied by the number of years he has owned his business. So, according to the document, half of the taxable capital gain in such case would be $10,000 multiplied by the number of years between 1972 and 1983, if he has been a full time farmer during that period. That is the way I understand it and I stand to be corrected, but as far as the special deduction is concerned in the case mentioned by the hon. member, half of the taxable capital gain would be $10,000 multiplied by the number of years which have elapsed between 1972 and 1983. As far as the rates are concerned, there may be other explanations. Now, if my colleague is not fully satisfied with the answer I gave him, perhaps we could check with the Finance Department and obtain an answer. I would gladly send him a letter to that effect. I agree with him when he says that farmers who live and work for several years on a farm . . . My father was a farmer and I know that during several years he worked from dawn to dusk, and this is his only pension! I see that he is nodding his head meaning he agrees with me on that subject . . . and there was an opportunity there to help them.

Now, to answer more specifically, I can assure him that I will get in touch with the Finance Department in order to find out, based on the example he gave us, what these $60,000 will give him as exemptions under this program.

Mr. Deputy Speaker: Debate. The Hon. Member for Okanagan North (Mr. Dantzer).

[*English*]

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, usually, as do other Members of this House, I express my pleasure at being able to speak because I still consider it a great honour. But on this particular occasion my feeling is what I may describe as a sense of profound discouragement. I have not

been here that long, only about four years, but year after year, Budget after Budget, nothing ever seems to happen. In the last four or five years this country has experienced high interest rates, decreased productivity, high unemployment, and almost every economic ill over the last 30 or 40 years. Every time the Budget has come forth they have said it will clarify and solve our problems. However, Budget after Budget things just get worse.

By way of example, let me point to one item, the deficit. The annual deficit is predicted in this Budget to go to over $30 billion. That figure is so high I really do not understand it. Four years ago I fought an election and my campaign was based on a deficit the Liberal Government had left behind of some $10 billion. That figure was so high I am sure a lot of people did not understand it and could not appreciate how big it was. It is now three times that much.

We are told again this year the Government is going to reduce the Budget. We have been told that every year, and every year the Budget goes up. When we criticize the size of the Budget, the Government says the United States has a predicted deficit of $180 billion this year. Our population is only one-tenth of theirs. In relative terms that would mean if they had a deficit in their Budget the size of ours, their deficit would be close to $300 billion. Therefore you can see how badly off we are in this country.

Canadians are now realizing more and more that no government, business or family can continue year after year to spend annually more than it takes in. At the moment the Government has to borrow a third more—

Mr. Deputy Speaker: Order, please. May we have order in the House please?

Mr. Dantzer: Thank you, Mr. Speaker. How long can this Government survive? Another area which this document fails to discuss satisfactorily is unemployment. It has been said before and will be said again that in most areas this Budget does nothing. It is discouraging, Mr. Speaker. I am discouraged and I am sure the Canadian public is discouraged. At the moment over 11 per cent of the Canadian labour force is unemployed. In my province of British Columbia that figure rises to over 13 per cent. In my constituency of Okanagan North the rate is almost 18 per cent, and those are only the ones who register. Employment officers there tell me the figure is probably far higher than that and from my travels around my constituency I believe them to be correct.

Another serious aspect of this problem is that many of those unemployed are young people aged 16 to 24. That is the really serious problem. It is very hard and discouraging for a young person, who may just have gotten married, to get out of university and find that he cannot find a job for the first, second, third and fourth month, and still cannot find a job after a year. How long is that very fragile marriage going to last? That is the type of thing we are seeing across the country. A whole generation is going to be lost unless we find jobs for our young people.

Nowhere in this Budget is anything but gloom and doom indicated. The Budget indicates that over the next four years this horrendous figure is expected to remain pretty stable and unemployment will not decrease very much, even though the Budget takes a very optimistic view of the economic conditions which the country will face over the next few years. That optimistic view is not supported by many experts. We are dancing on a very thin line here, Mr. Speaker. I hope that the Minister's predictions in this filed are correct and that the economy does continue to grow and expand.

In January of 1980 the Prime Minister (Mr. Trudeau) was seeking election. He said in Toronto: "We have an economic program for the eighties which will enhance dignity, create opportunity and provide security". After listening to four years of the Government's dismal programs I say those are some programs, some opportunities and some security. We have deficits rising, unemployment rising, and indeed in this last month we have inflation rising. Nothing in the Budget does anything to solve any of these very severe problems.

I could continue to speak about deficits, unemployment, interest rates, lack of consumer demand or the poor productivity in our country which was not addressed in this Budget. These are all essential issues which have been addressed before in this debate and will be addressed again. It is apparent that the Budget has failed to answer any of these difficult problems in the country. However, I wish to spend some of my time tonight talking about some social issues this Budget attempts to address.

The Minister of National Health and Welfare (Miss Bégin) yesterday spoke of pensions. During her address she said she looked upon pensions as the next important issue which we in Canada will have to discuss, address and solve in the area of social affairs. Mr. Speaker, I hope she means by that the next big social issue is the one after the unemployment issue. I believe she made a Freudian slip and really reflected that the Government thinks unemployment is not very important. Certainly the Budget would indicate that. It only allocated an additional $150 million to solve the problem of unemployment. I think that in her statement she reflected the importance which the Government puts on unemployment.

I will be the first to admit, since I have been deeply involved in the study of pensions over the last four years, that pensions are a very important problem. I would like to remind that Minister and the Government that unemployment is the first key social issue we have to solve. There will be no money for pensions or any social services if we cannot solve the unemployment problem. You cannot split up a pie if there is no pie to split up. The Minister and the Government should recognize that and then go on to the pension issue.

In the Budget the Government did make one small, tentative step toward solving the pension issue which they have debated at length for the last four, five, six or seven years. I would like to be positive. I would like to give the devil his due. These are good steps. They are the beginning of what I hope will be a continuation of policies which will increase and strengthen our pension program.

In 1981 we had the first Canadian pension conference. About 18 months ago we had the green paper. About a year ago a task force on pensions was set up which reported to Parliament just before Christmas. As a result of that I am glad to see the Government has acted in certain specific, limited areas. Under employer-sponsored plans under federal jurisdiction they propose several things which I think are very good and I commend them for it. The Government has indicated it will look seriously at amending that particular federal Pension Benefits Standards Act to make sure pensions under that jurisdiction will have some inflation protection. They have proposed 60 per cent of the increase in the CPI to a maximum of 8 per cent. The task force also proposed inflation protection. They proposed that inflation protection should be the CPI minus 2.5 per cent.

I would like to call it six o'clock, Mr. Speaker.

Mr. Deputy Speaker: Order. It being six o'clock p.m. this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, February 23, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Wednesday, February 22, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Crosbie (p. 1445).

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am pleased to continue my remarks on the Budget which I began yesterday. Yesterday I said the Budget really does not offer any solution to the economic distress we find ourselves in today. After many years of Liberal government we find ourselves in a quagmire of economic uncertainty. If Members opposite do not know what a quagmire is, *Concise Oxford* defines it as a "quaking bog". We are in a quaking bog of economic despair at the moment. The unemployed in Canada are quaking with fear. The businessmen in Canada are quaking with uncertainty and this Budget has done nothing to solve any of the problems which we find ourselves facing.

I also said yesterday that the Budget has one bright light in it. I am prepared to give the devil his due. This Budget does indicate the first faint steps toward the Government providing a rational pension policy. Hon. Members will recall that the task force on pensions reported to the House last December. Perhaps I am prejudiced because I was on that task force, but I believe it provided a very comprehensive report, an outline of steps which could be taken in the country to provide one of the best pension systems in the world. I am pleased to see that the Government has taken some steps in that direction. First, under the employer-sponsored plans under federal jurisdiction, it proposes to open up the federal pension Benefits Standards Act in order to provide some of the measures we suggested in the task force report.

• (1110)

With respect to inflation protection, it was quite evident in our travels throughout Canada that this was one of the main concerns about most private pensions. The system is inconsistent since some have inflation protection and some do not. We believed there was a great need for this measure because the high inflation which existed in the early 1980s caused some people to end up with pensions that meant absolutely nothing, although they had contributed to them all their lives. Since they had made no other plans they were in very difficult circumstances.

The Government's proposal is to provide the plans under federal jurisdiction with some 60 per cent of any increase in the Consumer Price Index. That is not quite as good as the task force proposed since we proposed full indexing less 2.5 per cent. I suggest it will be shown when inflation reaches approximately 8 per cent that the task force scheme was the better one. However, little is better than nothing and I commend the Government for that.

It also proposes to bring in vesting after two years. Vesting means that a person who owns his pension can carry it with him. This is of particular benefit to women who change jobs frequently and often in their early years. It is important that vesting begin as soon as possible. I commend the Government for taking this step because it took a certain amount of courage. I know from our experience that industry is not yet prepared to accept the two-year vesting period. They would propose five years or a combination of the two.

The Government has also acted on a proposal which was in the green paper; that is, to establish registered pension accounts which will make portability a possibility and not just a dream for many people. It is very important to have portability in this country because people move a great deal. Under this scheme as well the employer can contribute to the employee's pension. With two-year portability, I think that will be very beneficial indeed.

The Government also proposes certain measures that will be of benefit to women. Let me mention them briefly. One is the continuation of survivor benefits on remarriage. This is a most logical step. There is no reason why a woman who is the recipient of a survivor pension should have it taken away from her when she remarries. This should apply to men as well. I am glad that this rational concept has finally been adopted by the Government and I hope it will be implemented. I can assure the Government that at least I will not oppose any legislation in that regard.

The splitting of pension credits upon the breakdown of marriage is a concept which I believe has been generally accepted throughout the country. That will also be put into the Act when it is opened up.

I think it is most interesting to note that the insurance industry is having a hard time accepting the notion of equal annuities without regard to sex; in other words, the acceptance of unisex mortality tables. I suspect that our Bill of Rights

makes this a necessity but it will be interesting to see how that is worked out.

There is more talk of greater disclosure for pensioners and more representation on pension boards. All of these are very good concepts.

However, as is usual with the Government, it does not fully implement its programs. It brings in these programs gradually and does not expect them to be fully implemented until 1987. There is no need for that delay. Those concepts are well established and understood. Certainly I would like to see them come in more quickly.

I see that my time is getting short. I would merely conclude by saying that I believe, as I said at the beginning of my remarks, that I was discouraged by the Budget and I believe the people of Canada are discouraged.

This is 1984, the year George Orwell predicted a catastrophe. I would like to remind this House that for the first time in our history we are spending over $100 billion this year; at least, we will be when the Estimates are in. That is $100 billion worth of spending as though we are a bunch of mad, drunken sailors. Government borrowing this year will be $29.2 billion. The total personal savings of Canadians is only $32 billion, which means that the Government will have to demand from Canadians $92 billion. Where is the money that will provide the investment, the engine, to carry this country on to economic activity and success? It surely cannot be from personal savings because the Government will have to take all of that to service its debt and to cover its overspending of past years.

• (1115)

I tell you, Mr. Speaker, any country where governments, including provincial and municipal governments, take $10,306 in taxes from an income of $22,000 is a country that is really in deep trouble. The people of Canada are very, very discouraged with this Government, and this Budget does not do a thing to relieve them of that discouragement.

Mr. McKinnon: Mr. Speaker, it is seldom that we have an opportunity during the Budget debate to get information from the Government on pensions. As the Hon. Member for Okanagan North (Mr. Dantzer) has done a great deal of study on this subject, I would like to put a question to him.

The Acting Speaker (Mr. Herbert): Order, please. I think it is clearly understood that questions and comments should be on the speech of the Hon. Member who has just concluded his remarks. I think there is a manner in which the Hon. Member can work his question into that context.

Mr. McKinnon: That is precisely what I was doing, with respect, Mr. Speaker. The Hon. Member was speaking about pensions. Has the Hon. Member been able to determine whether these reforms would permit the continuation of benefits on remarriage? I notice that in the Budget Speech the Minister of Finance (Mr. Lalonde) said, under the heading of "Improving Pensions for Canadians", that "these benefits will not end if an individual remarries". But he was speaking of the things he hoped to get into private pension plans. Later on in his speech, under the same heading concerning the Canada Pension Plan, he spoke of the continuation of survivor benefits on remarriage.

Has the Hon. Member been able to find out what the Government intends to do about the existing pensions, such as the civil service and armed forces pensions? Will that be coming about in 1987 or when the Minister of National Health and Welfare (Miss Bégin) gives her long-awaited speech under the Canada Pension Plan heading?

Mr. Dantzer: Mr. Speaker, as I understand it, the Government's Budget proposes to deal first with those things under its legislative jurisdiction, the Pension Benefits Standards Act. The Government also proposes to talk to the provinces on the Canada Pension Plan to bring in some of the reforms as proposed under the Canada Pension Benefits Standards Act. So far I have not been able to ascertain whether that will apply to civil service pensions, to the military or to the RCMP. I would be very shocked, as I am sure everybody will be on this side of the House, if when the Government brings in that proposed legislation the Government does not also include those particular Bills which cover the civil service, policemen and members of the armed forces. I see the Minister of Consumer and Corporate Affairs (Mrs. Erola) nodding her head as if she is saying yes. I hope that is correct. If it is not, I can tell you, Mr. Speaker, we might have some delay on this side of the House.

Mr. McKenzie: Mr. Speaker, I have a question for my colleague, the Hon. Member for Okanagan North (Mr. Dantzer). It concerns one of the more serious problems in Canada regarding pensions. It has to do with delays in processing veterans' pensions.

• (1120)

Recently in Ontario a veteran obtained 5,000 names on a petition to be presented to the Minister of Veterans Affairs (Mr. Campbell) complaining about pension delays. Would the Hon. Member support a Bill to limit the time that the Pension Commission and the Department can take to process the pensions of veterans? I have suggested before that a maximum period of six months should be allowed in which to deal with the three stages. If the Department cannot process a veteran's pension within six months, he should automatically obtain the pension he requested. Has the Hon. Member studied that proposal or given any thought to it?

Mr. Dantzer: Mr. Speaker, I am sorry to say that the terms of reference of the task force on pensions did not cover that particular aspect. However, my desk, as well as the Hon. Member's desk, is full of examples of veterans dying before their assessment has been made. The number of veterans is decreasing every year. Obviously the Department is well staffed. One one seems to understand why there is such difficulty in assessing what should be fairly clear according to the norms laid down in terms of whether people are entitled to

pensions. I support that kind of suggestion. It could prove to be a solution.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I rise to take part in the Budget debate, confident that the provisions before us will ensure that more Canadians enjoy a brighter and more secure future. I would like to pay tribute to the Hon. Member for Okanagan North (Mr. Dantzer) for the work he did as a member of the pension committee and the fact that he endorsed many of the measures the Government brought forward in the Budget. That committee sat for the better part of a year and worked diligently to come forward with recommendations, many of which the Government has adopted.

This morning I will address more specifically Canadian women by focusing on those aspects of the Budget of greatest benefit to women. I speak, of course, of the proposed reforms to the retirement income system. It has been said time and time again, and will be said for a long time, that whether a Canadian woman works in the labour force full-time or part-time, whether she stays out of the labour force to raise a family full-time or temporarily, or whether she has never held a job in the labour force, chances are that she can expect to be poor in her later years. She can expect to be poor in what should be the golden years of her life.

As Minister responsible for the status of women, I have consistently refused to accept that this situation must be the standard lot in life for women in the country, women who have made every bit as much a contribution as their male counterparts. A few months ago I appeared before the parliamentary task force on pension reform, at which time I outlined the plight of retired Canadian women. It was clear to me then, as it is clear to me now, that pension reform must take into account the needs of women, just as past legislation has taken into account the needs of men.

Most Canadian women who today are over 65 years of age and single were homemakers for all or part of their adult lives. Others who had never married or were widowed early have been members of the labour force. These women share a lamentable fate in their twilight years. As elderly single women they fare worse under the current pension system than any other group in Canadian society. We on the Government side recognize the problem facing single elderly women. We recognize that 68 out of 100 will end their lives alone. I am confident that the pension reform measures announced by the Minister of Finance (Mr. Lalonde) will go a long way toward improving the lives of these women.

Any discussion of reform of the retirement system can only begin with the guaranteed income supplement, the GIS. Good as all the other measures are—and I will go into them—the GIS clearly represents the most single important reform affecting women in both the short term and the long term. Let me explain why. The GIS measures are immediate whereas other pension reforms, even if they are legislated tomorrow, and I agree they cannot come too soon, would take many years to have a full impact on retirement income.

• (1125)

Second, no matter what type of pension reform is implemented, women's pensions will continue to be lower than those of men for the foreseeable future. This unfortunate situation results from the simple fact that, outside of federal jurisdiction, women do not have equal pay for work of equal value legislation. Because the wages women earn tend to be lower than wages earned by men, and because pensions are based on earnings, those pensions will continue to be lower.

Allow me to repeat that the legislation soon to be introduced to reform the GIS will respond immediately to the needs of Canada's least privileged senior citizens. In fact, the increases will benefit about 750,000 pensioners, a full three-quarters of whom, something like 553,000, are women.

Parliament will soon to be asked to raise the GIS rate for single pensioners and one-pensioner couples by $50 a month. This represents an increase of more than 20 per cent, an increase which will be made in two stages: $25 beginning July 1 of this year and a further $25 beginning December 1. When coupled with the universal old age pension, these measures will ensure that no single senior citizen receives less than $600 a month, or $7,200 a year. Indeed, the increases will raise the guaranteed income for elderly single Canadians, mostly women, to more than 60 per cent of the amount paid to couples.

I should point out that this reform of the GIS is based on recommendations made by virtually all women's groups and has also been supported by business and labour organizations. In addition, some 3,000 pensioners receiving partial old age pensions, most of whom are immigrant Canadians, will be assisted in the coming year by increased GIS benefits designed to raise their minimum income to the level of other pensioners.

I think it would be useful at this time to provide Hon. Members with some concrete examples of how increases to the GIS will improve the lives of typical women pensioners. Let us take a couple of test cases.

In the first case, consider a woman who is the survivor of a one-earner couple, who has been a homemaker all her life and whose husband earned the average wage. On December 1 this year when the full increase in the GIS is in effect, she will have an estimated total income of $716 per month, compared to $646 now. The increased income would be made up of $274 in OAS, $232 in CPP survivor's benefit and $212 in GIS. A single woman who had earned a typical female wage all her life would also now receive $716. How? This increase would be made up of her Old Age Security of $274, a CPP employment benefit of $232 because she had been in the work force, and what is really important is that despite the fact that this woman had been in the work force all her life earning an average wage, she would still require the GIS of $210. That is why this pension reform is so important. It means a guarantee to all women in the country, whether they have been in the work force part-time or full-time or whether they have been homemakers all their lives.

Other women now in their late seventies or older who had neither a CPP employment benefit nor a CPP survivor's benefit would receive an income of approximately $600 per month, up from $534 per month.

• (1130)

I would like to turn now to the second most important area of pension reform for women, second only, that is, to the proposed increases to the GIS. The GIS is absolutely the cornerstone. I cannot stress enough how pleased I am that the Government is now going ahead with proposals which were put forward by myself, as well as many women's groups, regarding pension credit splitting. Of course, I am speaking about the splitting of pension entitlements between spouses for pension plans both—and I want to stress the word "both"—in the private and public sector.

The sharing of pension entitlements is essential to be equitable, to reflect the different contributions of each spouse to a marriage, and to reflect the reduced consumption of both partners in a marriage to save for retirement. These benefits must be available equally on retirement, on separation or on divorce.

In so far as proposed amendments to the Canada Pension Plan are concerned, automatic fifty-fifty splitting of pension credits when the younger spouse reaches age 65 has my full support. Similarly, I am sure that the provision for fifty-fifty splitting of CPP credits upon marriage breakdown, unless waived by both parties in writing, will be widely supported by women throughout the country. In fact, virtually all women's groups recommended such pension splitting as did, I am happy to report, a majority of business and labour interests. These improvements await only the concurrence of the provinces, which I am sure, with the widespread support which exists for these measures, will be forthcoming shortly. I believe one Hon. Member just a few moments ago asked when this would happen. It can happen as early as 1985 with the concurrence of the provinces, and I expect that concurrence to take place.

Under private plans, credit splitting on marriage breakdown will provide for a more equitable distribution of accumulated retirement savings. I do believe that credit splitting is without question the best method we have today to recognize the contribution women make to the economic partnership of marriage. In conjunction with survivor benefits, credit splitting will ensure that both wife and husband will benefit from their savings for retirement. What is more, the work which married women do will be recognized, whether they work in the paid labour force or not.

I have just alluded to the important matter of survivor benefits. Permit me to take a moment to look more closely at these benefits as they also will ensure greater security for elderly women. The fact that women tend to outlive men means that survivor benefit reforms are of paramount importance to women. While the Canada Pension Plan currently provides survivor benefits, proposed CPP amendments take it greatly forward by calling for continuation of these benefits upon remarriage. I could not agree more with the Hon. Member for Okanagan North. It was absolutely ridiculous that these benefits would disappear upon remarriage.

Proposed amendments to private pension plans under federal jurisdiction will also assist women by requiring, for the first time, that such plans provide survivor benefits, and ensuring that these benefits will not end if that spouse remarries. Women who survive their husbands—and let us face it, most of us will—will have far greater security in their old age knowing that their pensions will not disappear when their husbands die. I cannot tell you how heartbreaking it is to find a woman in my constituency office who has discovered that when her husband died, contrary to the popular myth, he did take it with him; this situation, under federal jurisdiction, can no longer continue.

As for private pensions under federal jurisdiction, the proposed changes will ensure that employees acquire rights to their pension benefits after two years' service instead of ten; that these benefits will be protected from inflation; that these benefits will be equal for men and women retiring under identical circumstances; and that employees will be allowed to take their pensions with them as they move from job to job. These measures are of particular importance to women who, for a variety of reasons, change jobs more frequently than men.

Proposed legislation will also increase pension coverage for part-time workers. Regular part-time employees who have worked for three years will be required to join their employer's pension plan at age 25, provided they work at least 50 per cent of the normal work period. Part-time employees who now meet these requirements will also be given the opportunity to join the plan.

Why is this so important for women, Mr. Speaker? Of course, it is obvious. Currently, 72 per cent of part-time workers are women, most of whom are combining work with family responsibilities. They rarely have the opportunity to contribute to their employer's pension plan. The provision to increase pension coverage for part-time workers will greatly increase the number of women covered, as well as increase their future pension benefits.

I would like to turn for a moment to the matter of homemakers' pensions. Let me begin by clearing up once and for all the confusion surrounding this issue. Homemakers currently do have pensions under the Canada Pension Plan in the form of survivors' benefits. However, the situation is not the same under private plans where few homemakers receive survivor pensions from their husband's employer, as I mentioned earlier. Under the proposals announced in the Budget, homemakers' pensions will be improved by the combination of credit splitting and survivor benefits in both the Canada Pension Plan and private plans under federal jurisdiction. In essence, homemakers will be guaranteed a pension in their own right under the CPP, as well as a survivor pension from the plan of the husband's employer.

The Government will begin discussions with the provinces to consider a number of other significant changes to the Canada and Quebec Pension Plans, including an increased homemak-

ers' pension. A number of proposals put forward to the parliamentary task force on pension reform called for greater CPP benefits to all one-earner couples, that is, couples where one spouse works in the labour force and one does not. These, of course, will be discussed with the provinces. However, let us be very clear; the significant issue surrounding the debate on homemakers' pensions is that retirement income must be adequate in relation to pre-retirement income and it must be provided fairly among individuals and between partners in both one and two-earner families.

Last but by no means least, Mr. Speaker, let me touch on the proposed tax-assisted registered pension account, another vehicle for improved retirement savings, the RPA. By providing a more flexible way of saving for retirement years, the RPA will allow women to retain their pension benefits when moving from job to job. It is absolutely essential that women have this flexibility. The fact that employers will be able to contribute to an employer's RPA will be of significant benefit to the many women who work for small businesses. And that is another majority: more women work for small businesses.

I regard the RPA as a key link to improving the overall retirement income system for women. It can be used to accumulate retirement income by couples during periods when one spouse is not in the labour force. The revised limits on contributions will provide much greater scope for contributions th "spousal" plans as well. The provisions to base contributions on career earnings will also enable women to contribute more to tax-assisted pension arrangements in later years after their children have grown up. Often women or their husbands are unable to contribute to RRSPs in their children's early years because the money is needed for other vital expenses. With the proposed new system, they will be able to retain previously unused deductions and use them at any time right up to age 65. So there is time for them to catch up when they have the income to do so.

Women particularly will benefit from this change because of its greater flexibility over their lifetimes, both to make their own contributions and for their spouses to make contributions on their behalf. The locking-in provision under which contributions cannot be withdrawn until retirement will ensure that women benefit in retirement from contributions to employer-sponsored plans during their early years in the labour force. All too often, those few women who have been in private pension plans have withdrawn that money, again for all of those important reasons; they needed it to bolster the family income. It is important that they have a pension system into which those funds are locked, to guarantee that they have funds coming forward in retirement years.

• (1140)

I should like to remind the House that women own 30 per cent of unincorporated businesses in this country. That may come as a bit of a shock to many people. It is these women, these self-employed, the sole proprietors, who were at a disadvantage under the former limits on the contribution to RRSPs. A great many women, I might add, are employed by small and medium-sized businesses. With the introduction of gain-sharing plans they will now have the opportunity to participate through their own efforts. I know, too, that these women who own small corporations, both the small unincorporated businesses and incorporated businesses, do the buying, the selling and the bookkeeping. I can assure these women that the changes in the Budget in the area of small business will be of great assistance to them. I am very pleased that we were able to meet their needs and reduce the complexity of corporate taxation for small business.

Let me conclude by stating that we all know that women work hard all their lives. We raise children, we manage households, whether we are in the labour force or not. We contribute to the ability of our husbands to earn higher wages. Many of us are single parents struggling to be mother, father, homemaker and wage earner. When we take home these responsibilities our opportunity to earn a living is reduced.

The difficult issue of women in pension reform is how to recognize this work load within a retirement income system which is largely earnings-related. I believe that the pension reforms announced in the Budget and which I have addressed today go a long way toward overcoming the problems and past inequities in this country's retirement system. Equally important, the proposed reforms can, with the approval of Parliament, be implemented quickly assuming co-operation from all Members of the House. Many of these measures, and I am referring specifically to those affecting the guaranteed income supplement and the splitting of pensions credits, could be in place in a matter of months. I urge Hon. Members to see that it is done.

Mr. McKinnon: Mr. Speaker, I should like to say to the Minister that I did not know she was going to speak next when I directed some questions to the Hon. Member for Okanagan North a few minutes ago.

The peculiar thing about the Budget is that with all the changes it is making, most of which I heartily approve in the way of treatment of pensioners, the Government did not seize the opportunity to put in these reforms immediately to pensions that it directly controls. I refer to civil service pensions, armed forces pensions, the pensions of judges and MPs, et cetera.

Mrs. Erola: Mr. Speaker, I think it goes without saying that these will automatically fall under the same jurisdiction and the benefits will flow to these people as well. It would indeed be a curious position if those people were not included in these reforms.

Mr. McKinnon: Mr. Speaker, I should like to question the date of their implementation. I have another question. The war veterans' allowance is tied to the sum of the Old Age Security and the guaranteed income supplement. In the case of a married couple it has been $22.02 per month in addition, which is referred to as the WVA top-up. Incidentally, the Minister might wish to put it out on her network to the number of women who are living in poverty, aged 65 and over,

that any who are veterans could apply for the war veterans' allowance if they served overseas. In the case of a married couple at the present time, $922.30 is sent to them instead of $900.28, which gives them an increase of $22.02 if they are on war veterans' allowance. The increase in the GIS will leap over that $22 on July 1.

Can the Minister assure us that the war veterans' allowance is going to be increased by at least that amount and preferably by enough to keep them ahead of the sum of the OAS and the GIS?

Could she tell us also when the reforms about the continuing payments on remarriage are going to apply to those people directly controlled by the Government, the civil service, armed forces and MPs.

Mrs. Erola: Mr. Speaker, unfortunately I am in no position to give detailed answers on all of these matters, particularly on war veterans' allowance, but I will look into that and try to provide the Hon. Member with the details of the timing.

In the areas of pensions and credit splitting, as I said earlier, we hope that with the concurrence of the provinces, which could come as early as 1985, we can move forward on pension splitting and survivors' benefits. I will look into the matter and provide the Hon. Member with details of the dates they will be brought into effect.

Ms. Mitchell: Mr. Speaker, the few things that are being done for older women are very few and seem to be geared mostly toward middle-class women. Does the Minister feel that the Budget is adequate for women who are not yet senior citizens? There was nothing in it about job creation for women at the very time they are being phased out and displaced by high technology. There is no affirmative action at all. For instance, the youth projects that are proposed, minimum though they are, and the previous job-creation program, NEED, the Special Recovery Projects and probably the Liberal slush fund projects as well, were predominantly for areas that provide jobs for men, not for women. Women have not had equal access to the inadequate job-creation programs.

The Budget is also very unfair to women in the Public Service who are notoriously underpaid. The Minister talked about equal pay for equal value and the need for legislation in this area. I should like to know what she is doing about that.

Compensation comparisons with the private sector will mean that women in the Public Service, when the six and five program is removed, will still be capped. Their wage differential is something like $7,000 less than men. There are no training programs targeted especially for women's needs. If the Minister is going to talk about the existing training programs, she had better talk to some women because they do not have equal access to those. They do not have daycare and other supports that are needed to get into them.

I should like to ask the Minister why she did not talk about jobs for women. In my opinion there is nothing in the Budget about job creation for women.

Mrs. Erola: Mr. Speaker, the Hon. Member has just made a hodge-podge of statements that bear no relevance to the subject matter I was discussing. I suggest to her that she is totally ignorant of government programs if she is saying that affirmative action does not exist in government. I do not know where the Hon. Member has been because affirmative action programs are in place in the federal civil service. I suggest to her that equal pay for work of equal value legislation is in place at the federal level. If she were to take her duties seriously, she would be working with women of this country to see that that kind of legislation were in effect throughout the country.

With regard to job creation, if the Hon. Member looked at our NEED projects—and I would be happy to provide her with some statistics that I do not have on hand at the moment—she would see that in Section 38 we tried very hard to see that women get their share.

If she looks at the youth training programs she will see that the record is very high. The Minister of Employment and Immigration (Mr. Roberts) is with us this morning and I think he will confirm that youth job-creation projects have a very high rate of paticipation of females. This is especially good and I am particularly pleased about it.

Of course, it is not good enough. I agree with the Hon. Member that work must be done and we must continue to push to see that women get their fair share. But to suggest that the problem has not been addressed by the Government is utter nonsense.

In this Budget we are addressing the needs of the poorest women in the country. The GIS is the cornerstone. It is absolutely necessary that they get $50 increase. I am surprised that the Hon. Member would criticize a measure that does so much to improve the position of the poorest women in our society.

Mr. Taylor: Mr. Speaker, my question to the Minister is also in connection with the GIS. I appreciate the fact that people are going to receive $50 more because it is a lot of money to some. They will be able to do a lot of things they could not do before—perhaps even buy enough to eat when otherwise they could not.

One aspect of this bothers me somewhat. Some women and men who have worked in industry have received injuries—sometimes they lose a finger, a foot, or an eye—and receive what is known in compensation terms as PPD or permanent partial disability. This can amount to $2 or $3, or quite a sum of money up to $200 or more, say, if the back is broken or both eyes were lost. This bothers me. For many years the PPD was considered as compensation for the loss of part of their body in an industrial accident. They left part of their body there so they get a PPD. Now it will be considered in the total sum of money, which means some of these people will get less GIS than they are getting now. The $50 will bring them over the total and this may bring some very sad results.

• (1150)

I wonder if the Minister would look at this problem with the Minister of National Health and Welfare (Miss Bégin) to see if the total can be raised, at least for the men and women who have lost part of their bodies in industrial accidents.

Mrs. Erola: Mr. Speaker, I am aware of the problem and I have already initiated discussions with the Minister of National Health and Welfare, and indeed with the Minister of Finance.

The Acting Speaker (Mr. Herbert): Debate.

Mr. Skelly: Mr. Speaker, the opportunity to question the Minister on an extremely important point such as this does not often come up in the House. I wonder whether or not the House might give unanimous consent to extend the question period slightly?

The Acting Speaker (Mr. Herbert): Extension of the question period would require unanimous consent of the House.

Mr. Fisher: Mr. Speaker, I know the concern of the Member in wanting to ask his questions and express his views. Unfortunately I cannot agree because of the number of people on our side who need to speak as well.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, this Budget has been described as a non-Budget. Lyman MacInnis in *The Winnipeg Free Press* is quoted as saying:

> Most of what we are talking about is in the "if" category. It is a budget that hurts absolutely no one because most of it becomes effective in 1985 when this Government may no longer be in power.

Mr. Speaker, I sometimes wonder why we had a Budget on February 15 if all we were going to get was what the Minister supplied. I suppose the only real reason he spoke is that he wanted to have an hour on television all to himself. He wanted to make sure the news media were able to say some things about him. Sir, the news media and commentators have been saying a number of things about the Minister and we want to discuss those here today.

First of all, there were some "if" things that were worthwhile, I suppose. It is good to have a discussion on profit-sharing and an insurance scheme on mortgage interest. It was good to have a discussion on pensions and changing RRSPs, and so on. But there was really no legislation or concrete proposals. On the question of income tax there were some interesting suggestions with respect to small business taxation and simplification, but even that does not go far enough. These proposals are not something you can grab hold of and say, yes, we have to do that immediately; they all have to be studied. For example, the small business proposal leaves the 12.5 per cent dividend tax in place, which discourages equity investment. Why would you invest in equities if your dividend is going to be taxed? The fact is that this particular provision has to be changed.

The Minister has asked for information by April 15, and surely he will receive those kinds of directions and the matter will have to come before a special committee of this House so we can go over the proposals on tax simplification. There is a great deal that has to be done here. At least we have some effort by the Government to consider tax simplification, but this particular proposal does not go far enough.

Getting into the real guts of the problem with this Budget, Mr. Speaker, the fact is we have a deficit which is literally mind boggling. Experts in *The Globe and Mail* are quoted today as saying the Budget is likely to bring on a new recession because we cannot go on forever spending $1, taxing 70 cents and borrowing the other 30 cents. What happens is that the Government goes to each Department and asks what they would like to spend. There is no real effort to cut down or economize and cut back. In many cases the Departments just add 3 per cent, 5 per cent, 8 per cent or whatever they think they can get away with and seems reasonable. What does the President of the Treasury Board (Mr. Gray) do? He grabs it, puts it all together and wraps it in blue and calls it the Estimates.

These Estimates are well prepared, Mr. Speaker, but spending is 10.4 per cent higher going in than we had at this time last year. When has the Government ever stayed in line with its spending estimates?

When you analyse this Budget you find it deliberately underestimates expenses in certain fields. For example, the central reserve is deliberately cut back by $300 million to show a lesser deficit than it should be. The lapse account is deliberately overestimated. That again minimizes the proposed deficit. On top of all that, we look at the fiscal arrangements transfer envelope and we find it is almost static. Why? Because that envelope depends on economic conditions. So we are able in those three items, together with a misstatement of revenue, to underestimate the proposed Budget deficit for 1984-85 by at least $4 billion and probably much more.

This Minister has presented these figures on the basis that growth will be 5 per cent, and no economic group in Canada, indeed in the world, will say the Canadian economy is going to grow at 5 per cent. The best I saw was Wood Gundy saying 4.5 per cent, but the highly respected Conference Board says 3.3 per cent. The Minister has put on his rose-coloured glasses and said that as far as his reserves are concerned it is a best case scenario. As far as the lapse is concerned, he can lapse more money than is normal. As far as transfers to the provinces are concerned, they will be less than normal. As far as revenue is concerned, it will be significantly higher than forecast by anyone else. It is a best case scenario but it is not realistic and we are looking at disaster down the road if this Government carries on this way.

A great deal has been said about cyclical and structural deficits. The problem here is really structural. Even if we had the best times possible there is no way that revenues would pay the expenses of the Government. Indeed, even if everyone was working and every factory and plant was going at 100 per cent capacity, this Government would come in with a deficit, under present spending arrangements, of at least $18 million.

● (1200)

This Budget is not acceptable because it is not a Budget which the country can live with. Until perhaps November we may be able to borrow the funds required to finance the deficit. When will the tap be turned off? Already brokerage houses are talking about being unable to place the Government debt. At two o'clock today bids for Treasury bills will be opened. I am told that the Government is already interfering in the market-place to keep interest down on the 90-day bill. Last week, on the 180-day bill, the rate was 10.1 per cent. Comparing American and Eurodollar rates today I suspect that on the average on 180 and 365-day bills the Government will have to pay a rate in excess of 10.25 per cent. That situation is only the beginning.

I would like to indicate some of the things I believe should be done. I would like to refer the House to an article by Jeffrey Simpson in this morning's *The Globe and Mail*. Jeffrey Simpson challenges the Parties in the House not to talk just about porkbarreling by the Government but to get down to the issues I suppose $300 million is only nickels and dimes to a *Globe and Mail* reporter. I did not know that *The Globe and Mail* paid people like Simpson that much. That is the kind of waste that we must point out. This is the use of public money to ensure the re-election of the Liberal Party rather than to ensure jobs for Canadians and progress for Canada. Reference was made to affirmative action programs. That is a $300 million affirmative action program for the re-election of a Liberal Government. That is all it is.

Ms. Mitchell: Right. For once a Tory has some sense.

Mr. Blenkarn: I would now like to discuss where we are going and some of the things that may be seriously looked at. Before I do that, I would like to refer the House to some of the things we have said in the past. The Auditor General and Comptroller General have also said this. As a country we have to priorize our national expenses. We have to determine what is absolutely necessary and what is only desirable, in order to determine what we can eliminate or reduce significantly.

The same type of presentation was made by Rowland Frazee in his address to the annual meeting of the Royal Bank. Mr. Frazee said:

> Finally, we know that at present the Canadian deficit is worse than the U.S. version, in relative terms. I repeat: government in both countries should take new initiatives to reduce their structural deficits.
>
> How? Well, in the United States, a presidentially-appointed task force has spent the last three years identifying possible efficiencies and program improvements. Some are politically controversial—but they add up to something like 60 billion dollars a year. The task force was staffed, directed and run by private sector businessmen, working as volunteers.

He challenges the political parties in the country to do that type of thing. That is the kind of thing a new government formed by the Progressive Conservative Party will be doing. We will be depending on the private sector and the business community to tell us where we can cut back on the waste, sloth and overexpenditure of government and government programs. We have heard a great deal from them.

Looking at the economic development envelope we see there are a number of grant programs. No study has been made on these grant programs with regard to their effectiveness, to see whether they are really creating the jobs we want in the country and the industrial development we should have. A number of those programs could be eliminated or seriously cut back, combined, and in many cases dropped. There is no evidence that programs designed to ameliorate regional disparity in the country by making grants to companies in a depressed part of the country has improved the regional disparity situation, or in the long run created jobs and improved the productivity of the country.

In the field of transport we see it all the time. I did not intend to mention VIA Rail at this point, but we must seriously consider where we are going in transportation. Can we really afford all of the things we might want? For example, can we afford to have Mirabel airport? Maybe Mr. Simpson thinks that is nickels and dimes, but it is $50 million a year, nearly $1 million a week.

Let us study the energy envelope. Our friends from the New Democratic Party have properly criticized the PIP grant system. In many ways that system of directing drilling is best categorized as the dry hole fund. We are spending $1.6 billion on that kind of work. Perhaps the Minister of Energy, Mines and Resources (Mr. Chrétien) could explain why we are spending money on a dry hole fund and why the funds are not used for finding reserves instead of subsidizing work in the frontier.

Let us go on to the other programs in the Minister's Department. He is here now and perhaps we can get the Minister of Energy up on his feet in a moment or two. Maybe he can explain why the Government of Canada should be buying people insulation and new furnaces for their homes. Is this an expense which the Government of Canada should pledge the credit of Canada for? Is this the kind of thing we should spend money on?

I would like to speak about Crown corporations at this point. Looking at the Budget we see that transfers to Crown corporations this year is up by 22 per cent, from $3.7 billion to $4.6 billion. That is an enormous transfer to what are supposed to be business corporations, which are supposed to be self-supporting and in most cases are supposed to pay income tax. The Minister of Energy is responsible for the company which advertises on TV saying it is ours. It is so much ours that it is going to cost us $460 million more this year, plus another $60 million on top of that, in order for "ours" to find oil for "ours" off the coast of Jamaica or China. It is time to call a halt, Sir. We are the only country in the world which has a state oil company which we have to continue to feed. Everyone else gets dividends from their oil company; we get a bill.

In September of last year we had a debate with respect to the Export Development Corporation. In that debate Members on this side pointed out things which could be done in export development which would not cost taxpayers a nickel. The taxpayers are putting an additional $287 million into the Export Development Corporation. That Corporation needs

amending—new supervision, new management and new direction.

Our postage rate is 32 cents compared to a 20-cent postage rate in the United States. We are paying the post office over $520 billion this year. That would be all right if we got our mail on time and people in new developments could have mail delivered to their homes. In many, many cases they cannot. The corporation is badly managed, badly run and badly organized. It misrepresents the delivery time of mail. To add insult to injury, it is now costing us $520 million more. That is just too much.

• (1210)

I hesitate to talk about entertainment, but this year the Canadian Broadcasting Corporation will receive $895.7 million. When one sees those figures, one begins to wonder why they have to do those things. I left the House of Commons at about ten o'clock the other night. The back of the East Block was lit up with television lights. Who supplied those television lights? It was the Canadian Broadcasting Corporation.

I came here the other day and saw that the CBC had its television lights all across the front of the building. When the Budget was presented the CBC had truck after truck, pieces and pieces of machinery in places to interview people. It was all organized. What a display of men, women and machinery all over the place! They had at least five times as much equipment as all of the other TV networks in this country put together. It has an $895.7 million subsidy. In addition, it receives $187 million in advertising revenue. However, I suppose that is nickels and dimes.

I could go on and talk about Atomic Energy of Canada Limited. We are unable to sell CANDU reactors. While there are some things we should be doing in atomic energy, surely we can cut down on the amount of money that is being put into that corporation.

I see that you are signalling that my time is up, Mr. Speaker. I could go on and on through this blue book to point out many places where we could make changes and cut-backs. This could be done without affecting social services, without affecting universal pensions or without affecting universal transfers. Right now the cost of government could be cut back by a minimum of $5 billion. The Government could work on it seriously and go through each Department to find where there was overlapping, duplication and waste. For example, every day I get a press clipping from the Minister of Finance (Mr. Lalonde). There is also one available from Consumer and Corporate Affairs and the Library of Parliament. There is too much duplication and waste on trivial nickel and dime items. It can be cut and the Government does not need to spend or borrow the kind od money that is involved in this Budget. The Budget should be defeated.

Mr. Chrétien: Mr. Speaker, I wish to ask a question because I have only answered questions for many years. Did I hear the Hon. Member correctly say that the Tory policy will be that they will only give grants to those who find oil and they will not help the companies that drill dry holes? Is that the policy of his Party, because I heard him say that a few minutes ago?

Mr. Blenkarn: Mr. Speaker, I am glad the Hon. Minister gave me an opportunity to carry on with the whole energy matter.

Mr. Chrétien: Answer the question.

Mr. Blenkarn: The present program is a grant program that gives grants not on the basis of oil that is found but on the basis of ownership. Whoever heard of telling someone drilling for oil that they first must show their citizenship before determining what kind of grant they will be given, rather than on whether they are finding oil, whether it is the right place to drill for oil or whether oil is being produced. We could end up with corporations that are incorporated just so they could get grants. I challenge the Minister to have an audit of those grants and produce evidence to the House that those grants have really done something for this country in terms of future tax revenue.

Mr. Chrétien: Mr. Speaker, the Hon. Member has not replied to the question. There are grants for both the Canadian companies and the foreign companies. While they do not receive the same level of grants, they both receive grants.

Did I understand the Hon. Member to say that he will give grants to and only help those companies that find oil? How will he decide if companies that do not find oil should not receive a grant? I presume that if I were to find oil I would not need any grants. When you find oil you do not need any grants. You help the companies when they do not find oil. I would like the Hon. Member to reply to my question. Is he telling us that his Party's policy will be to give grants only to those companies that find oil and not to give grants to those companies that do not find oil? Yes or no.

Mr. Blenkarn: Mr. Speaker, I am not our energy critic. However, I will say to the Minister that he has already indicated that his policy is to give grants if companies do not find oil because they do not need a grant if they do find oil. The fact is that this is clearly his policy. It is a dry hole policy. It comes from a dry hole Minister.

The answer is that you do not give grants at all if you know the truth of the matter. The oil is put at the world price and the companies use their own money to explore and find oil. That is what they did all along. The write-off of exploration expenses is allowed in the normal course. You do not end up with a Government and his Department down at Dow's Lake determining whether there is oil here or no oil there, or what the regulations will or will not be.

Mr. Parent: Mr. Speaker, I know the Hon. Member is not the energy critic but he is the finance critic. Would he make the same grants available to foreign companies as he would to Canadian companies? I believe this was referred to in an off-hand way in his speech. Would he clarify that for me?

Mr. Blenkarn: Mr. Speaker, I believe the grants program should be abolished and we should return to a tax allowance system that would require people to put up their own money, risk their own money and have the advantages of their own returns if they find their product.

Mr. Schellenberger: Mr. Speaker, I think the Hon. Member brought up a very interesting point with regard to the CBC. It concerns the amount of money it spends. It is very obvious to Members of Parliament that when we watch the newscasts of the public broadcasting corporation and the private companies that come to the House, there is very little difference in the quality. Yet the CBC comes here with semi-trailer trucks, vans and four or five cameras.

Mr. Chrétien: Explain about oil. You are from Alberta so explain it to him.

Mr. Schellenberger: Could the Hon. Member tell us if he has looked into the costs of the newscasts by this public corporation and whether he feels there is any savings there, given that there are many private corporations doing an excellent job in this area? I notice there is a lot of comment on the other side. I do not know if they are concerned about this.

Mr. Blenkarn: Mr. Speaker, I am not an expert on television. However, I did have a constituent in my riding, the late Lord Thomson of Fleet. Lord Thomson said that the right to own a licence to broadcast television was a licence to print money. This licence is costing we taxpayers, who own the licence, nearly $900 million a year. I say that there is something wrong if it is true that it is a licence to print money, because the way the CBC operates, it is a licence to go into our pocketbooks year after year. I wonder if we get our value.

Mr. Kristiansen: Mr. Speaker, the comments by the Conservative member for Mississauga South (Mr. Blenkarn) intrigued me. I am sure I heard him say just a few moments ago that he is now advocating the Government do away with PIP grants and incentives to oil companies for drilling, no matter whether they drill a dry hole or find oil. My recollection is that about two years ago when the bell-ringing episode went on for two weeks it was largely so that the Hon. Member's Party could divide the legislation and vote in favour of those grants that he is now suggesting ought to be scrapped and those incentives he is now pretending to suggest ought to be scrapped. By splitting the Bill they could also vote against those sections that called for the creation of a Canadian energy company that in time, given decent management, would return some benefits to the people of Canada. At that time the Conservatives wanted to give money to the oil companies and disband Petro-Canada. That is why the Tories rang the bells for two weeks to split the Bill. What is their position now?

• (1220)

Some Hon. Members: Shame!

Some Hon. Members: Oh, oh!

Mr. McDermid: We would do it again to preserve democracy.

Mr. Blenkarn: The Hon. Member for Kootenay West (Mr. Kristiansen) I am afraid has a very poor recollection—

The Acting Speaker (Mr. Herbert): Order, please.

An Hon. Member: His time has run out.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Herbert): Order, please. The Chair is finding it extremely difficult to hear the Hon. Member for Mississauga South (Mr. Blenkarn). It must be extremely difficult for the *Hansard* reporter. I would ask the Members please to be quiet so that we might hear the Hon. Member.

Mr. Blenkarn: The Hon. Member for Kootenay West I am afraid did not quite understand what happened during the bell-ringing episode two years ago. He certainly did not understand the Bills that were before us. He does not, I am sure, recall which Bills were which. In any event, the essence of the bell-ringing matter was whether we should have omnibus legislation. This legislation, if the Hon. Member will recall, dealt with eight separate issues where you could not vote in favour or against the Bill as it was presented.

I am pleased to say, Sir, that as a result of that period the Government has changed, and I hope will continue to change, its attitude toward legislation it produces.

Mr. Kristiansen: It is getting more conservative all the time.

Mr. Blenkarn: Legislation has to be produced in a fashion that Members of Parliament are able to consider it issue by issue, then vote for an issue or vote against it.

Mr. Fisher: Next time we will give it to you in big print and pictures.

* * *

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Herbert): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-18, an Act to provide for the settlement of claims by Indian bands in British Columbia relating to certain lands cut off from their reserves, without amendment.

* * *

THE ROYAL ASSENT

The Acting Speaker (Mr. Herbert): I have the honour to inform the House that a communication has been received which reads as follows:

Rideau Hall
Ottawa
Government House

February 23, 1984

Sir,

I have the honour to inform you that the Honourable Julien Chouinard, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 23rd day of February, 1984, at 12.45 p.m., for the purpose of giving Royal Assent to a certain Bill.

I have the honour to be,
Sir,
Your obedient servant,
Edmond Joly de Lotbinière

* * *

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the government; and the amendment of Mr. Crosbie (p. 1445).

Mr. Robert Bockstael (St. Boniface): Mr. Speaker, I am pleased to have this opportunity to add my support to the motion proposed by the Minister of Finance (Mr. Lalonde), namely that this House approves in general the budgetary policy of the Government; and coincidentally to encourage the Members of this House to reject out of hand the negative and unconstructive amendment proposed by the Official Opposition.

Our Minister of Finance brought forth this Budget after extensive consultations with Canadians in all walks of life and in all regions of the country. Consultations were held with more than 30 major groups across Canada representing labour, women, social agencies, co-operatives, financial institutions, small and large business and many others. The information and advice received in these consultations made an important contribution to the Budget.

I suggest that these consultations were one of the factors that caused this Budget to gain such widespread approval right from the start, immediately after it was delivered. In my view, it was a well thought out Budget, appropriately designed to meet the challenges of 1984 while maintaining an equilibrium and balanced approach between restraining the deficit, holding down inflation, and still finding ways and means to stimulate the economy and create jobs.

This Budget is a follow through of the objectives set out in the April, 1983, Budget which built on the momentum generated by our very successful six and five program to move our country forward on the road to economic recovery. That is why the 1983 Budget has often been referred to as the recovery Budget.

This Liberal Government's six and five program of wage and price restraint caused the inflation rate to drop from 12

per cent in June, 1982 to 4.5 per cent in December, 1983, the lowest level in over ten years.

We on this side, and for that matter I am sure all Canadians, want our economic recovery to continue and to grow stronger. This 1984 Budget demonstrates the continuity we must strive for in maintaining the stability that is gained when we manage to keep our inflation rate down. This Budget demonstrates that our Government has a steady hand at the controls and that form of steadiness will generate strong confidence in our economy.

In its broad scope, the Budget addresses the needs of our youth as well as the quality of life of our elderly. I do not want to repeat what the Minister responsible for the status of women had to say about pensions, but retired seniors eligible to receive the guaranteed income supplement will receive a $50 increase in this calendar year in two instalments of $25 each. This increase is being paid to single people, the vast majority of whom are women. The Minister mentioned that some 560,000 women are eligible for the GIS.

I have been asked in my constituency why this increase does not apply to couples. After research had been completed, it was found that a person living alone needs more assistance than a couple sharing accommodation. These 1984 increases will mean a single pensioner eligible for the GIS will receive approximately 60 per cent of the amount allocated to a couple. For future retirees, this Budget provides accessibility to better pensions. Individuals, self-employed and small-business operators will be allowed to increase their tax deductible contributions to pension plans or registered retirement savings plans.

Seniors and some small-business operators will not have to pay income tax in quarterly instalments.

Another very important point, a measure long sought in the west, is the maintenance of the family farm when the original owner retires. Family farm rollovers will be facilitated and farmers will be allowed to invest up to $120,000 of capital gains in an RRSP. In that manner the farm will continue and the founder of the farm will be able to retire in dignity.

There are welcome provisions in this Budget that will boost the private sector. Some 300,000 small businesses in Canada will have their record-keeping simplified. Any Canadian-controlled business will qualify for the lower rate of income tax. There is security provided for home owners and home buyers. They will be able to avail themselves of a type of security against unexpected mortgage increases. Senior citizens will not have to make quarterly payments of income tax. Some 350,000 senior citizens and over 50,000 small businesses and family farm corporations will be exempted from the burden of making instalment payments. This is something which has been requested many times.

• (1230)

The important thing is jobs. We recognize that there is a growth in the work force. That is a reality we have to face. More and more men and women, boys and girls, are entering the work force. On the other hand, some workers will have to undergo retraining as technical developments make their

present occupations redundant. We recognize that some of the youth in Canada did not avail themselves of sufficient training skills in their formative years. The Ministry of State for Youth is working on training young people for job opportunities and preparing them to gain entry into or re-enter the work force. These programs take time. We are working on them. We are endeavouring through the youth program to provide the funds necessary to assist the work force by adding to the already well-funded amount.

Canadian businessmen realize that we cannot pull jobs out of thin air. There is no point in producing items which are not marketable. In my previous role as a builder, I frequently experienced the difficulty of keeping my crews working because construction work is often very seasonal. Upon completion of a construction project, if my firm did not come up with a successful tender bid on the next contract, I had to lay off some people because it was impossible to create work for my employees. The Canadian public recognizes that Government alone cannot create jobs. Government programs, Government Departments and Crown corporations can provide jobs. Government Departments can bring "estimate" approved projects onstream to create job opportunities. The commitments in the Budget to special recovery programs will provide a stimulus for job creation, but the federal Government cannot go it alone. The private sector is the main creator of jobs whenever and wherever a market exists. The Government is creating opportunities and competitiveness for productivity and accessibility to export markets.

This Budget takes into account the needs of Canadians at all levels. It addresses the concerns of the private sector and looks ahead to create more export opportunities for Canadian industries. It also stimulates and supports job-creation opportunities. It does not produce any shock waves or disturbing fluctuations. It gives Canadians the confidence and the economic stability they seek.

[*Translation*]

Mr. Speaker, the Government is proposing a realistic Budget that includes taking care of pensioners, protecting and improving pension funds, simplifying income tax requirements, facilitating the survival of the family farm and helping farmers provide for their retirement, simplifying taxes for small businesses, addressing job creation and stimulating the private sector to do its share, and providing financial assistance to help young people acquire new skills and find jobs. For these reasons and many others which would take too long to mention, I urge my colleagues to vote against the amendment proposed by the Opposition and to support the measures in this Budget. The measures proposed by this Government will enhance Canada's economic expansion and our position in the world. Thank you.

[*English*]

Mr. Blenkarn: Mr. Speaker, bearing in mind that the Minister of Finance (Mr. Lalonde) indicated in his Budget that personal savings will be about $32.3 billion this year, does the Hon. Member have some idea as to how we would be able to borrow $29.5 billion to finance the deficit? Also he should bear in mind that that is 92 per cent of personal savings.

Mr. Bockstael: Mr. Speaker, the record of the Government in borrowing indicates that it has never had any difficulty borrowing money and can continue to do so, as it does every week with Treasury bonds and so forth. I do not perceive the Minister having any difficulty in borrowing the necessary money in the projected manner which he devised.

Mr. Blenkarn: If we use 92 per cent of personal savings to finance the debt, and having noted in the Budget papers that personal savings are expected to decline from 11.2 per cent of disposable income to 9.6 per cent of disposable income in 1985, how does the Hon. Member expect to finance the next year's borrowing when at that point the borrowing will be in excess of personal savings?

Mr. Fisher: Revenues will be up.

Mr. Bockstael: The Hon. Member opposite is obviously the finance critic for his Party. Just as he said that he was not an oil expert, I am not one of the financial experts on this side. However, I understand that government will borrow money not necessarily related to the savings of its population. There is the percentage of the Gross National Product which can be applied to borrowing. For example, we tell people in Canada that if they want to purchase a house, they are expected to be able to provide 25 per cent of their salary to pay for that accommodation. At least, it could go up to that percentage and they would be eligible for a mortgage. For that year the borrowing of the Government represents 20 per cent of the GNP. The Government can continue to borrow without putting the country into financial straits or difficulties.

Mr. McDermid: Mr. Speaker, the Hon. Member talked about the Government not having any problems borrowing money with savings at $32 billion and borrowings at $29 billion. If all that money is to be used up by the Government in borrowing, what will happen to the private sector when it goes to the market for funds? From where will it get its money?

Mr. Fisher: That hand-wringing has been going on for years.

Mr. Bockstael: I have not found any banks refusing to lend money to people today.

Mr. Fisher: Good for you.

Mr. Bockstael: The line of credit in Canada for provincial governments—and we can look at all ten provinces—is very high. The rating for borrowing for the federal Government is just as high or higher. This Government can guarantee its borrowings through debentures. The Canadian public is ready to come forward with whatever the Government needs to meet its obligations and to purchase Canadian Government bands.

Mr. Fisher: Mr. Speaker, the Hon. Member for St. Boniface (Mr. Bockstael) said that he was not a financial expert and the

Hon. Member for Mississauga South (Mr. Blenkarn) said that he is a financial expert. I want the Hon. Member for St. Boniface to know that he is using more common sense today than we would hear from the Hon. Member for Mississauga South in a hundred years. In fact, I would like to point out to the Hon. Member what was said by the Hon. Member for Mississauga South and ask him to tell me whether he agrees with those cutbacks.

Does he believe, for example, that federal Government transfers to poorer regions in the country should be cut back? The Hon. Member for Mississauga South said that. Does he believe that VIA Rail should be throttled back? The Hon. Member for Mississauga South said that. Does he believe that we should end the exploration incentive grants for oil companies? The Hon. Member for Mississauga South said that. Does he believe that we should end the grants for home insulation and new furnaces? The Hon. Member for Mississauga South said that. Does he believe that we should cut back on Atomic Energy of Canada?

• (1240)

I see you are signalling me, Mr. Speaker. I have one more question. The Atomic Energy of Canada cut-back would hit right in Mississauga South where hundreds of engineers live. Finally, does he believe that since the $520 million deficit for the post office is supposedly too high we should, therefore, increase the price of stamps the way that the member for Mississauga South says.

In short, we have had practical advice from the Hon. Member for St. Boniface so far. We have had screwy advice from the Hon. Member for Mississauga South so far. I wonder if we can have more non-expert advice from the Hon. Member for St. Boniface since it seems to help us all considerably.

The Acting Speaker (Mr. Herbert): An equally short response from the Hon. Member for St. Boniface.

Mr. Bockstael: Mr. Speaker, I did not note all of the questions the Hon. Member for Mississauga North put forward. I know very well that I am not in favour of cutting transfer payments. That is one of the great things about this country. The Constitution of Canada says that the federal Government shall be instrumental in making sure that transfer payments are made to the provinces that have less and to give a living standard to all Canadians of the same level.

I find it odd that when VIA Rail cuts were made, the Opposition screamed, hollered and said that VIA Rail had to be maintained. Since becoming a Member of Parliament, I have served on the Transport Committee. There was much insistence on maintaining VIA Rail. Now that there is a re-establishment, after realizing that VIA Rail had to continue and be restored in certain areas, I find it odd that the Hon. Member would want to cut back on VIA Rail. I do not believe we should take his advice *vis-à-vis* the post office, Atomic Energy and everything else he wants to cut back. He is using a shotgun to kill a sparrow.

Mr. Blenkarn: Mr. Speaker, this gives me an opportunity to correct the record while I am asking a question. There was no indication of exactly what should be cut. I am saying that these things must be examined, and examined damned closely. I think the Hon. Member will agree that they have to be examined.

As far as transfers to the provinces are concerned, that is part of our system. What I did say, and I think the Hon. Member might agree, was that when the Government provides a reduction in transfers to the provinces in its envelope system, that reduction can take place only if provincial revenues are more buoyant.

I ask the Hon. Member to understand this and to perhaps comment. It is unfair to present a Budget which indicates that transfers to provinces are likely to go down or remain constant when, unless revenues are substantially better, they will have to go up.

Mr. Bockstael: Mr. Speaker, I agree with the Hon. Member that certain expenditures have to be examined very closely and reviewed from time to time to ensure that waste does not take place and that we are not spending money improperly.

With regard to the reduction in the transfer payments envelope, it is well known that our system provides for municipal governments to ask for more when they go to the provinces and the provinces to come to the federal Government to ask for more, wanting to enlarge their programs and so on. If is quite fair for the federal Government to say: "This is what the country can afford at this time. We will manage our affairs. We will help you to the extent that there is a universal or balanced distribution across the country so that you can provide the minimum services to which Canadians are entitled. You do your share to provide what they need in your area."

The Acting Speaker (Mr. Herbert): We have to continue the debate. The Hon. Member for York-Sunbury.

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I understand there is a propensity to go to the Senate for Royal Assent in one minute. Would you like to call it 12.45?

The Acting Speaker (Mr. Herbert): Unfortunately, we have to continue until we get a knock at the door. We have no idea how long that will be. Sometimes it takes quite a while.

Mr. Howie: Mr. Speaker, the Minister of Finance (Mr. Lalonde) has placed before the Canadian people a Budget which gives the appearance of action in dealing with the country's grave economic situation, but which in reality does little to spur recovery.

Canadians, have come to expect inaction, or worse yet, disruptive policies from this Government whose policies have destroyed business confidence and crippled individual initiative. Indeed, the most notable legacy of this Government is the 1.5 million Canadians who remain unemployed; Canadians who want to work, support their families and contribute to the building of a strong, healthy nation.

Successive federal budgets and programs have only aggravated the plight of many Canadians who are ill-equipped to shoulder the burden, namely the elderly pensioner, the unemployed and the citizens of Canada's underdeveloped regions. It is to these areas of concern that I will direct my attention today.

With respect to the unemployment situation, it is obvious that the Government views this subject as one unworthy of attention. How else can Canadians interpret the almost complete lack of initiative in the Budget to address this issue? With the exception of $150 million for the Youth Opportunities Fund, the Budget simply evades the foremost problem in our society. If it is not a serious issue for the Government, then I suggest that the Government listen more closely to the people of Canada because it certainly is an important issue in their view.

In sharp contrast to the public's sense of priority we see that the federal Government is more concerned with tax collection, a prospect which is chilling, especially in light of the recent behaviour of the Department of National Revenue. Instead of increasing job-creation programs for Canada's jobless adults, the Government has shifted focus from that group and according to the Estimates plans to add 1,044 person-years for tax collection. At the same time the Canadian Employment and Immigration Commission will have its work force chopped by 649, including a cut in the number of people working on job creation and work sharing. All in all, this is a fine example of misplaced priority.

People are looking for financial security. They want a job. They need a job to look after their financial security. It is something which goes to the very core of their existence, not only young people just starting out, but also older people whose prospects for re-employment get dimmer as they grow older. Behind all the Government's numbers, words, programs and promises, they feel the underlying reality of chronic unemployment. They know that economic development is the key to the future. They know that needed skills and training are necessary to get good jobs and they want the chance to contribute.

The Government should remember that every time a new job is created, a new taxpayer is also created. If the 1.5 million Canadians who are now unemployed were put to work and, over a period of years, paid $10,000 each in income tax, our revenues would swell by $15 billion. As a result, unemployment insurance and social justice payments would diminish radically so that those funds too could be used for the benefit of all Canadians.

However, the Budget before us offers little by way of solutions to the unemployment problem. In my home province of New Brunswick unemployment is currently 14.4 per cent, a totally unacceptable level. That figure represents the seasonally adjusted rate for January. If one looks at the annual average rate for 1983, it is even worse, 14.8 per cent.

With respect to pensions, the Budget again falls short of the mark, although in some areas the Government has at least acknowledged existing problems and offers partial solutions. The Budget proposes to increase the maximum guaranteed income supplement to the old age pension for the single elderly by $25 per month on July 1, 1984 and by a further $25 per month on December 1, 1984. This $50 increase is welcomed and it is a good measure, but I must point out that only the single elderly will receive the increase and they will still be about $1,900 a year below the poverty line.

• (1250)

The parliamentary task force on pension reform recommended an increase of $102 a month for those single elderly Canadians with no other income except the old age pension and the guaranteed income supplement. By targeting the increase in this way, the poorest of the poor would get double the increase proposed by the Government. I do not know why the Government chose to ignore this proposal, but I suggest it would have been more effective than the proposal contained in the present Budget.

For many Canadian pensioners who have already been punished by the Government's ill-conceived six and five program, the suffering will obviously continue. The increase outlined in the Budget will help some pensioners, but not much. Others, such as elderly married couples, can expect no pension increases at all and numerous other excellent pension reforms such as homemaker pensions, improved disability pensions and improvements to increase flexibility in the age for receiving CPP benefits, among others, continue to be delayed by the sluggish pension reform process. This is sad, because it is these areas which offer the hope of improved pension benefits for the disabled and those who work in the home.

A third area of policy where much work remains is that which concerns the economic stimulation of regions in need of development. Government programs to date have had little consistent success in nurturing economic development in the "have-not" provinces, and this latest Budget does not recognize that economic recovery across Canada has been uneven. I would like to suggest that some measures should have been included in the Budget to encourage additional growth and productivity in my Province of New Brunswick, and indeed in all of Atlantic Canada where economies have been lagging behind.

It is a fact that federal transfers of all types to the Atlantic provinces account for over 40 per cent of year-to-year economic growth. The slender tax base underlines the significant need for development of a secondary manufacturing segment in the region. Atlantic Canada is the most identifiable region which suffers from regional disparities. Since the Second World War, the most successful companies have been those which have built on basic strengths having to do with location, human skills and natural resources.

Generally, the economy of the Atlantic provinces concentrates on six sectors, forestry, fisheries, tourism, agriculture, mining and manufacturing. These sectors can grow and develop largely independently of population growth within the provinces; in other words, as a consequence of exports to other provinces or countries. For that reason they are particularly

significant. The construction sector on one hand, and most service sectors on the other hand, serve the domestic economy and are largely constrained in their growth by the level of activity in the economy as a whole. In other words, they are dependent on the primary sectors and manufacturing. Consequently, they are not the sectors where one would seek to stimulate growth in the expectation of gaining the largest impact, even though they are very significant sectors.

There seems to be a disturbance at the door, Mr. Speaker. Perhaps you would like to deal with it and I will continue at a later time.

THE ROYAL ASSENT

[*English*]

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

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

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

• (1300)

And being returned:

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

Bill C-18, An Act to provide for the settlement of claims by Indian bands in British Columbia relating to certain lands cut off from their reserves—Chapter No. 2.

It being 1.03 p.m., I do now leave the chair until two o'clock.

At 1.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CHARITABLE ORGANIZATIONS

VANCOUVER FOOD BANK—TAX TREATMENT OF DONATING COMPANIES

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, the Vancouver Food Bank is a non-profit, charitable organization. For many of the unemployed in Vancouver it is the last bastion between them and possible starvation. It spends all of its energy and resources in distributing food or groceries free of charge to those who have been hit hardest by the high level of unemployment in British Columbia and who have no resources left.

Since the Food Bank is a non-profit organization it cannot give what it does not receive from others. Much of its energy has to be spent in soliciting help from the wider community in order that it can distribute that help to those who need it. It could well receive more donations of food from food companies if the tax structure of our country were designed in such a way to encourage giving.

Under the present system, for a good company to make a substantial donation to any organization like the Vancouver Food Bank, it must do so without benefit of a charitable donation receipt for income tax purposes. Should it want a receipt—obviously it deserves one since it is giving support of considerable monetary value—it must go through the routine of selling the product to the Food Bank, getting a cheque from the Food Bank, and writing out another cheque as a donation to the Food Bank. The entire process is awkward and a disincentive to giving. Why should it not be possible for the tax department to permit the issuing of a receipt by credible organizations for gifts in kind, such as in the case of donations to the Vancouver Food Bank?

If the Minister of Finance (Mr. Lalonde) thinks this is too complicated or risky, I remind him that the United States—

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired.

* * *

[*Translation*]

THE BUDGET

ADDITIONAL AID FOR PENSIONERS

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to draw the attention of Canadians to the Government's plan to assist the elderly. A large part of the expenditures in the second Budget brought down by the Minister of Finance (Mr. Lalonde) is earmarked for senior citizens.

In order to provide supplementary assistance to pensioners, the Canadian Government will pay, in addition to the quarterly cost of living adjustment a total of $50 to single pensioners

between now and Christmas. About 750,000 pensioners will benefit, the affected number increasing by 20,000 in 1984. This year, more than $250 million will be added to the Canada Pension Plan fund; for 1985, funding is expected to total $500 million.

In addition to increasing benefits for single pensioners, the Canadian Government intends to reform the pension system so that all Canadian workers under federal jurisdiction will benefit from some degree of income security.

Mr. Speaker, Canadians are aware that pensions are a deferred salary and that is why the Canadian Government wants to focus attention on a social issue that will be the most important one in the years to come, affecting many Canadians, and I am sure that single pensioners, most of whom are women who were is a difficult situation, will be very happy to receive these increased benefits. Thank you.

* * *

[*English*]

CHARITABLE ORGANIZATIONS

ROYAL VICTORIA HOSPITAL, BARRIE, ONT.—TAX TREATMENT OF ART GIFT TO DONORS

Mr. Ron Stewart (Simcoe South): Mr. Speaker, on behalf of the Royal Victoria Hospital and Recreation in Barrie, I urge the Minister of National Revenue (Mr. Bussières) to rectify a problem created as a result of certain decisions by officials of his Department in the form of a letter denying a charitable organization an opportunity to raise funds.

Well known Canadian artist Ken Danby has offered to assist the hospital with its current fund raising drive. He will autograph 250 limited editions of one of his paintings commissioned for the new Recreation Building, which the hospital will give as tokens of appreciation to those who make donations in excess of $500 to the hospital fund. The hospital will make a minimum of $125,000 through this innovative venture. But now Mr. Robert Young of Revenue Canada has ruled that donors who receive these gifts cannot be issued a tax deductible receipt for their donations.

Revenue Canada will receive tax on the $20,000 that Mr. Danby will be paid for the original painting. Does the Minister think it just that his officials should now try to tax donations to this worth-while cause? The hospital is to be congratulated on coming up with an innovative way to raise money from the private sector at a time when medicare funding is a controversial issue.

Surely the tax department has had enough bad publicity in recent months. Surely it does not need to let a technicality stand in the way of a worthy and charitable cause. On behalf of all the residents of Simcoe South I plead with the Minister for justice, compassion, and a sense of fair play. He should straighten out his bureaucrats once and for all.

AVIATION INDUSTRY

SEVENTY-FIFTH ANNIVERSARY OF POWERED FLIGHT IN CANADA

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I rise today to express my concern that an outstanding event in our national history might pass without due recognition in the House. I refer to the 75th anniversary of powered flight in Canada.

On February 23, 1909, Canada proudly entered a new era in transportation when Mr. J. A. D. McCurdy flew his aircraft, the Silver Dart, from the ice of the Bras d'Or Lake at Baddeck, Nova Scotia. The airplane was designed and built by the Aerial Experiment Association which, in addition to Mr. McCurdy, included as members Mr. Casey Baldwin, Dr. Alexander Graham Bell, Mr. Glenn Curtiss, and Mr. Thomas Selfridge. The Silver Dart's flight was the first by a heavier-than air machine in Canada, and the first controlled flight of an airplane by a British subject at any point in the British Commonwealth.

From those early days of bamboo struts and piano wire we have progressed to the conquest of space. I am certain I speak for all Canadians when I say we owe a debt of gratitude to our early aviation pioneers, and in particular to Mr. A. D. McCurdy and the men of the Aerial Experiment Association.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

POLICY PROHIBITING ISSUANCE OF CONTRACTS TO UNION FIRMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the federal Government and CMHC are effectively union busting by ignoring the Fair Wages Act. CMHC is forcing non-profit housing societies to take low bid contracts for non-profit and co-op housing, thus excluding many union firms from the competition. Building trades unions and non-profit and co-op housing societies are completely justified in protesting this outrageous practice. Construction trade unions in B.C. have provided generous funding for development of affordable co-op and non-profit housing. Yet, with 66 per cent of union construction carpenters unemployed, building trade members are excluded from working on the very projects they are helping to finance.

The unfair labour practices of the federal Government and CMHC must cease immediately. The Minister of Labour (Mr. Ouellet) must enforce the Fair Wages Act for all CMHC subsidized developments so that workers earn decent wages and union firms can compete. The Minister responsible for CMHC must ensure that CMHC follows the provisions of the Act and changes the low bid policy immediately.

ENERGY

CALL FOR RENEWAL OF TALKS TO RESOLVE NEWFOUNDLAND OFFSHORE DISPUTE

Mr. Brian Tobin (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I want to take this opportunity once again to call for a renewal of talks on resolving the offshore dispute between Ottawa and the Province of Newfoundland-Labrador.

You, and Members of this House should know, Mr. Speaker, that Premier Peckford just yesterday here in Ottawa failed to have the Leader of the Official Opposition (Mr. Mulroney) put in writing the Conservative Party's position on the offshore. As in all other matters of policy, Mr. Speaker, the Conservatives either have no policy or refuse to state what it is. The Conservative Party has a responsibility to clarify the dramatic difference in the policy of their Party on the offshore as stated by their Leader, which is that they have no position, and the policy as stated by the Hon. Member for St. John's West (Mr. Crosbie), which is that they intend to kow-tow to Mr. Peckford. It is obvious these people cannot make up their minds.

I say once again that Premier Peckford has a responsibility to the people of Newfoundland and Labrador, in particular the unemployed in that Province, to quit his confrontation politics and get back to the bargaining table as soon as possible.

* * *

FINANCE

USE OF REVENUE GENERATED BY CANADIAN OWNERSHIP TAX

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, the Canadian Ownership Tax was created to pay for the purchase of Petrofina. Petrofina is now paid for, yet Canadians continue to pay that tax every time they buy gas. It is ironic that the Liberals, the Party elected on the promise of cheaper gas prices, keeps the prices unnecessarily high with a tax which has fulfilled its designated purpose.

• (1410)

What will the Government do with the money it collects from this tax? It will give it to Dome Petroleum, in addition to the $875 million Dome has already received through the PIP grants. What does this do for small business and home owners like those in the Mission-Port Moody area? It watches them fall by the wayside, Mr. Speaker. Those who survive see their tax dollars go out as grants to huge corporations and filter their way through to the chartered banks. It is hard enough to compete today without being taxed to death and then see your tax dollars go to your competitors as grants.

The evidence is overwhelming, Mr. Speaker. The Liberals are the Party of big business and, along with the chartered banks, are the persecutors of small business and the average working man.

S.O. 21

EMPLOYMENT

SPECIAL RECOVERY PROJECT IN MISSISSAUGA, ONT.

Mr. Douglas Fisher (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in the light of current controversy I must remind the House that Liberal Members of Parliament are the people taking a genuine interest in the problems facing unemployed people. We are the ones who put our energy into solving these problems.

I would like to give you two direct examples, from my own experience, of the lack of interest shown by the Tories. There is a special recovery project in Mississauga South for over $2.5 million. The federal Government is creating badly needed construction and tourism jobs by building a new marina on the Lakeshore. On at least two widely publicized occasions I have personally been involved in supporting and working on this project. The Tory MP has never been seen or heard from, and probably does not know or care about the benefits being provided for Mississauga.

Similarly, Mr. Speaker, I had a chance, over a year ago, to work with the Victorian Order of Nurses on a home nursing project. In this case the project was too big to be funded by one riding, and the nurses asked for co-sponsorship with the Tory MP from York-Peel (Mr. Stevens). The answer was a resounding no. He did not care about either the jobs or the sick people.

Do not let the current debate mislead you, Mr. Speaker. Tory MPs know what is happening because they can see the need and the activity by the Government. They just do not care.

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

* * *

NATIONAL PARKS

PROPOSED ESTABLISHMENT OF THREE NORTHERN PARKS

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, it has come to my attention that the Minister of the Environment has issued his election command to the Parks Canada people. He wants them to crank out three national parks in northern Canada before the next federal election. This means they have less than a year to fulfil satisfactorily the criteria set out by Parks Canada policy regarding the creation of national parks.

There are three essential stages to be completed. The first is identification and selection of potential national parks. The second is consultation, feasibility studies, and negotiations. The last step is the legislative process for the establishment of a national park.

Yet there have not been any public hearings "to determine the degree of interest, opposition and support for the new park proposal" or "to ensure all necessary information on competing resource use interests is collected, to aid in decision making . . ." among other concerns.

S.O. 21

This phase of the new park assessment and negotiation stage "can mean a commitment of time to a process that can stretch over five to ten years, or more, as was the case in the recent agreement to establish Grasslands National Park". "While public involvement may complicate and lengthen the new park establishment process, it is vital".

Those are not my words, Mr. Speaker; they are the recommendations of the Chief of National Parks Systems Division, and I agree with them. The Minister of the Environment (Mr. Caccia) may want to put pressure on Parks Canada to crank out three national parks before the election, but I have some observations to make. Parks Canada has just begun the new parks public feasibility assessment and negotiation stage. Nowhere in the criteria set out by Parks Canada is it stated that the objectives of the new parks feasibility—

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

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR ADDITIONAL JOB-CREATION FUNDS

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I was very sorry to hear the Opposition Party complaining about this allocating of sums of money to the ridings who need it most. Mr. Speaker, I would like to ask the Minister of Employment and Immigration (Mr. Roberts) of the Government of Canada, in public, to give more funds to Manicouagan, because all over the riding people are calling me about very specific projects such as building a presbytery in Aguanish, the community centre in Schefferville which got more than $100,000 last year, a platform for the village of Kégaska which needs one in order to receive the CBC station. I have more projects, Mr. Speaker, including harbour repairs which involves the Department of Fisheries and Oceans. We are going to carry out all kinds of projects, Mr. Speaker. Parks Canada in the Mingan Islands, Havre-St-Piere and Mingan, is waiting for substantial funding to help promote tourism in the area. Anticosti needs projects for people in isolated areas; I would also like to point out, Mr. Speaker, that the people in northern towns and the Inuit in the Fort-Chimo area are calling me about projects as well. Mr. Speaker, I think it is absolutely shameful that the Opposition parties should want to deprive ridings where the unemployment rate is very high, of special funds for direct job creation.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

REPORTED STATEMENTS BY PARLIAMENTARY SECRETARY ON ATTITUDE OF BUREAUCRATS

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is for the Prime Minister, if I could have his attention. This morning in a series of interviews to the *Kitchener-Waterloo Record* and to the CP the Member for Kitchener, the Parliamentary Secretary to the President of the Treasury Board, made a number of serious allegations. He said he had deep concerns about the attitudinal problems which exist within Revenue Canada and has had these concerns for some period of time. He said the problems exist as a result of the attitude of top bureaucrats in the Department. He said: "Politics is democracy and democracy is accountability to the people, but the Deputy Minister is not accountable". Finally he said that the Prime Minister had assured him something was going to be done about his concerns.

My question to the Prime Minister is two-fold. What assurances did the Prime Minister give to the Member for Kitchener? Does he agree with the attack by the Member for Kitchener on the senior bureaucrats as being responsible for the problems within Revenue Canada?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Member is purporting to allude to something which went on in our caucus. It is not my practice to comment on what went on in caucus.

Mr. Speyer: Mr. Speaker, on the contrary. The allegations which I have made, and the charges made by the Member for Kitchener, are reported in today's press as a result of statements that he made to the press this morning. Those are direct comments.

ACCOUNTABILITY OF DEPARTMENT'S SENIOR MANAGEMENT

Mr. Chris Speyer (Cambridge): Mr. Speaker, does the Prime Minister agree with the assertion made by the Member for Kitchener that accountability is with the top bureaucrats for the problems within Revenue Canada, which is a very serious charge? What assurances has the Prime Minister given to Members on the Liberal side of the House that the attitudinal problems which have been spoken about by the Member for Kitchener, quite rightly, are going to be dealt with?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am happy to have the approval of the Hon. Member when he says, quite rightly, I gave assurances that the attitudinal problems would be dealt with. They are problems which have been raised particularly by Members on the other side. It is true that the Member for Kitchener and other Members on this side have been discussing matters with the Minister of Revenue, and in caucus, about the need to improve certain practices in the Department of Revenue.

Although I do not like to comment on things I said in caucus, I did give the Member the assurance that the Government was aware of the situation and that it had begun dealing with it by establishing the Farlinger Commission. Therefore, I gave him the kind of assurances that the Hon. Member suggests I quite rightly should have.

With regard to the comments of the Hon. Member himself, I do not know exactly what he said to the media. I take it his comments speak for themselves.

MINISTERIAL RESPONSIBILITY

Mr. Chris Speyer (Cambridge): Mr. Speaker, the Member for Kitchener was saying that he was fastening responsibility, not on the Minister, but on the senior bureaucrats. The Prime Minister knows better than anyone else in the House that the buck stops with the Minister, or at least he ought to know that.

Over the last three months the Minister has demonstrated a sense of incompetence which is very difficult to exaggerate. I do not blame the Minister. I blame the Prime Minister, for appointing a 15 watt bulb to such a responsible Department. Is the Prime Minister convinced, as a result of representations that have been made on this side of the House, that the Minister of National Revenue is not doing his job, and will he replace him?

• (1420)

Some Hon. Members: Hear, hear!

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I usually take such representations as advice to be considered, but when they come from a one candlepower brain, I do not consider them.

Some Hon. Members: Hear, hear!

FARLINGER STUDY—PROTECTION OF WITNESSES' PRIVACY

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, in this age of enlightenment I would like to direct my question to the Minister of National Revenue. The Minister knows that there are many people, including departmental personnel, who would like to contribute to a clean-up of his Department's operation but may be reluctant to speak in public because of fear of promotions, their jobs, or compelling personal reasons. The terms of reference for the Farlinger study do not speak on this matter, and Mr. Farlinger, on Tuesday last, was not then able to give the assurance that anyone wishing to testify privately could be heard and guaranteed anonymity.

Will the Minister amend the terms of reference of the Farlinger study to state clearly that Mr. Farlinger and his associates can, for good reason, agree with anyone to hear testimony in private, or receive confidential communications, and keep secret that person's name and identity from everyone, including the Minister and departmental staff?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the terms of reference of Mr. Farlinger's study are very broad. Furthermore, Mr. Farlinger and his associates are professionals who have been sworn and will therefore preserve the anonymity of information they receive privately. I am sure that anyone in the Department or among the general public who wishes to testify privately may rest assured that his testimony will be protected by the rules of professional ethics and by the oath sworn by the people working with Mr. Farlinger on this study.

[*English*]

IDENTIFICATION OF WITNESSES

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I would like to thank the Minister for his answer, and I indicate that Mr. Farlinger is an employee of the Department. This is not a commission; it is an investigation and study. There is no mention whatsoever in the terms of reference of his ability to hear anyone in private. When he briefed the Opposition on Tuesday last and was specifically asked, he could not give us the assurance that he could hear people in private.

The Minister must realize the difficulty of appointing people to investigate their own departmental operations. If he insists on such a course, surely he should see the importance and the desirability of isolating himself and his officials from the study in order to promote a full and impartial search for the truth, without fear on the part of those who can lend great information to the study. Will the Minister formally express his intent that witnesses can testify before the study officials, and that such officials can keep secret the names and identities of any such persons? Would he do that simple thing?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I think my answer to the Hon. Member's first question adequately covers what he just said. I explained that Mr. Farlinger and the people working with him have been sworn to preserve the anonymity of the information they receive and the people giving that information. I believe this guarantee covers any concerns the Hon. Member may have in this respect.

* * *

[*English*]

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—INSTRUCTIONS ON DEALING WITH MPS' INQUIRIES

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Last Friday I asked a question based on information I received from a source in the Minister's department that 91 per cent of the Ontario Special Employment Initiatives Pro-

gram funds was spent in Liberal ridings. Of course that was confirmed when the list was tabled.

Yet another source in the Minister's Department tells me that on Monday, February 20, of this week, a directive went out to all regional offices saying that all inquiries from Members of Parliament about the program should be routed to the Minister's office to a Mary Jamieson. Why the gag order? What is the Minister afraid of? Does he no longer have any confidence in his own officials?

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker, I am not afraid of anything, particularly the questions of the Hon. Member. He asks about a directive that went out to civil servants suggesting that calls be directed to my office, he said, I think, on Monday of this week. I believe that probably such a directive was sent out before that, and its purpose was to ensure that queries about this program, which was obviously a matter of great interest and also political controversy, came to my office rather than be responded to directly by civil servants. The reason for that is that if civil servants began to respond directly on these matters it would be very easy for their comments to be taken out of context and used as part of the political battle, which is not their responsibility.

Indeed, I have seen on some occasions, in questions posed by Members on the other side of the House, that they have raised questions based on discussions that they have had with officials and which, when I investigated, did not seem to correspond entirely to the facts as the officials described them to me.

It is a natural part of the political process that the programs of the Government are advocated and defended by the Members of the Government, and the function of civil servants is not to take part in that controversy, nor should their words be used as part of that controversy. That is why that directive was given.

DISTRIBUTION OF FUNDS TO SASKATCHEWAN RIDINGS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Minister has said several times that he spends money from his Department on the basis of the unemployment rate in order to try to create jobs for Canadians. Could he explain why, in my Province of Saskatchewan, the riding of Assiniboia with a 2.4 per cent unemployment rate received $736,000, while the riding of Prince Albert with a 7.5 per cent unemployment rate received only $50,000? Why did Prince Albert, with three times more unemployed, receive only one fifteenth of the money that went into the Assiniboia riding?

An Hon. Member: Tell us about Ralph Goodale.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, to be precise, I never said that the allocations were based strictly on the unemployment levels. I said that if you look at the proportion of expenditure, they correspond pretty well.

As a matter of fact, in the Hon. Member's home Province, where we have no Members of Parliament at all to the best of my recollection, 2.6 per cent of the funds have been spent in Saskatchewan, and the percentage of Canadian unemployed that is to be found in Saskatchewan is 2.6 per cent, exactly the same.

The reason why one cannot look simply at the figures of expenditure and look at those proportions in relation to unemployment insurance is that there are many other programs of the Government over-all which deal with unemployment problems, apart from these. For instance, there are the incentives given in the last Budget which stimulate economic activity through private sector activity in our economy. Naturally those have a greater impact on some Provinces than on others. There are some Provinces that are wealthier than others, indeed including the Province of Saskatchewan, where one would expect that the provincial Governments would be able to do more in combating unemployment than in some of the Provinces that are not so well off. One should not look for an exact parallel in the percentages. I said that if you look at the unemployment percentages and the proportions of expenditure you will find that there is a rough comparison which makes sense.

Mr. Nystrom: That is a pretty rough comparison.

FUNDS ALLOCATED TO ASSINIBOIA RIDING

Mr. Lorne Nystrom (Yorkton-Melville): Assiniboia has one-third the unemployment rate of Prince Albert, yet it is given fifteen times as much money as Prince Albert. Mr. Speaker, we are lucky enough not to have any Liberal MPs, but could the Minister tell us if the reason Assiniboia got so much money is due to the fact that Senator Argue, better known as "Senator Slushfund" in our Province, comes from the Assiniboia constituency, and that the former Member of Parliament from that riding, Ralph Goodale, who is now the Leader of the Liberal Party in Saskatchewan, is running for election to the provincial Legislature in the riding of Assiniboia?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, obviously the hon. gentleman does not listen to me, or does not care to hear. Two point six per cent of the funds have gone to Saskatchewan, and 2.6 per cent of the unemployment in Canada is to be found in Saskatchewan.

Mr. Nystrom: Answer the question.

Mr. Roberts: The hon. gentleman is concerned about Assiniboia. I will pass on to Senator Argue his comments that the New Democratic Party does not want funds spent in Assiniboia to create jobs.

• (1430)

PROVISION OF PROGRAM CRITERIA TO MEMBERS OF PARLIAMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Employment and Immigration. Yesterday outside the House the Minister was quoted as saying, in reply to a question from the press as to why the $300 million Special Initiatives Employment fund had not been advertised:

If we had we would have raised expectations and been flooded with applications we couldn't deal with.

Yet that is precisely what the Minister did in the case of the Canada Works Program which had half of what the Special Employment Initiatives Program had, currently $164,144,000. Yet each Member of Parliament received an information kit. Advertisements went out across the country to all the daily newspapers, encouraging applications. The private sector was encouraged to get involved, to the extent that millions and millions of dollars worth of applications that could not possibly be dealt with came in from all constituencies. Why the different standard? Why could this program not be advertised? Why could Members of Parliament not be given details on criteria and how to deal with them?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman has referred to the Canada Works Program. The funding for the Canada Works Program is far more extensive than the funding which is available under the Special Employment Initiatives Program. Part of that Canada Works funding goes on the basis of constituency allocations to Hon. Members, as the Hon. Member knows. I think I would stand by the statement which he has cited which, more or less, I think corresponds to what I said, that if an extensive advertising publicity campaign had been undertaken the only result would have been to generate expectations which could not possibly have been fulfilled.

There is lots of evidence that members of the public, municipalities, and mayors of towns and cities across the country were fully aware of the program, because they stimulated a whole variety of applications for it. There is not a need for the kind of publicity and information program which the Hon. Member now seems to be urging us to carry through.

Mr. McGrath: Mr. Speaker, there is a basic contradiction here. On the one hand the Minister is encouraging applications for the Canada Works Program, thereby generating expectations that cannot possibly be fulfilled. On the other hand he is suppressing and hiding a program that is worth twice the value. How do you explain that?

AMOUNT OF UNUSED FUNDS

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have another question for the Minister. There is a discrepancy in the total number of applications that were tabled in the House a few days ago and what the Minister claims was the total. The total, according to the Minister, was $207 billion, but according to what was tabled in the House it only added up to $184 million. Can the Minister tell us where is the other $27 million in applications?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I have not done the adding procedure which I gather the Hon. Member and his staff have done. To the best of my knowledge we have provided the list of projects to the funding of $207 million. There may be some discrepancy as a result of unallocated funds, or on the basis of administrative costs. I suppose it is also possible that in trying to prepare the material as quickly as possible for Members of the House something may have gone wrong. I will try to check the figures and see what the explanation is, if there is one.

ALLOCATION OF FUNDS TO NOVA SCOTIA RIDINGS

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question for the Minister of Employment and Immigration. It is interesting to note that in Nova Scotia there are no unemployed in the six Conservative ridings, apparently. They are all in the Liberal ridings.

Some Hon. Members: Oh, oh!

Mr. Forrestall: On what grounds can the Minister stand in this House and charge Members of the Opposition with disinterest in the welfare of their constituents when, in fact, 95 per cent of the $28.4 million that went into Nova Scotia went into Liberal ridings? On the basis of that, can the Minister rise in his place to tell us that we were not interested, or will he not now admit that we were not told?

Some Hon. Members: Oh, oh!

Mr. Lalonde: You were asleep, Mike.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I suppose I have to say that the hon. gentleman at least cared because there was funding that went into his constituency, something over $3 million under the Special Capital Recovery Program.

Some Hon. Members: Oh, oh!

Mr. Roberts: I think the situation is fairly clear. One after another, and again and again, Members on the opposition side of the House have said: "Why didn't we get our share?" "Why didn't we get our share?" Then they answer the question themselves by saying: "We didn't put forward applications." "We didn't put forward applications." They then say: "Well why didn't we put forward applications?" "Because we did not know about it. "Because we didn't know about it". But then they say they are not negligent, that they are diligent Members of Parliament.

Mr. Nowlan: Allan MacEachen took all the money.

Mr. Roberts: They studied the budget statements when they came forward. They looked at the program. They knew it was

there. They were aquiver with expectation. They were energetic. They were anxious to bring forward projects, but they waited for the criteria to come down. They would come down for breakfast and say: "Are the criteria out?" "No, not today. We will wait until tomorrow." The next day they would come down and say: "Are the criteria out yet? We have projects. No, not today." The next day they said: "Are the criteria there? No, not today." It went on for days. It stretched into weeks, then months, then years, before they got the criteria. What did they do? They sat there for two years until last week to say: "We really want to have those criteria". Is that what they call a diligent exercise of their responsibilities on behalf of their constituents?

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Forrestall: Mr. Speaker, I might point out to the Minister—

Some Hon. Members: Oh, oh!

Mr. Forrestall: As Donald MacInnis would have said, we will wait for the snake pit to quiet down.

Some Hon. Members: Oh, oh!

Mr. Forrestall: I have lots of time. I would like to point out a couple of things to the Minister. I am talking about the Special Employment Initiatives Program, not the Special Recovery, the rapid recovery and all. You want to know about the $3 million I got. I got that in exchange for an $18 million nautical institute stolen from me, stolen from the people of Dartmouth, by the Secretary of State for External Affairs.

Some Hon. Members: Oh, oh!

AFFIRMATIVE ACTION PROGRAM FUNDING

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, can the Minister of Employment and Immigration tell me why the Government in all of the secretiveness, quietness, and hidden procedures—I do not mind not getting any money particularly, but I tell you what I do object to, I object, in the middle of all that is going on, secretly, behind people's backs, to the Government taking away funding from an affirmative action program that was designed to help young black women enter the labour force or re-enter it if they had had to leave it—why the government cut out that funding to give to Cape Breton Members funds that could be used to help these people?

Some Hon. Members: Oh, oh!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, in every single one of these Special Projects direct job-creation functions, whether it is winter works, NEED, Summer Canada, the Community Development Program, Special Employment Initiatives, or Section 38, the proportion of funding flowing to Nova Scotia is well above that which it would be theoretically entitled to on the basis of its level of unemployment in Canada—well above it. I am surprised that the Hon. Member, as a Member of Parliament, with the interests of Nova Scotia at heart, should really object to that situation. He has mentioned a specific project—and I have to say to him that I am not aware of that project.

Mr. McDermid: You are too busy with Cape Breton.

Mr. Roberts: I would be very happy to look into that project. There is still a considerable amount of funding available under the Special Employment Initiatives Program. If he wishes to recommend that project to me, I would be very happy to look at it thoroughly, carefully, and conscientiously.

Some Hon. Members: Hear, hear!

APPLICATION MADE FOR DISABLED CHILDREN'S PLAYGROUND

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the same Minister, concerning the same Employment Initiatives Program. Last November 29 I wrote to the Minister responsible for disabled persons asking him if there were any moneys available to upgrade a school playground for disabled kids. That was last November 29. Last week the Minister wrote back and said if there are any moneys available under the federal Departments, I am afraid there is no program within my Department with a mandate to provide funding for capital expenditures" for this purpose. At the same time the Hon. Member for Kitchener received a grant from that Minister's Department under that program. What is the difference between a disabled child who happens to live in Kitchener and any other disabled child in this country?

• (1440)

Some Hon. Members: Hear, hear!

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it may be that I did not hear the Hon. Member correctly. If so, I apologize. I thought I heard him say that he wrote to the Minister responsible for disabled people. I assume he meant he wrote to me.

Mr. Young: No.

Mr. Roberts: If he did not write to me, then I am afraid, at least off hand, I am not aware of that specific item of correspondence which I gather was directed to another Minister. If he is asking about the reply of another Minister to him, I am afraid I cannot help him without undertaking some investigation to find out what was the content of the reply and what, if any, was the distinction between the two cases.

GRANT MADE TO KITCHENER RIDING PROJECT

Mr. Neil Young (Beaches): Mr. Speaker, the Minister of Employment and Immigration has told the House repeatedly in the last couple of weeks that he discussed this question in his

caucus on several occasions. The Minister is a member of that caucus. He knew about the program. He tells me that he knew nothing about this letter, yet under his Department he gave a grant of money to the Hon. Member for Kitchener. I want to know why. It is in the Minister's documents which he tabled in the House the other day. What is the difference between a disabled child in Kitchener, a Liberal riding, and one in my riding, or in any other riding across the country?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it is difficult for me to reply in relation to correspondence to which I have not been a party. If I heard the Hon. Member correctly, he said that he received a reply from my colleague saying that there was not a program within his Department for this purpose. In so far as I know from hearing the comment, it is probably true that there is not a program within the Department of my hon. colleague for that purpose.

Mr. Young: What is this?

Mr. Roberts: It seems to me that if he is referring to the correspondence which was exchanged, if I heard him correctly, the correspondence was accurate. What seems not to have happened is that the hon. gentleman did not write to me with his suggestion, which perhaps he should have done.

* * *

[*Translation*]

HEALTH

EFFECTS OF BILL C-3

Mr. Speaker: The Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens).

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. According to statements published in the newspaper *La Presse* on February 22, the Quebec Minister of Social Affairs, Mr. Pierre-Marc Johnson, said that Bill C-3, relating to health services in Canada, might deprive Quebecers of dental care for their children and of medication for the elderly. Could the Minister give the House the assurance that, contrary to what was stated by the Quebec Minister of Social Affairs, the Bill under consideration is not aimed at penalizing children and the elderly in Quebec?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I can confirm to the Hon. Member for Saint-Michel Ahuntsic what I said yesterday to the Member for Jonquière who asked the same question, that I am very sorry the Quebec Minister, Mr. Johnson, saw fit to make statements to alarm the elderly and mothers and their children. The health Bill does not cut services in any province. On the contrary, it entrenches once and for all the basic insured services that are to be offered free of charge to all Canadians and all Quebecers.

So, as far as this particular situation is concerned, I fail to see why the elderly are again being used by the Minister, who seems to feel guilty, because if the Act is complied with, there is no penalty and thus Quebecers cannot be deprived of any services. I think it is clear this legislation reinforces the health insurance system to protect Quebecers.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MADAME VÉRONIQUE NEIERTZ, MEMBER FOR SEINE-ST-DENIS, AND OF SENATOR ADOLPHE CHAUVIN OF THE ELECTORAL DISTRICT OF VAL D'OISE, IN FRANCE

Mr. Speaker: Order! I wish to draw the attention of the House to the presence in our Gallery of two very distinguished visitors, Mrs. Véronique Neiertz, Member of the French National Assembly and Senator Adolphe Chauvin of the French Senate.

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT IN NEW BRUNSWICK

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The construction industry is the bellweather of the economic climate of the maritime Provinces, and right now the economic forecast is for continuing storms. Unemployment is rampant and, like a drought, is ravaging the land. What does the Minister have to say to the 83 per cent of pipefitters, the 82 per cent of carpenters, and the 84 per cent of labourers in New Brunswick who only want a job more than they want his neck? Never mind the frigate program, most of which will not come onstream until 1985.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I have had discussions with my provincial counterpart in New Brunswick about the problems of training and equipping people for future employment, and about the immediate need for creating jobs there. Early next month I will be in Saint John, New Brunswick, again to meet with him and my other provincial colleagues to discuss these problems.

The third thing I would say to him in reply to his question is that he may not feel the frigate program is one which is worthy of support. But we in this Party feel that it is very important and will have the benefit of creating jobs within his Province.

Mr. Corbett: I can assure the Minister that what we require in southern New Brunswick, in all Atlantic Canada, and in Canada, is much more than talk. We need action, which we are not obtaining from the Government.

Oral Questions

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—DISTRIBUTION OF FUNDS TO NEW BRUNSWICK RIDINGS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I remind the Minister that we asked for the details under the SEI Program back in 1982. We were told to await the details, to put our questions on the Order Paper. We did that, and we got nothing.

How can the Minister explain away to the suffering families of the unemployed the ineffective dumping of more than $7 million under the SEI Program into New Brunswick Liberal ridings for the sole purpose of electing the unelectable? How does he expect Canadians to believe that over 90 per cent of the unemployed reside only in Grit ridings in New Brunswick and Nova Scotia?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, there seems to be an extraordinary inconsistency in the hon. gentleman's question. On the one hand he preaches at us for having done nothing in New Brunswick. In fact what we have done is put $89 million worth of job-creation investment into New Brunswick in exactly the kinds of programs which he then turns around and condemns us for having brought into effect.

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OFFICIAL LANGUAGES

COSTS OF LITIGANTS CONTESTING LEGALITY OF QUEBEC LEGISLATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Justice. Yesterday federal Government lawyers were in the Supreme Court with Quebec school groups to contest the restrictive education provisions in Quebec's Bill 101. Furthermore, his colleague, the Secretary of State, provided funding to cover the legal costs of the litigants.

This week four Montreal businesses and Alliance Quebec joined together to contest legally the restrictive sign provisions in Bill 101. Will the Minister say whether his Department and the Secretary of State will provide the same assistance to these litigants in order to strike down these oppressive provisions?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, as the Hon. Member's question recognizes, the Government has been very active in supporting the claims of minority groups of both official languages in many parts of the country in cases involving the rights of minority linguistic groups. The program is administered by the Secretary of State, on the advice of the Minister of Justice. We have a considerable number of applications. We try our best to consider them favourably. The kind of application to which my hon. friend referred is the kind that would likely receive support from our program. I would actually have to receive the application and discuss it with my colleague before I could give an absolute assurance, but certainly prima facie it would seem to be the kind of case where assistance would be given.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—PROTEST TO UNITED STATES GOVERNMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of the Environment. He is aware of the recent protest sent to the Government of the United States. Could he give us an idea why it took so long, inasmuch as the U.S. President made his statement approximately six weeks ago? Would the Minister tell us what the Government intends to do on its own to reduce emissions by 50 per cent? That is what we will have to do to set a good example.

● (1450)

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, this being a decision that resulted in a serious setback in our plans to reduce acid rain precipitation in this country, we wanted to make a very thorough analysis and put our case forward to the United States in the most concise and effective manner. Therefore, we have proceeded in a rational and orderly way. We presented this statement yesterday to make our case. I do not think the Hon. Member would have approved if we had rushed into the State Department with an ill-conceived position. We have done it in a way that I believe is rational and will hopefully convince the American authorities that they are making a very serious mistake in disregarding the economic consequences to their economy as well as the Canadian economy in postponing action on acid precipitation.

As to the second part of the Hon. Member's question, I am approaching the provincial Ministers of the Environment in order to convene a federal-provincial meeting very soon to assess our position, and to determine where we go from here.

AUTOMOBILE EMISSION STANDARDS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the Minister is aware automobile emission regulations in Canada are much more lenient, in fact three times more lenient as in the United States. I believe that something will be done in Canada to make ours stricter, but not until the 1990 models. I am wondering if the Minister would have a word with his seatmate, the Minister of Transport, and maybe between the two of them they will do something to change the 1990 date to at least 1987. Surely we do not have to wait that long, since cars manufactured in Canada are shipped to the United States equipped with strict emission controls. It could probably be done here by 1986.

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, I thank the Hon. Member for his intervention on this subject. I have frequent conversations on this with my seat-

mate. I will take his submissions as a good input into resolving this matter, possibly much sooner than 1990.

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GRAIN

RAIL SHIPMENTS FROM THUNDER BAY

Mr. Les Benjamin (Regina West): Mr. Speaker, I have a question for the Minister of Transport, who also reports to the House for the Canadian Wheat Board. As he knows, last winter over one million tonnes of grain were shipped east by rail from Thunder Bay to central and eastern Canadian ports. So far this year only 160,000 tonnes have moved. Over 900 grain workers are laid off at Thunder Bay because the Canadian Wheat Board and Canadian National cannot reach an agreement on a freight rate east of Thunder Bay. Will the Minister report to the House on that and what action he is taking with Canadian National?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker I appreciate the question from the Hon. Member. I would like to clarify one point. There is no price differential between the two railroads in this case. I agree that for some reason or other the Wheat Board is not assigning allocations to CN. We understand, of course, that CN is heavily involved in the Prairie region, particularly in the northern parts of the Provinces because of a very large movement of grain out of those areas. We are holding discussions to alleviate the shortage of equipment that CNR presently encounters, and at the same time I will be meeting, as the Hon. Member knows, on Tuesday with the Senior Grain Transportation Committee at which time the railways, the Wheat Board, the shippers and producers will be present. It is a matter that I will take up with them at that time.

FREIGHT CHARGE INQUIRY

Mr. Les Benjamin (Regina West): Mr. Speaker, Thunder Bay has practically ground to a halt. This is affecting grain movement from Manitoba, eastern Saskatchewan, as well as east of Thunder Bay. I am informed that Canadian Pacific has moved about 160,000 tonnes. That is all that has moved so far. Canadian National is not moving it. I am informed that the argument is about what the freight charge will be east of Thunder Bay. Can the Minister find a solution to that problem and get the grain moving, otherwise the port remains shut down for the rest of the winter?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I cannot add a great deal to what I said earlier, that the comparability of rates between the two shows no difference. However, as the Hon. Member well knows, the Wheat Board does have the authority to allocate the movement by railway. There is the extenuating circumstance that CN is very heavily committed, particularly in the Peace River area and other areas, and most of its equipment is tied up. We have recently held meetings to see if we can gain additional equipment through leasing by CN for a short period of time. I understand the Hon. Member's concerns. I share them. I will be raising those matters on Tuesday when I meet with all the concerned parties, which shows the value of having a Senior Grain Transportation Committee, which in turn shows the value of having the Grain Transportation Act.

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ENERGY

NEWFOUNDLAND OFFSHORE RESOURCES

Hon. Roger Simmons (Burin-St. George's): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. A week or so ago the Hon. Member for St. John's West indicated in a television interview that if the Tory Party came to power it would turn over ownership of offshore resources to the Province of Newfoundland and Labrador.

Mr. Crosbie: All offshore provinces.

Mr. Simmons: Yesterday the Leader of the Opposition failed to confirm that promise in a meeting with the Premier of Newfoundland. Indeed, he completely contradicted the hon. gentleman from St. John's West, the bionic mouth not attached to any known intelligent life form. In view of this continuing contradiction from the unguided missile from St. John's West, versus the take-no-position of the Leader of the Opposition, I ask the Minister whether he has had any recent representation from the Premier of Newfoundland to get on with the job of offshore negotiation, despite the lack of position, the many positions, from the Tory Party?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I have not received any communication from the Premier of Newfoundland since that Province quit negotiating more than a year ago. I am always available for discussion. I am not surprised that the Hon. Member for St. John's West would say such a thing. He offered a deal whereby he would have for the Province of Newfoundland the same revenue as the Province of Alberta. The offer I made to Newfoundland was for much more revenue than the Government of Alberta is receiving. The Hon. Member misled his people and, in fact, will be depriving the people of Newfoundland of financial resources if his policy were accepted. I understand why the Leader of the Opposition is not accepting the proposition of his colleague, who is still fighting against him.

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CORPORATE AFFAIRS

OIL COMPANIES' MEETINGS ON PRICES AND SUPPLIES

Mr. Bill Domm (Peterborough): Mr. Speaker, it has been brought to my attention that there is a conspiracy to fix prices between the major oil companies. One of the partners in this conspiracy is Canada's own Petro-Canada. I would ask the

Minister responsible for Consumer and Corporate Affairs to please answer to this House why she is allowing Petro-Canada, Shell, Imperial Oil, Gulf and Texaco to have secret meetings and set a location from which fuel will be picked up at one specific refinery. The price is fixed at that refinery. It could be Petro-Canada or Shell. As a result, all of the people in that marketing area, including some in Ottawa, have been paying as much as 50 cents a gallon more than people in Peterborough because the price is fixed.

The ripoff is occurring. For eight years the Liberal Government has done nothing to interfere with the price fixing that is going on within the oil industry.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member is aware that the Restrictive Trade Practices Commission is holding hearings. Those hearings just received a very comprehensive report from the Bureau of Competition. I wish the Hon. Member would take a careful look at it. Other than that, I think it is best for us to remain silent until the full story is told. He can rest assured that the Government will take appropriate measures once they are suggested by the Commission.

INDEPENDENT SERVICE STATIONS—REQUEST FOR FREEDOM OF COMPETITION

Mr. Bill Domm (Peterborough): Mr. Speaker, this has been going on since 1958. I have been in the fuel oil business for 25 years. You know as Minister of Consumer and Corporate Affairs that that ripoff is occurring. For eight years you have had a commission studying it, you and—

Some Hon. Members: Order.

Mr. Domm: —the former Minister responsible for Consumer and Corporate Affairs. The position of your own solicitor, Gordon Kaiser, is that the Government should intervene to stop the fixing of prices by the major oil companies in Canada and allow the independent retail service stations of this nation to buy their product wherever they want to buy it, not from those who fix the prices.

• (1500)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Again, Mr. Speaker, I would recommend to the Hon. Member that he pay close attention to the inquiry which is taking place now, and if he can wait six more months we will have the answers to the questions he is raising. I can assure the Hon. Member that I am as anxious as he is. I would also like to comment, Mr. Speaker, that the Hon. Member may have had a lot of practice in the oil business, but I notice he has not been particularly successful lately.

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: Order. I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Wednesday, February 22, 1984, meet the requirements of the Standing Orders as to form.

One of the petitions presented by the Hon. Member for Hamilton-Wentworth (Mr. Scott) does not meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: I rise on a point of order, Sir. Could the Government House Leader inform us as to the business for tomorrow? Since the House will be rising at the close of business tomorrow for the mid-term break and will not be returning until March 5, can he give us some indication of the business which he intends to call, at least for the first day or two, March 5 and March 6, and as far into the week as he can take us?

Mr. Pinard: Yes, Mr. Speaker. Tomorrow we will start debating Bill C-10. Following the winter break, on Monday we will have the fifth day of debate on the Budget and Tuesday will be the sixth and last day of debate on the Budget. I am prepared to go even further, if the Hon. Member is interested. On the Wednesday and Thursday following we will be debating Bill C-21.

Mr. Nielsen: I thank the Government House Leader for that information. While the Hon. Member for Algoma, the Chairman of the Standing Committee on Privileges and Elections, is in his seat, would the Hon. Member, as Chairman of that Standing Committee, indicate when he is going to call the Committee together to deal with the assurances given by the Prime Minister last January 19?

The statutory report of the Chief Electoral Officer for 1983, which was automatically referred to the Committee and is waiting there to be dealt with, deals, among other things, with Section 72 of the Canada Elections Act, formerly Bill C-169. When is he going to call the Committee together so that that report, and Section 72 in particular, can receive the complete review which the Prime Minister assured us last January 19 would be happening?

Mr. Foster: Mr. Speaker, the Steering Committee met yesterday and we are planning to call the first meeting of the Committee on March 20. However, the exact agenda for that meeting will depend on the decision of the Committee as to what work to take up at that time.

Mr. Nielsen: This question then might be appropriate, Mr. Speaker. I think perhaps the Steering Committee might want to give some thought to meeting to consider this important

matter before March 20. In any event, the Steering Committee might wish to consider *Hansard* for January 19 at page 557, where there are certain assurances recorded which were given by the Prime Minister of the country with respect to the review of the report of the Chief Electoral Officer.

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POINT OF ORDER

MR. ROBERTS—UNPARLIAMENTARY LANGUAGE OF MR. CROSBIE

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, yesterday when I was replying to a question in the House of Commons, there was an intervention by the Hon. Member for St. John's West (Mr. Crosbie). I did not hear it at the time, Mr. Speaker, but I did see it this morning recorded in *Hansard*. The Hon. Member for St. John's West is reported on page 1621 of *Hansard* as saying in relation to myself "You are a bloody liar", which is both sacrilegious and clearly unparliamentary. I would ask that that expression be withdrawn.

Hon. John C. Crosbie (St. John's West): Yes, Mr. Speaker, if I said "bloody liar", it was obviously a mistake. A "well turned out liar" would be more accurate.

Some Hon. Members: Oh, oh!

Mr. Ouellet: Shame.

Mr. Speaker: I would ask the Hon. Member for St. John's West, an experienced parliamentarian in this House and one, if I may observe, with certain ingenious talents with respect to language, to withdraw the world "liar". It is unparliamentary.

Mr. Crosbie: Naturally, Mr. Speaker, I will do whatever you wish. I withdraw the word "liar" and say that the hon. gentleman is unable to articulate or comprehend the truth.

* * *

BUSINESS OF THE HOUSE

Mr. Manly: Further to House business, Mr. Speaker—I was standing earlier—on December 12 the Prime Minister said that ending discrimination against Indian women was a legislative priority. I would like to ask the House Leader of the Government when a Bill dealing with this subject will be tabled in the House.

[*Translation*]

Mr. Speaker: Order! The Hon. President of the Privy Council (Mr. Pinard).

Mr. Pinard: The question is a very intelligent one, but it would be more intelligible if the Hon. Member would care to repeat it.

[*English*]

Mr. Manly: Mr. Speaker, on December 12 the Prime Minister said that ending discrimination against Indian women would be a legislative priority for this session. I wonder if the House Leader could indicate when a Bill dealing with this subject will be tabled in the House.

[*Translation*]

Mr. Pinard: Mr. Speaker, I shall give the Hon. Member's representations very serious consideration.

ROUTINE PROCEEDINGS

[*English*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

PRESENTATION OF FIRST AND SECOND REPORTS OF STANDING JOINT COMMITTEE

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, I have the honour to present the first and second reports of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

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

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AGRICULTURE

TABLING OF REPORT ON CATTLE AND BEEF INDUSTRY

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I wish to table pursuant to Standing Order 46(2) a report entitled: *An Evaluation of the Cattle/Beef Industry in Canada*, in both official languages.

* * *

[*Translation*]

ENERGY ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Jean Chrétien (Minister of Energy, Mines and Resources) moved for leave to introduce Bill C-22, an Act to amend the Energy Administration Act.

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

● (1510)

[*English*]

NARCOTIC CONTROL ACT

AMENDMENT RESPECTING THERAPEUTIC USE OF HEROIN

Hon. James A. McGrath (St. John's East) moved for leave to introduce Bill C-221, to amend the Narcotic Control Act (therapeutic use of heroin).

Mr. Speaker, this is exactly the same Bill that was presented on April 29, 1983 by the late Member for Nepean-Carleton. At that time, as reported at page 24994 of *Hansard*, when introducing the Bill he said:

Madam Speaker, the purpose of the Bill is to permit designated physicians in defined hospitals, particularly in cancer clinics, to prescribe heroin to alleviate pain and to provide against diversion of heroin for improper purposes and to permit a public debate and decision on this important question.

Ironically, Mr. Speaker, when the Hon. Member introduced the Bill he was in reasonably good health. Shortly afterwards he was diagnosed as having cancer and subsequently he died. I hope the House will agree eventually to allow the subject matter of the Bill to go to committee where the evidence and the expert witnesses can be heard.

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

* * *

EXCISE TAX ACT

On the Order: Introduction of Bills:

February 8, 1984—Mr. Lambert—Bill intituled: "An Act to amend the Excise Tax Act and the Excise Act (annual adjustments)".

Mr. Speaker: Order. Before proposing the motion for leave to introduce the Bill entitled an Act to amend the Excise Tax Act and the Excise Act (annual adjustments) of the Hon. Member for Edmonton West (Mr. Lambert), the Chair ought to enter a caveat as to the procedural acceptability of the Bill which purports to reduce duties. However, I am prepared to hear argument from the Hon. Member and take the matter under advisement before rendering a final decision on the question at a later date convenient to the Hon. Member and the Chair.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the point was raised by a Table officer, it was replied to, and the simple answer is: Since when is an excise tax a duty?

Mr. Speaker: Nevertheless, the Chair stands by the comments that have been entered on the record. The Chair will come back to this matter before proceeding with the Bill. The Chair still has reservations concerning it.

COMMUNICATIONS AND CULTURE

REFERENCE OF SEXUALLY ABUSIVE BROADCASTING MATERIAL TO STANDING COMMITTEE

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I think you will find there is unanimous consent that a motion be put to the following effect:

That the subject matter of sexually abusive television programming be referred to the Standing Committee on Communications and Culture.

I think if you seek unanimous consent you will find that there is a disposition that the motion be put.

Mr. Speaker: Is there unanimous consent?

Hon. Erik Nielsen (Yukon): Yes, Mr. Speaker. It was the intention of the Hon. Member for Hamilton-Wentworth (Mr. Scott) to raise that as a point of order today, but now that the step has been taken that will not be necessary. Of course, we consent.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I believe the wording that was understood was "sexually abusive broadcasting", which is more all-encompassing. If that could be understood?

Mr. Evans: Mr. Speaker, it would be acceptable to change the words "television programming" to "broadcasting", if that is agreeable to Members of the Opposition.

Mr. Nielsen: It is the same thing.

Mr. Speaker: Is there consent for the Hon. Parliamentary Secretary to the President of the Privy Council to present the motion?

Some Hon. Members: Agreed.

Mr. Speaker: It is moved by Mr. Evans, seconded by Mr. Maltais:

That the subject matter of sexually abusive broadcasting be referred to the Standing Committee on Communications and Culture.

Motion (Mr. Evans) agreed to.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 93, 150, 441, 442, 461, 517, 563 and 576.

[*Text*]

DEPARTMENT OF SUPPLY AND SERVICES—PUBLIC RELATIONS

Question No. 93—**Mr. Howie:**

How many persons engaged in public relations, media relations or publicity are employed by the Department of Supply and Services?

Hon. Charles Lapointe (Minister of Supply and Services): Number of people engaged in public relations: 3; number of people engaged in media relations: 2; number of people engaged in publicity: 7.

NATIONAL HARBOURS BOARD

Question No. 150—**Mr. Crosby:**

1. What amount was paid to the National Harbours Board by (a) Task Terminals (b) Manchester Liners (Furness Withy) (c) CP Ships for container terminals or facilities utilized at the Port of Montreal for each year 1970 to 1980?

2. Were the operations of the container terminals or facilities subsidized during any of the years and, if so, for what amount in each case?

Hon. Lloyd Axworthy (Minister of Transport): The Canada Ports Corporation advises as follows:

1. This information is of a confidential nature as it could have an impact on the commercial competitiveness of the companies involved.

2. No.

REVENUE FROM PERSONAL INCOME TAX

Question No. 441—**Mr. Howie:**

In the fiscal year ending March 31, 1983 what was the total revenue collected from personal income tax?

Hon. Pierre Bussières (Minister of National Revenue): $26,330 million.

REVENUE FROM CORPORATE INCOME TAX

Question No. 442—**Mr. Howie:**

In the fiscal year ending March 31, 1983 what was the total revenue collected from corporate income tax?

Hon. Pierre Bussières (Minister of National Revenue): $7,139 million.

PAYMENTS FOR REMOVAL OF UFFI

Question No. 461—**Mr. Howie:**

In the period April 1, 1983 to date, did the government make any payments for removal of urea formaldehyde foam insulation from homes and buildings in Canada and, if so, what was the total (a) amount (b) number of individuals or groups in receipt of them?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Yes, the Government did make payments to owners of homes insulated with urea formaldehyde foam insulation, not only for the purpose of removing the insulation but also for other measures, such as sealing and ventilation, to correct problems associated with the insulation.

(a) The amount granted to home owners from April 1, 1983 to January 31, 1984 is $95,700,000. (b) 14,103 home owners received advances in this period, and 19,710 received final payments. (Please note that the same home owner may have received an advance payment as well as a final payment.)

GRANTS TO CHATHAM-NEWCASTLE AREA OF NEW BRUNSWICK

Question No. 517—**Mr. Howie:**

Since January 1, 1983, did the Ministry of State for Economic and Regional Development announce any grants, contributions or assistance for the Chatham-Newcastle area in New Brunswick and, if so, what grants, contributions or assistance was announced?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): No.

CANADIAN AID FOR SOUTHERN AFRICAN REFUGEES

Question No. 563—**Mr. Gamble:**

Does Canadian Aid for Southern African Refugees of Vancouver enjoy charitable status for tax purposes and does the Canadian International Development Agency give matching grants to the fund and, if so, in (a) 1980 (b) 1981 (c) 1982 (d) 1983 what amount did it give?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by Revenue Canada and the Canadian International Development Agency as follows: (a) yes, (b) no.

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

Question No. 576—**Mr. Howie:**

1. In (a) the current fiscal year (b) each of the two preceding fiscal years, with respect to the Natural Sciences and Engineering Research Council (i) what total amount was expended by the Council (ii) how many persons were employed by the Council (iii) what amount was expended for staff remuneration?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): In so far as the Natural Sciences and Engineering Research Council is concerned, the answers are as follows:

(i) Total amount expended by the Council:

(a) 1983-84: 261,120,000

(b) 1982-83: 244,438,439

1981-82: 201,141,009

(ii) Number of persons (person-years) employed by the Council:

(a) 1983-84: 111 person-years allocated

(b) 1982-83: 98 person-years allocated; 95.5 person-years used

1981-82: 81 person-years allocated; 76.5 person-years used

(iii) Amount expended for staff remuneration:

(a) 1983-84: 3,194,000

(b) 1982-83: 2,659,110

1981-82: 2,030,906

* * *

[*Translation*]

QUESTION PASSED AS ORDER FOR RETURN

Hon. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 467 could be made an order for return, this return would be tabled immediately.

[*Text*]

LAWYERS EMPLOYED BY DEPARTMENT OF JUSTICE IN NEW BRUNSWICK

Question No. 467—**Mr. Howie:**

In the fiscal year ending (a) March 31, 1983 (b) March 31, 1983, to date, were any outside lawyers employed in New Brunswick by the Department of Justice and, if so, in each case, what (i) was his/her name (ii) amount was paid?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government; and the amendment of Mr. Crosbie (p. 1445).

Hon. J. Robert Howie (York-Sunbury): Mr. Speaker, I had covered a large measure of my address before the adjournment. I was concluding my remarks by referring to a number of sectors of the economy in New Brunswick and the Atlantic provinces and indicating the measures which I thought would most stimulative to their extension and development.

There are other sectors, some of growing importance, which have a real or potential export component. These include transportation—port activities in particular and distribution—warehousing for the region, and some services, especially consulting services, engineering, architecture, data processing and so on. The national defence sector has a major impact on the economy as well.

Together the six sectors account for about one-fifth of all economic activity in the Atlantic provinces, providing 20 per cent of both employment and gross domestic product. The balance of economic activity occurs in the construction and service sectors. As indicated, these are largely dependent on other activities in the region.

Generally, although we have perceived the need to move beyond the traditional industries, we have not always moved into better production and marketing techniques, more sophisticated or higher quality versions of existing products, or new products related to our existing basic skills, managerial expertise, marketing channels and the like.

The fisheries offer a good example of these difficulties. Atlantic Canada has one of the world's largest fisheries, yet participation is modest in the manufacture of deck hardware, propulsion machinery, fishing gear, processing plant equipment, and electronic devices used in navigation. The shipbuilding industry finds it difficult to supply fishing vessels to our fishermen on equal terms with subsidized foreign shipyards. In other words, we have fallen behind in a vital high technology market which should have been a natural for Atlantic Canada.

• (1520)

Nor is fisheries-related manufacturing the only unrealized opportunity. Based upon an assessment of competitive strengths and weaknesses, we appear to have significant manufacturing opportunities in plastics, fabrication, and chemicals extracted from marine plants; in drug, personal and homecare industries; in defence related manufacturing; and on a smaller scale, in certain industrial chemicals and home and commercial furnishings. There are undoubtedly many others.

More specifically, we must devote more attention to the following human resource issues: Government-business-labour relationships; management; innovation; restructuring and marketing. Certainly close co-operation between federal and provincial governments and innovative tax incentive programs are needed to spur economic growth in the Atlantic provinces. Sadly, sound federal-provincial relations are not a hallmark of this Government, nor are innovative fiscal policies.

In the Atlantic provinces we require new programs to encourage innovation in business. We need a better transfer of information between the patent and licensing office and the business community to promote new technology. In addition, incentives to increase the supply of risk capital in underdeveloped areas are vital. An expanded and enhanced mandate for research is also required. Further incentives to encourage process redesign and innovation as well as product innovation are needed. Atlantic Canada also needs a stronger marketing orientation in the program structure specifically aimed at more effective penetration of local, regional, national and international markets.

Let me propose a couple of further, specific ideas which could prove beneficial in this respect. One idea would be to provide a 150 per cent tax credit to small firms starting up in

underdeveloped regions to cover capital costs and labour costs for the first three years of operation. By allowing a newly established firm to apply these expenses against future income tax payable, the investor would be given the opportunity to recover his investment plus 50 per cent, and his labour costs for the first three years plus 50 per cent. In this way we would create a new corporate taxpayer and ensure the creation of much needed employment—all without taking anything from the federal Treasury.

A second suggestion would be the abolition of the capital gains tax. The enormous administrative costs associated with collection of these revenues already offsets any perceived fiscal advantage. If we accept at face value the $400 million which the Government presently collects in capital gains tax, I would argue that the advantages of eliminating this tax in terms of potential domestic and foreign investment and the resulting creation of jobs and new corporate taxpayers would be overwhelming.

I would prefer to end my comments on a happy note. However, I am afraid the Budget before us offers little incentive for optimism. As I have pointed out, there is little in the Budget to improve the lot of our pensioners, our unemployed citizens, or our underdeveloped regions. The Government simply continues to illustrate its mismanagement and callous disregard for the well-being of its citizens. The Government bases its fiscal projections on anticipated improvements in the U.S. economy which it claims will pull Canada upwards in its wake. For the sake of Canada's long suffering population, we will have to hope that this is so, because Canadians know all too well that solutions and leadership will never come from the present Government. To the despair of the unemployed, it is clear that the Government's expertise lies in the distribution of largess. Its talents do not include compassion, leadership, or positive results.

Mr. Corbett: Mr. Speaker, the Hon. Member mentioned the importance of military bases to the economy of the Atlantic region. Would he have some comment on the Government's proposal to withdraw the air squadron from CFB Chatham? How does he feel that might affect the economy of that part of Atlantic Canada?

Mr. Howie: Mr. Speaker, the Hon. Member's question is a good one. I am not happy about the withdrawal of the air squadron from CFB Chatham because I feel it is a militarily wrong decision. I discussed this matter at length with our former and present defence critic. We feel it is the wrong way to go. The new CF-18 fighter aircraft would be better employed at Chatham because, when fully loaded, it has a very limited range. At Chatham it would be able to fly out over the Atlantic and observe Russian aircraft flying down the Atlantic corridor to Cuba. This would be an enhanced role for us in NATO. So my inclination would be to leave the aircraft there on military grounds.

As the Hon. Member knows, the area of Newcastle, Chatham and Miramichi is in a desperate situation economically. We have high unemployment and the removal of about 1,500 or 2,000 people from that area will be a disaster which will exacerbate a very serious problem. The Government has proceeded with development of a maximum security prison in that area which will help alleviate the situation. They have a pay division facility which is supposed to go into that area to help it, and there have been other small developments. However, the total impact of these developments fails to equal the economic effect and purchasing power of the spin-offs from the military base.

One thing the Government should look at is the possibility of developing a duty-free port in Newcastle harbour. Harbour development is always followed by economic development. I had hoped that something like the Bell Helicopter plant, which creates over 4,000 jobs in nearby Quebec at Mirabel, would go to the Chatham area. This would have a fantastic effect on the whole economy of New Brunswick and lift that area economically from one of depression to one of the most advanced in the country.

The move of surveys and mapping branch of the Department of Energy, Mines and Resources, which we tried to get for the University of New Brunswick and which has the best survey engineering faculty in the world, where it would operate most efficiently, has been refused for the last seven years. The Minister is determined to move it to Sherbrooke, Quebec, and recent court decisions may enable him to go forward with that decision. It will cost us $76 million, and if he is determined not to put it on the University of New Brunswick campus where it can operate best, then I do not know why they do not put it in Chatham where it will stimulate the economy. That $76 million would just be a godsend in New Brunswick and a real advantage to that area. The Member from Miramichi has raised the question and worked very hard in his caucus and with the Government. Our provincial counterparts have co-operated. I think all Members from New Brunswick are concerned with this problem and would like very much to encourage the Government of Canada and the Government of New Brunswick to do everything they can to address the situation.

I hope my few comments have been constructive. I thank the Hon. Member for his question and the Speaker for his patience. I did not really intend to make another speech.

Mr. Flis: Mr. Speaker, the Hon. Member usually puts a lot of thought and planning into his debate. First of all, I would like to disagree with his closing remarks. If he looks at the April Budget and at this Budget, he will see the Government shows great concern and compassion for the economically depressed areas of Canada. I recommend that he look at both Budgets and I think he would probably strike out the last comment he made.

I agree with him, though, that we should be seeking better marketing techniques. I was wondering if he could share with us some suggestions for improving our marketing techniques, especially in the part of Canada he comes from.

Mr. Howie: Mr. Speaker, I thank the Hon. Member for his question. In addition to the market research and structure I

outlined in my speech, another avenue which occurs to me and which might be beneficial is the development of something similar to the DISC program which has operated very effectively in the U.S. That is the concept of the duty-free port in which we import, generally from emerging nations of the world, products which, with their lower cost labour force, they make relatively inexpensively. By trading with them we create a potential customer. My point is that we would import these products to Newcastle, Chatham, St. John, Belldune or some of our other ports which are excellent all-weather ports in New Brunswick. We would assemble them using Canadian employers, technique, engineering, technology and workers. We would assemble them, making the total product, and then export this product to world markets. Because we can import it less expensively, our product would then be less expensive. Because of our higher technology capabilities, particularly in communications, electronics and electronic assembly, our product would be competitive world-wide. Like the Americans, who increased their trade 16 per cent in the first year of operation, I feel that we could reach world markets and create good jobs in New Brunswick. This is one of the techniques I would like us to consider. I thank the Hon. Member for his question.

• (1530)

Mr. Deputy Speaker: The House will now proceed with debate. The Hon. Member for Cochrane-Superior (Mr. Penner).

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I listened to the concluding remarks of the Hon. Member for York-Sunbury (Mr. Howie) before he answered the questions, in which he took quite a negative approach to the Budget. I would like to strike a different note from that, Mr. Speaker. In my view the Budget, which was presented by the Minister of Finance last week, deserves the appreciation and whole-hearted support of the House.

One very noted columnist in this country, who specializes in matters relating to business and economics, said, concerning the Budget of last week, that the Minister of Finance (Mr. Lalonde) has produced a winner. I see this Budget as maintaining that steady course which was set out for us last April. This course was designed to lead the country from recession to recovery and on to expansion. The charges which have been made by Opposition spokesmen that this Budget is merely flashy, bright and shiny are, in my view, quite false and misleading. This Budget is one of substance. It is going to wear very well. It is going to stand the test of time. It is going to produce the results which we all want. Therefore, I commend the Minister of Finance for the Budget that he introduced in the House last week.

This Budget was the product of very extensive consultation. The Minister spoke with many groups, interests and individuals across the country, as well as Members of Parliament. This consultative process means that we were given a Budget which is responsive to those representations which were made and is responsible to the needs of the country at this particular time.

When the Minister of Finance rose in his place last week to begin his Budget Speech we had a sense of confidence in what he was going to say because we knew he had not worked by himself in splendid isolation. He had been out talking to people who are deeply concerned about the Budget measures and the effect they have on the Canadian economy. The Minister had consulted widely. Therefore, when we heard the opening words of this Budget, we did not need to feel as did the composer of that old spiritual when he said, "Sometimes it causes me to tremble, tremble". There have been Budgets when that was the feeling on the part of many Hon. Members.

I would like to begin by thanking the Minister of Finance for the additional $150 million to the Youth Opportunity Fund. That is added to the $1 billion which has already been allocated to the Youth Opportunity Fund. I commend the Minister for opening the door to the possibility of greater productivity and better rewards for employees by encouraging profit participation plans. We are grateful to the Minister for his good housekeeping moves in simplifying the tax system for small businesses and for improving tax administration in general.

In his Budget the Minister recognized that above all Canadians today want a greater sense of security. He responded to that desire with his Mortgage Rate Protection Program. This is an incentive to home ownership. It means that a young couple wanting to buy a home will have some assurance that they will be protected against substantial increases in mortgage payments which have in the past, and could possibly in the future, be caused by extraordinary hikes in mortgage rates. That fear was a deterrent to home ownership which the Minister has now removed.

The Minister heard well those who spoke to him and demanded pension reform. Portability of pensions will help immeasurably to improve the mobility of the labour force in Canada. Permitting spousal survivors to retain their benefits upon remarriage is not only eminently reasonable, it is also humane, civilized and long overdue. It is also fair and just to have a provision allowing for the splitting of pensions between spouses in the case of marriage breakdown.

The improved tax assistance for retirement savings will appeal to owners of small businesses, farmers and professionals who are self-employed. Perhaps our medical doctors will see this as more than adequate compensation for having to give up the odious practice of extra billing. Being able to put away additional moneys in retirement savings plans will be of benefit to them. That extra billing will not then concern them so much. That is a practice which is prejudicial to those who have only modest incomes and become ill.

The Finance critic for the Official Opposition has focused the attention of the House on the size of the deficit. It is quite true that the deficit is cause for some concern. A deficit of the size which we have in Canada limits a government's capacity to respond effectively to new challenges. It restricts a government in designing programs to help solve new problems which may emerge. Deficits have a tendency to lock us into the past and foreclose on the future. Deficits call for the exercise of

restraint wherever possible without hurting our citizens who are in need. Deficits such as we have in Canada today call for the maximum of efficiency in all our government operations.

We have a servant of the House who is quite capable of advising us on how to be more efficient. In his reports the Auditor General has indicated a number of ways in which the Government can enjoy significant savings and therefore help somewhat with the size of the deficit. Mr. Speaker, when there is a call for an all-out massive attack on the deficit, I think such a statement of public policy must be backed up with some hard facts. For example, if we wanted to spend much more money on national defence, give a great deal more money to post-secondary education, provide the provinces with more money for medicare, or significantly increase the expenditure directed to research and development, all of this while still trying to reduce the deficit, then we would have to ask ourselves where the cuts will take place.

● (1540)

During the recent recession, which was the worst setback for the entire western industrial world in 50 years, there were only two countries — Sweden and Canada — that maintained the so-called safety net. These two countries did not alter, cut-back or reduce their social security systems.

Today, governments in Europe are paring down their social programs. The provincial Government of British Columbia is following that example, as we well know from its recent Budget. As these cut-backs in social security measures are taking place around the world, there are workers, students, mothers, unemployed and disabled veterans who are taking to the streets in protest. I am proud to say that the federal Government of Canada rejected such an approach during the period of economic recession. We knew that recession impacted in a negative way most seriously upon those with the greatest needs. It is never easy and it is never inexpensive to hold back the tides of poverty.

Between 1969 and 1981, thanks to federal Government programs, the number of Canadians living in poverty was cut in half. Now, when there are wild charges made in the House that this is a Government that is profligate in its spending, that it spends with abandon and irresponsibility we should remember that the number of people living in poverty was reduced by 50 per cent. A lot of money had been spent but a significant step forward was taken toward having a much better society.

Regrettably, during the recent recession some of the gains that were made from 1969 to 1981 were lost, especially with two groups of people. One group was elderly single women. They lost ground and as a group in Canada today they are the poorest of the poor. That is why one of the very first actions of this Government, when it took office in 1980, was to increase the guaranteed income supplement by $35 a month. That is why the Minister of Finance announced last week another increase of $50 a month in the guaranteed income supplement for single pensioners.

Also hard hit were single parent families headed by women. I believe the time is at hand to consider very carefully whether we should do more targeting with our social assistance dollars. But that will have to be the subject for another debate at another time.

It is no easy task to launch a massive attack on the deficit. It is no easy task when so much of our spending is already locked in and there is so little—only about 15 per cent of expenditures by some calculations—that is actually discretionary.

Although many governments today, those in Europe and some of our provincial Governments, are being spooked by deficits, perhaps we should be more analytical and objective in understanding what deficits are. Professor Bellan of the University of Manitoba very recently wrote an insightful article in *The Financial Post* in which he examined how deficits are financed and what the effects of these deficits are upon the economy. With respect to deficits he reminded us that in order to finance its deficits the Government of Canada sells bonds. Thirteen per cent of those bonds are sold to the Bank of Canada. Eighty per cent of those bonds are sold to Canadian business firms and individuals. Only 7 per cent are sold to non-residents.

Since the Government of Canada owns the Bank of Canada, that bank returns to the Government all of its revenues minus its operating costs every year. That is the first point.

The second point is that Canadian business firms and individuals who buy these government bonds pay federal tax on the interest they receive. What they retain, they retain as Canadians and much of it is spent in Canada. Therefore, except for the small fraction of some 7 per cent that is received by non-residents, what Ottawa does not get back is not lost to Canada but is received by Canadians. So when we talk about deficits and the national debt, I think we have to keep in mind the geography in which these dollars are being circulated. We are not accumulating a huge international debt. We are not going into the hole with respect to our trading partners. We are providing the services that Canadians need within Canada itself and circulating the dollars among ourselves.

Nevertheless, it is still claimed that deficits have certain negative impacts upon the economy, such as causing inflation, sharp rises in interest rates and crowding out private borrowers from the money market. Professor Bellan tells us to look at the facts. From 1981 to 1983, the federal deficit increased significantly from $10 billion to $30 billion. Let us see what happened to inflation at the same time. It went from 12.5 per cent to 5.3 per cent, which seems to fly in the face of the proposition that inflation is caused by deficits. The average prime interest rates in Canada during that period went down from 19.3 per cent to 11.2 per cent.

There is no shortage of money for borrowers. It is true that there is not a great deal of borrowing taking place for expansion, but that is simply because the present plant capacity is sufficient to provide the demands that exist in the marketplace. There is no need to go into the market to expand when additional capacity is unnecessary.

Nothing that I have said should be misunderstood. Deficits cannot be argued or wished away, but the way to reduce them

is to have an expanding economy, to control new spending carefully, and perhaps to redirect some old spending into some new areas of greater need.

One corporate citizen said recently, "Governments at all levels need to reassess their priorities and programs to determine those that are both necessary and affordable". That is a good and useful exercise at any time for any government.

The Budget of last April and the one presented to the House last week have enabled us to move from recession to recovery and now on to expansion. Recovery is surely under way. Woods Gordon of Toronto reported very recently that production levels have now reached beyond 90 per cent of pre-recession output. The surplus in our goods trade came in last year, in 1983, at $18 billion. What a great exporting and a great trading nation this Canada of ours is! That $18 billion is just a little short of the record we set for ourselves in 1982 of $18.3 billion in our goods trade surplus. So while output is coming back and we have a very healthy trade surplus, there is a negative aspect as well. Woods Gordon also reports that employment levels have not returned to the extent of production levels. They have only come back to the extent of 65 per cent. We have a more than a 11 per cent rate of unemployment and this means 1.5 million persons without jobs. That is why the Minister last week gave priority to job-creation programs. He added another $525 million for job-creation programs, which brings the total to $3.5 billion for the current fiscal year.

• (1550)

It is the job of a Member of Parliament to take a look at these programs and to make use of them. In my constituency I have met with representatives of companies, unions, municipalities, non-profit organizations, small businesses and social agencies. We have designed projects and submitted them under one or another of these many programs for consideration by the Government. Many of the communities have been helped by them. Thousands of unemployed persons have been given jobs as a result of these programs. These people are quite incensed, Sir, by charges from the Opposition that these job-creation programs are ineffective and meaningless. They are going to remember that when the polling booths are next opened.

To conclude, when the final vote is taken on this Budget, I will add my voice to the yeas because we have been given a good Budget. In my view, it is one that is just right for the times.

Mr. Deputy Speaker: Are there any questions or comments?

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, this is a divisive Budget, a Budget that is irrelevant to the real needs of Canada and I am, of course, speaking against it. This Budget not only fails to deal with the massive inequities that we already have in our system, but it increases them through the large number of loopholes which benefit the richer members of our society. We will now have a few more loopholes. The Budget fails to deal with the most critical problem we have, and that is, the very high level of unemployment. There are 1.5 million to 2 million people unemployed. We even debate what the real number of unemployed is. Indeed, the budget documents project that unemployment will remain very high at more than a million people, for as many years as this Government has the courage to make projections.

The Minister of Finance (Mr. Lalonde) and other Liberal Ministers of Finance have based their policies on the belief that inflation is public enemy number one, that when inflation is beaten investment will rise, and with rising investment more jobs will be created. This has let Ministers of Finance off the hook in their minds about direct job-creation. Has the theory worked? Inflation has indeed fallen, but investment has not risen appreciably. Canada still has an enormous unused economic capacity. Why should corporations expand, invest and employ more people when they already have unused capacity right now? So we have a Minister who talks about recovery, but it has been a recovery in profits, not a recovery in employment when we have 1.5 million or up to 2 million unemployed. In polite terms this is a fragile recovery. In less polite terms, people ask: With a recovery like this, who needs recession?

The Budget pays lip service to the problem of youth unemployment. This is really tragic because the youth unemployment rate is very high, around 20 per cent. This rate is even worse than the rate for adults. There is the Youth Opportunity Fund, but this will give only one job per year to 1.5 per cent of the young unemployed. It is not as much as the Liberal slush fund is providing in jobs. It is less than the Minister of Finance found last year when he made his slip and let out facts about the Budget and then found an extra $200 million. Here only $150 million is added to this very critical area of unemployment. Further, it is largely a cosmetic kind of investment. It is to help the young acquire job skills. But where will the permanent jobs be once they have acquired these job skills?

The reforms in the area of small business are also rather cosmetic. A simplification of the system has been promised. Certainly we welcome any simplification which will make life easier for small business people. But most of the benefits which have been promised are not really for small business people but to expand the definition of small business to allow professionals, including very high income earning people, to qualify at a lower tax rate. We have doctors and lawyers, who would otherwise be at the 50 per cent tax level, coming in and paying at the small business tax level on only half that amount.

There is nothing for small business to create new jobs directly or indirectly. There is nothing similar to our proposal for lower interest rates for small business to facilitate expansion in an area that creates a very large number of jobs. Since the consumer taxes which were introduced last year are being continued, this will mean less demand for the goods and services which are produced by small business people. Therefore, small business people will be hit with declining demand. What incentive will they have to expand their businesses in these circumstances?

Instead of concrete measures to create jobs, we have a false analysis of the problem, and it is no surprise that we have false solutions to it. Consider the Minister's discussion of productivity, competitiveness and exports. These are high sounding words. Implicit in the discussion is a suggestion that Canada is not doing well in international trade. But in the last two years we have had record surpluses in trade which have amounted to very, very large sums indeed. We do very well with what we export, but we are not exporting the right things. The problem is not correctly understood. We are relying on natural resources, including items such as lumber, but a lot of these are non-renewable resources which are capital intensive and create very few jobs for the investment dollars in them. We are exporting very little in manufactured goods, and manufacturing is declining in our economy. This is the area where the most jobs are. There is nothing in the Budget to attack this problem.

We know that the main reason companies in Canada do not export is not low productivity but the fact that these companies are branch plants and not intended to export. Branch plants are intended to import from the parent company and other companies in the network. It is not a psychological problem that Canadians need to be encouraged by certain measures to be more productive, innovative and efficient, as the Minister suggests. The remedies of the Minister of Finance are therefore inappropriate. He suggests that workers must identify with their company and that a profit sharing scheme will help them to identify with the company more. The profit sharing scheme is one which means that employees who are covered would get 60 per cent, with 40 per cent going to the company. It would also end the practice of treating profit sharing as ordinary income. However, it is not the answer to the problem. It is not a lack of incentive that keeps these companies from exporting. It is the nature of the multinational system. The Budget does not even begin to address this problem.

At the same time, goodies are given away under stock option plans which are available not to ordinary employees but to management personnel, the best paid employees. The incentive for this is that only 50 per cent of the profits made under this system would be taxed. In other words, taxpayers are subsidizing to the tune of 50 per cent income which is going only to the very high income earners.

The unfairness of our tax system is increased in other ways as well. The amount of money that can be put into RRSPs is being tripled. Yet it is the high income earners who take advantage of this scheme. It is a regressive system. Higher income people take greater advantage than lower income people because it is based upon percentage. Of course, low-income people cannot take advantage of a deduction for an RRSP. Of individuals with incomes over $50,000 per year, 54 per cent have deductions for RRSPs, whereas only 12.6 per cent of other income earners have such deductions. There were $53 billion of assets in tax-sheltered RRSPs as at the end of 1982. That is expected to rise to $60 billion by the end of 1983. Enormous amounts of money are available in tax-sheltered RRSPs. They show who is able to take advantage of these benefits.

● (1600)

There are some good things in the Budget. There are some provisions which help low-income people. The increase in the guaranteed income supplement is one. The increase is not as large as we would have liked to have seen. It is $50 per month and it comes in two instalments; $100 per month had been recommended and $100 per month would certainly be better. However, no one will complain as $50 is better than nothing. It recognizes that single people cannot live at half the rate of a married couple. That point has been made for a very long time, especially by women's organizations that deal with the problems of elderly women. Still, with the Old Age Security and the guaranteed income supplement combined, people will be living below the poverty line. Single people who will be receiving this increase will, if they live in large cities, still be $2,000 per year under the poverty line. We should note, by comparison, the enormous benefits which will go to higher income earners who take advantage of the increased opportunities with RRSPs.

There are other reforms in the pension area about which I am very pleased. I am glad to see them. I have lobbied for these changes as an activist before becoming a parliamentarian. I have talked about them as a member of the Opposition. It goes to show that people in Opposition can get reforms through by arguing for them. These are improvements in the Canada Pension Plan that affect very large numbers of people. There are improvements for pensions under federal jurisdiction which affect 10 per cent of Canadian workers. Portability will be required in private pension plans under federal jurisdiction after two years of employment. Vesting will be required, and it will be possible to transfer the pension fund to another employer or to a registered pension account. There will be some protection against inflation. It only affects future pensions, but it is a step in the right direction. There will be mandatory survivors' benefits in occupational pension plans, certainly a very welcome step. There will be, under the Canada Pension Plan, a fifty-fifty split on marriage breakdown, unless both partners agree otherwise or a court orders otherwise. We should note that this is only for the Canada Pension Plan. The Minister responsible for the Status of Women implied this morning that she was in favour of this splitting occurring for all pensions under federal jurisdiction, but if we look at the Budget Speech, it does not say that. It should say that because the federal Government has the opportunity to act in this respect and it should.

Equal annuities for men and women is something which has been recommended for years. Women have obained lower annuities because they live longer. Of course, this is a very serious injustice about which women's organizations have fought for years, indeed for decades. More part-timers will be included in pension coverage. That is also a welcome step. There is a proposal to consider the inclusion of homemakers in the Canada Pension Plan. We certainly need very much a way

of including homemakers in the CPP which is equitable and gives women the coverage they need.

I would also like to point out what the Budget fails to do in the area of pensions. The most important failure is not increasing the Canada Pension Plan or leaving it at the same level as it is now. The problem is that it does not pay a high enough benefit. It is a good plan, it has excellent features, but the amounts paid are still inadequate for people to live decently on their retirement incomes. It is the most important reform which could be made for all workers. Private plans do not provide adequate coverage. Too many people are excluded from coverage. Also they do not adequately provide coverage against inflation. The Canada Pension Plan-Quebec Pension Plan is the most important pension plan in Canada.

The Minister responsible for the Status of Women also discussed this matter this morning. She noted that the average woman worker on retirement—and I am not referring to the lowest paid woman worker—would still need the GIS and would still qualify for it. After the OAS and the Canada Pension Plan, she would still need the guaranteed income supplement. The Minister pointed this out as a way of congratulating the Government for increasing the GIS. However, this is looking at the problem the wrong way. Surely a woman who has worked her entire life ought not to need the guaranteed income supplement. Surely the Canada Pension Plan ought to be adequate to ensure that she has a decent retirement income. Surely the better response is to increase the Canada Pension Plan-Quebec Pension Plan.

In the area of maintenance, we can see that there have been some improvements, certainly ones about which women have been concerned for many years. They are modest improvements but they will facilitate the payment of maintenance orders. It will now be possible for payments made prior to a court order or to a written separation agreement to be deductible from the taxable income of the person who pays. The eligibility has been broadened to include deductions for mortgage payments, tuition fees and medical expenses. Since roughly 70 per cent of maintenance orders are in arrears, anything that would improve the actual payment of maintenance orders is to be very much welcomed. I am pleased to see this. I am sorry that we do not have much more comprehensive measures. I am also sorry that the Divorce Act which we will be debating tomorrow does not have comprehensive measures for maintenance payments which we need as well.

The Budget deals with the issue of collective bargaining in the Public Service. For the first time we have in the Budget Speech an admission by the federal Government that collective bargaining was suspended with the six and five program. We welcome the announcement that Public Service employees will again have at least partially restored to them their rights to collective bargaining. However, there is much hypocrisy here too. "We will bargain hard", says the Government. "There will not be catch-ups. The object of bargaining will be to reduce inflation", says the Government. In other words, there is a guarantee that wages and salaries will not keep up with the cost of living. Comparisons will be made with the private sector and will be kept behind the private sector. On awards made by arbitration considered excessive according to the criteria to keep inflation down, the Government will ask Parliament to legislate a wage settlement. In short, we have gone from having open wage controls to having a disguised form of wage controls. Certainly that is undesirable. We should be getting rid completely of these impediments to free collective bargaining.

Another measure which was suggested as a type of reform and is really not one is in the area of mortgages. There is a possibility of having mortgage insurance, but people have to pay for it, the fees are quite high and the coverage is very modest. There are also provisions which get rid of the ability to prepay with a modest penalty. People will have to pay, if they want to prepay their mortgages, the full amount of interest owing. These provisions are described as reforms, but they give further advantages to lenders. They do not give adequate protection to people who hold mortgages. It is far more important to have good protection by having long-term, low-rate interest guaranteed and settled.

An area against which I protest very vigorously in the Budget is the external aid program. It has been announced that there would be an increase in development assistance, as promised in the Speech from the Throne. However, this increase will not go where it needs to go. Development assistance will rise to 0.5 per cent of GNP in 1985 and to 0.7 per cent in 1990, although the United Nations recommends 0.7 per cent now, as does my Party. It is hypocritical to confuse aid and trade. What will happen with this new increase in aid is that it will basically go to Canadian corporations. There are no guarantees that it will go to the country of greatest need or that the people will be able to use it to buy local supplies or to use the money wisely. In other words, these are more give-aways to Canadian corporations. Because we are not addressing at all in this Budget the real problems that prevent Canadian corporations from exporting and competing fairly because of the multinational system, the Budget is totally inadequate. Aid should be aid. It should go where it is needed, it should be used as it is needed. Incentives to export should be frank incentives to export. They should not be couched in the form of aid.

[*Translation*]

If we are to make a very critical analysis of the Budget, we have to propose different initiatives. We in the New Democratic Party criticize the proposed Budget for what it fails to do rather than for what it actually does. What we need is a budget which comes to grips with the structural problems of the economy, with basic problems, therefore with the economic recovery. An economic recovery in Canada calls for investments in those economic sectors which will provide most jobs, such as manufacturing and especially micro-technology. It is imperative that we invest in natural resources—forestry and fisheries—where we have been blessed by nature and where we can increase the number of jobs. Housing is the economic sector where we can most quickly boost employment and, at

the same time, try to solve a critical social issue, the shortage of low-cost housing. The NDP strongly advocates the withdrawal of the federal sales tax contained in the previous Budget. We are talking about a $1.4 billion increase, which amounts to that much less purchasing power for Canadian consumers. We want a reform in the system— .

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member, but unfortunately the time allocated to her has expired.

• (1610)

[*English*]

Ms. McDonald: Mr. Speaker, if I may have just a minute, I think I could finish.

Mr. Deputy Speaker: Agreed?

Some Hon. Members: Agreed.

Ms. McDonald: Thank you, Mr. Speaker.

[*Translation*]

Ms. Lynn McDonald (Broadview-Greenwood): We are calling for a tax reform that will make the rich pay a fairer share. There are now 8,000 individuals with revenues of $50,000 or more who do not pay one single cent in income tax, because of too generous loopholes in our tax system. In the United States, individuals whose income is over $30,000 must pay a minimum of 20 percent of their income. The corporate tax system must also be amended in order to help the Canadian economy.

Ten billion dollars is given away each year to corporations, in the form of grants or tax deductions. It would be preferable to require performance, in technical training for employees for instance or the purchasing of Canadian products, and new product research and development. In other words, jobs must be created here!

[*English*]

I oppose the Budget. It is irrelevant, it is divisive, and it should be defeated.

Mr. Deputy Speaker: Questions or comments?

Hon. Roger Simmons (Burin-St. George's): Mr. Speaker, I am very pleased to speak in support of this Budget because it is a good Budget. It is a Budget that is right for the times. It is a Budget that will help the economic recovery across this nation, which will mean jobs for Canadians. This is a Budget for the poor people of this country. This is a Budget for small business.

I recall another Budget. Indeed, it was a Budget that was brought down in this House just a few days after I first arrived here as a Member of Parliament. I sat then on the other side. I remember well that Budget because it was brought down by one of my bosom pals, my good friend from St. John's West (Mr. Crosbie). I had watched him over the years in the provincial House of Assembly bring down many other budgets. I knew his style. I knew his record for delivery. I knew his record for practising what he preaches. Therefore, in late 1979 I watched with great interest that Tory budget.

It is interesting to compare those two Budgets, the Budget of 1979 and the Budget brought into this House in the last few days. How different are those two Budgets? To show just how different they are, I refer to a couple of publications which, in their respective terms, reported in headline form their summation of what those Budgets represented. If you look at the latest edition of *Maclean's* magazine you will see a headline which says of this latest Budget, "Lalonde keeps his Promises". That comes as no surprise to those of us who know the man. He has listened, he has listened hard, he has listened well, and he has delivered.

Mr. Deputy Speaker: Order. I hesitate to interrupt the Hon. Member. There is a rule about quotations in the House. Members should be extremely careful in quoting newspaper or magazine articles. The words a Member quotes should be taken as being his own words. The basic reasoning for that word of caution is that only Hon. Members elected to the House of Commons express their opinions. If they choose to quote from newspaper or magazines, they make those quotes their own words. I say this, and I invite Hon. Members to exercise the privilege of quoting with extreme care.

Mr. Simmons: Mr. Speaker, I thank you, and I thank you particularly for the opportunity which your intervention affords me because I stand full square behind that particular headline, Lalonde does keep his promises.

There is another publication from which I want to quote, a quote which I will also stand by. I refer to a headline in *The Toronto Star* the day in December, 1979 when the Hon. Member for St. John's West brought down the Tory Budget. The headline that day, which quote I also take as my own and which I support because I know it to be the truth, read: "The promises go down the drain". That is not a Liberal MP writing the headlines; that is a Liberal MP reporting the headlines, one from *Maclean's* in which it judges the net substance of the latest Budget brought down by this Government and the other from *The Toronto Star* in which it judges the substance of the Tory Budget. One says the Budget keeps the promises that have been made and the one in 1979 says that the promises made by the Tories have gone down the drain.

What particular promises? If we are going to compare the two Budgets, we ought in fairness to recall some of what went into that 1979 Budget. We ought to recall also some of the promises preceding the bringing down of that Tory Budget by the Hon. Member for St. John's West. Before bringing down the Budget, the Tories had promised that there would be income tax deductions for middle and low-income families. They were very specific on that promise. They said there would be deductions of up to $300. However, the reality, Mr. Speaker, was that there were no such deductions. In the Budget of the Hon. Member for St. John's West there were no fewer than five separate tax increases. How is that for keeping one's promises?

● (1620)

In the fall of 1979, particularly during the campaign in May of that year, the Tories promised cut-backs in unemployment insurance rates. The reality was that the Minister of Finance of the day, the Hon. Member for St. John's West, actually increased those same rates which that Party had promised to decrease.

I could go on and on, but to save my time and the embarrassment of my good Tory friends, I will only refer them to *The Toronto Star* of December 6, 1979 where it was reported, "Tory promises have gone down the drain", then in table form it had shown the several promises which the Tories had made and how they had systematically broken every one of them in the Budget of December, 1979.

Those two publications, *Maclean's* and *The Toronto Star*, reporting on those respective Budgets, show the difference between a Tory approach and a Liberal approach to budget making. The present Budget, Mr. Speaker, is a good Budget, because it is a "jobs" Budget. It will create jobs for my riding. There is a lot of ballyhoo about where the jobs are going, and I want to tell Hon. Members of this House that a lot of those jobs are going to my riding of Burin-St. George's. They are going to people not on the basis of their partisan affiliation, but on the basis of a need for jobs. I will tell you, Mr. Speaker, that since this whole fuss started in the House, I have more Liberals in my riding now than I have ever had before. Some of them who had been offended during the last week to have been called Liberals by those Tory Members have said to me, "Because I have been a sponsor for a job-creation project in a particular community in the riding, am I now considered to be a Liberal? Is that my sin?" What they have done, Mr. Speaker, is to avail themselves of government programs in order to create some jobs.

Let me add to the scandal, Mr. Speaker. This Government is spending—and the Tories have not found this one yet—$50 million in one riding on a research facility. We are spending $15 million on a fisheries facility. Can you imagine that, Mr. Speaker? Can you imagine, Mr. Speaker, when my buddies on this side of the House hear about that $15 million in one fisheries facility what they will say? How is that for porkbarrelling, Mr. Speaker, $50 million on a research facility and $15 million on a fisheries facility? How is that for porkbarrelling in two great Newfoundland ridings, St. John's East and St. John's West? The Tories conveniently forgot to mention that because that did not support their thesis, their muck-raking. There was $15 million for a fisheries college and $50 million for an ice tank research facility. But those Hon. Members opposite do not want to talk about that because that does not support their argument. That knocks the legs out from under their scurrilous allegation that somehow Liberals are looking after Liberals only. We were elected to be the Government of this country and we have created 50,000 projects across the country.

I will be the first to admit, to my Tory friends, Mr. Speaker, that that money would have been distributed even more equitably, even more fairly, if the Tories had been less busy muck-raking and more busy looking after the needs of their constituents. The example in Rosedale is a case in point. There is a facility operated by a particular religious denomination which was in need of some government funding. This facility has made a marvellous contribution not only in the riding of Rosedale, but in metropolitan Toronto, and has touched for the better the lives of many hundreds of young people outside of metropolitan Toronto. That organization approached a lady whose record of service to the poor and to the underprivileged is well known in Toronto. She happens at the moment to be a Liberal Member in one of the Toronto ridings, but the esteem in which she is held goes far beyond that riding. She was approached by that particular organization to see if she could tap some government funding. To her credit, the lady from York South-Weston (Mrs. Appolloni) did tap some government funding. Do we hear the Hon. Member for Rosedale (Mr. Crombie) congratulating her because she had the initiative to do something in his riding which he had neglected to do? Oh, no. We hear him making some cheap politics. I am not sure how that incident, by the way, squares with the argument that all the money is in Liberal ridings. That particular incident happened in the "temporary" Tory riding of Rosedale.

This is a good Budget, Mr. Speaker. Even the critics say that this is a good Budget. I will quote from an article in the February issue of *Maclean's* magazine by Dian Cohen, an economics writer. She says in part, and I quote:

—in fact, on almost every front Marc Lalonde's efforts were reasonable.

—poor, single pensioners will get a $600-a-year income boost. Self-employed wage earners and others without company pensions will have their RRSP limits raised. Child support and alimony payers will be able to deduct lump-sum payments. The unemployed will be welcomed back into the labour force by a provision that allows them to deduct moving expenses if their new job is far away. We will have pensions reform and mortgage interest insurance. Farmers working their farms and farmers wanting to sell out will get a better break. Small business will be better treated at tax time.

She goes on to say:

Every one of the dozens—

—the "dozens"—

—of suggestions in the budget is in response to a real concern of some Canadian special interest group. And many—if not most—of the suggestions make small-l liberal economic sense and are good for free enterprise.

These are the words of a very informed lady who has often said some fairly critical things about this Government. I regard those words as an important, dispassionate assessment of what this Budget is all about, because this Budget does make some small-l liberal good economic sense.

After the Minister of Finance (Mr. Lalonde) brought down his Budget, we were all treated to some vintage remarks from the former Minister of Finance, the Hon. Member for St. John's West. One of the things he talked about was the size of the deficit. Not only did he talk about the size of the deficit, but he talked about what he would do if he were the Minister of Finance, if the Tories were in power. The Hon. Member for St. John's West told us what the Tories would do. Let me tell you, as one who knows that gentleman inside out, Mr. Speaker, that he would do something. He is a man of his word. Take the Hon. Member for St. John's West at his word when he

said he would do something. I watched him in another arena. I watched him at the provincial level when he was in Opposition. He made the same kind of criticisms then about the public debt that he is making now about the deficit. I remember how he pointed out to the Newfoundland people across the island, in Labrador and in the House of Assembly that the Liberal Government of the then Premier Joey Smallwood had taken Newfoundland from a surplus position in 1949 and had put it $900 million in debt in 22 years. He told us all that he would do something about that. He did, Mr. Speaker. He got his chance. When the Tories came to power he became the Minister of Finance. Two and a half years later, when he left that portfolio, I want the House to understand in fairness to him that the public debt was no longer $900 million—those big, bad Liberals had taken it from nothing to $900 million in 22 years—after two and a half years under his financial stewardship, the public debt was nothing near $900 million. It was $2.1 billion. The Hon. Member did something, all right. He more than doubled the public debt of the Province, single handedly, in about one-tenth of the time it had taken the Liberals. Take the man at his word, Mr. Speaker. He will do something about the deficit. He will drive it right through the roof.

● (1630)

I remember when the Hon. Member for St. John's West became the Minister of Finance in Newfoundland. One of the things he was very upset about was that the former Premier, Mr. Smallwood, had made what looked like a very sweet deal with Canadian Javelin. He had sold them two large dormitory buildings for about $350,000, two empty shells for $350,000. The Hon. Member for St. John's West though that was a small sum of money and that he could do better. He regarded that as a pittance, so he bought the buildings back. He paid $350,000 of government money and got the buildings back so that he could make more money for the taxpayers. He then put them on tender. He had trouble selling them but eventually he sold one for $1.

I could go on and on, Mr. Speaker. In order to understand where the finance critic for the Tories is coming from and how valid his commitments are, you have to understand how he delivered in the past. I have been watching him for a number of years—and he is a man you have to watch very closely. I have watched his rhetoric and his actions and every time, without fail, he does something—but I am not sure the taxpayers are any better off for what he does.

Who is this wise man from the East, Mr. Speaker? Is he as smart as he sounds? Yes, he is. Does he know all he says he does? Yes, he does. The problem is not how smart he is or how much he knows, it is the machiavellian things he does with that smartness which makes the country so ill served by his being in public life.

I hope, Mr. Speaker—and I shall work to this end—that the people of Canada never again have inflicted upon them the kind of performance that the Hon. Member for St. John's West is capable of. In Newfoundland we know through bitter experience how terrible that can be. We owe it to the people of Newfoundland and the people of all Canada to see that we do not have that kind of thing inflicted on us.

This is a good Budget, Mr. Speaker. It is a Budget I can support with a heart and a half. It will keep the economic recovery going. It is a Budget for the poor, a Budget for the jobless, a Budget to keep us back on the track to good economic recovery.

Mr. Deputy Speaker: Questions, comments? Debate. The Hon. Member for Pembina (Mr. Elzinga).

Mr. Peter Elzinga (Pembina): Mr. Speaker, like the previous Member, I wish to compare this Budget with the Budget we introduced in 1979. My analysis will be somewhat different from that which the Hon. Member opposite just shared with the Chamber.

I think that the amendment we are debating and on which we will vote at 5.45 this evening bears repeating, Mr. Speaker. It reads as follows:

> This House regrets the failure of the government to present measures designed to reduce Canada's budgetary deficit, lower existing high interest rates, reduce crippling high levels of unemployment or to create meaningful pension reform all of which are needed as a result of years of government economic mismanagement and condemns the government for its continued misuse of public funds and arrogant maladministration which have led to a crisis in public trust and confidence in government.

I wish to review some of the things that the National Progressive Conservative Party has put in place so that when our friends opposite have the courage to call a general election and we have the opportunity to govern the nation, we will be ready.

Our Leader, the Hon. Member for Central Nova (Mr. Mulroney), has put together five very important task forces. One relates to job opportunities for Canada's youth, because traditionally unemployment levels for that sector of our society are twice the national average. We have positive recommendations on how to correct those high unemployment levels. We also have a task force relating to Crown corporation accountability. We plan to reform the legislation under which Crown corporations now function so that they will be accountable not only to Parliament but to the Canadian people. A third task force deals with productivity enhancement in the public and private sectors. We need to find ways to increase productivity in the country if we are to improve our economy. The fourth is something that the Budget touched upon, and that is, tax simplification. The complexity of the tax legislation and tax forms is something that needs to be changed. We will develop ways of simplifying both the tax forms and the legislation. The fifth task force will examine manpower retraining. At the present time the retraining programs in the country are inadequate. We want to develop the means of putting manpower retraining programs in place, ones that are functional and ones that will be suitable to all sectors of our society.

Just a short while ago we announced a comprehensive 10 point agricultural policy. A recent press release of the Hon. Member for Vegreville (Mr. Mazankowski) touched on that policy. As a national party we would eliminate the 9 per cent

federal sales tax on farm fuels. We have a number of other significant proposals to regenerate economic activity in that very important sector of our Canadian society.

We have just gone through one of the worst recessions since 1930. In 1983, investment in the corporate sector was 12 per cent less than the year before. Canadian business is operating at only two-thirds of its capacity. Housing construction throughout the country has slowed considerably. Inflation has declined, however, and we give some credit to the Canadian people and to the Government for that, but it is twice as great as that of our two greatest trading partners, Japan and the United States.

● (1640)

I ask Hon. Members where those bright hopes we held for this country in the early 1980s have gone? I can recall a time when to live dangerously was of one's own choosing rather than a national Government policy. Unfortunately, this Liberal administration has adopted just such a policy. There is scarcely a difficulty that we in this nation face that does not have this Liberal administration's fingerprints on it.

Let us for just a moment look at the future as it relates to our Party. I just touched on the agricultural policy we announced. We put together five very important task forces which are to come forward with recommendations. We have indicated on a consistent basis that we as a national Government would reduce the budgetary deficit. We would simplify the Income Tax Act and reduce the unnecessary government burden on both the small business and the agricultural sectors. We will increase spending on research and development and on our Armed Forces. These are just basic principles, Mr. Speaker, and we are in the process of putting meat on the bone so we can restore economic activitiy in this great nation of ours.

Compare that with what we had on February 15. The Government promised us a plan to study mortgage insurance. One only has to look back to 1974 when the same Government promised us proposals where individuals could repay their mortgage without any type of penalty. To this date we have not seen legislation along those lines. There is a small business reform proposal; we have been pushing for that for years. I commend the Government for increasing the GIS, but here again the increase is only half that advocated by an all parliamentary group studying the pension situation in Canada.

We in this Party are deeply worried about our budgetary deficit because every dollar this Government proposes to borrow will simply go to pay interest on our national debt, interest only. That is like an individual borrowing on his Master Card or VISA to pay off the interest on a car loan he has at the bank. The deficit in this Budget is projected to be close to $30 billion. Our national debt is in the vicinity of some $200 billion; truly a sad legacy for the young people of this nation. I indicated earlier, Mr. Speaker, that we would simplify the Income Tax Act. Our Liberal friends opposite also have a way to simplify the Income Tax Act. The new Liberal proposal for the upcoming tax forms read like this:

Number 1: How much money did you make last year?

Number 2: What were your expenses?

Number 3: How much do you have left?

Number 4: Send your Liberal Government in Ottawa the item listed in Number 3.

Mr. Speaker, I have travelled this country a great deal in my role as the national President of our Association. Canadians are looking to us as a national Party to take corrective action when we do form the Government. We can justifiably point back with pride to the Budget we introduced in 1979. That Budget squarely confronted the economic difficulties we as a nation were facing. We proposed solutions based on sound economic management, and we offered policies which truly offered encouragement to those regions and disadvantaged groups throughout the country. We also offered encouragement and incentives to the private sector of our society. Our Budget of 1979 placed women in a position of equality with men in so far as working in family enterprises is concerned. We introduced an energy tax credit for those in the middle and lower income levels to meet higher energy costs. We had specific measures to help those in the agricultural and small business sector with high interest rates. We had significant capital gains relief for the farming population. To top it all off, we were reducing the Government budgetary deficit and Government spending. Yet the Social Policy Planning Board of Canada labelled that Budget the most socially progressive Budget introduced in Canada in the past ten years. More important than that, I wish to stress that we showed a deep sensitivity to the far flung regions of our country. That too is what the present Leader of our Party is doing. He has shown a deep sensitivity to the far regions and to minorities, be they ethnic, cultural or linguistic. That is why Canadians are looking to us to form the next government.

I am reminded of the time when President Reagan addressed this Chamber quite some time ago. He indicated that he likened government to a baby. He said it was an alimentary canal with a huge appetite at one end and no sense of responsibility at the other. Supposedly that is what we as Members of Parliament are to do, to return responsibility to our federal institutions. But, sadly, this Liberal administration opposite has not done that. Canadians are looking at us to restore that sense of responsibility. We give them that assurance, that we are going to restore economic responsibility to this great nation of ours.

On a few occasions I have referred to my parents coming to this country from Holland. They did so because this was a land of hope and opportunity. This was a land where one could work hard and reap the rewards. Again I stress to you, judging from the input I have been receiving from all across this country, that Canadians are looking to us to restore that hope in this nation. As all Canadians do, I love this country. I love the potential it can offer to us and to future generations. But this potential is being denied by an administration which appears to be uncaring.

Quite frankly, Mr. Speaker, we in the Progressive Conservative Party are the only alternative to a Government whose actions are dangerous, have proved divisive and, quite frankly,

corrupt. I have sensed a real wave of hope right from Prince Edward Island to British Columbia. That hope is directed at our Party because of the oustanding job the Leader of the Opposition has done and the outstanding way he has conducted himself in the House of Commons, even though there have been loads of sleaze thrown at him from Members opposite. He has shown sensitivity to the people of this country.

We on this side await an unprecedented opportunity not only to form the next Government but to move this country to its full potential. We hope we have this opportunity soon because we do have a great country, but we have a rotten Government. Our country is great because of the uncommon sense of sacrifice and commitment of ordinary people; their pride in their family, sense of community, respect for tradition and attachment to their regions. These are qualities of which great nations are built. These are qualities of which Canada is built.

I ask Canadians to remember one very important thing: A vote for the New Democratic Party is a vote for Mr. Trudeau and the Liberal Party. If you vote for the NDP, 10 times out of 10 you are going to get Pierre Elliott Trudeau. All one has to do is to look at the major issues we have debated in this Chamber, issues relating to energy and the constitutional debate, and then examine the defeat of our Government in 1979.

• (1650)

Mr. Keeper: You defeated yourselves. The people defeated you, and they will do it again.

Mr. Elzinga: That was on a motion by the New Democratic Party. The Liberal Party and the New Democratic Party held hands. They are sleeping together, and when the covers are pulled back they have a pillow fight, but when nobody is watching they pull the sheets over their heads.

Mr. Fisher: What you are saying is obscene.

Mr. Elzinga: My friend will have the opportunity to speak in a moment, if he wishes. I see the Hon. Member and cannot recall his constituency, but on a consistent basis he makes more speeches from his seat in the House of Commons than on his feet. We look forward to his participation later. If he does have any questions I will be more than happy to address myself to them.

Mr. Fisher: I have more interjections than the Leader of the Opposition (Mr. Mulroney) has speeches.

Mr. Elzinga: Mr. Speaker, the Budget of February 15 contained no major tax increases. It did not have to because the Budget which was introduced by this administration in April of 1983 covered all those tax increases, the majority of which are delayed. Many of these changes and extra charges are hidden. I would like to review a summary of those hidden changes.

I would like to look at the special recovery tax which was introduced in April of 1983. The federal sales tax will be increased by one percentage point for the period from October 1, 1984 to December 31, 1988. The new rates will be 6 per cent on construction materials compared to 5 per cent. The rate on alcoholic beverages and tobacco will be 13 per cent instead of 12 per cent, and 10 per cent instead of 9 per cent on all other taxable goods.

With regard to the federal tax reduction, the federal Government does not collect the first $200 of federal taxes payable. This tax break is being significantly cut. In 1985 the maximum tax reduction will be reduced to $100, and in 1986 and subsequent years to $50. In the case of those who pay federal taxes of more than $6,000, the tax reduction will be phased out completely starting in 1984. This will affect those with incomes in excess of $39,000. The phase-out formula will be 10 per cent of any basic federal tax in excess of $6,000. Thus, if your federal taxes payable are $6,100, your federal tax reduction will be reduced by 10 per cent of $100 or $10. The $100 standard deduction is eliminated starting in the 1984 tax year, with receipts now required for all charitable and medical deductions.

The income threshold by which the Child Tax Credit is reduced by 5 per cent for every $100 of household income will be deindexed at the 1982 level of $26,330. As incomes rise with inflation this will mean that fewer and fewer people will qualify.

The tax exemption for children and other dependants under 18 years of age has been deindexed at the 1983 level of $710 for 1984 and subsequent years. This is a hidden increase in taxes. The effect will grow over time as the gap between what the exemption would have been and where it is frozen widens. It will increase taxes for a typical taxpayer by only $11 in 1984 but by $59 in 1988.

The Canadian Ownership Special Charge is a tax of 4 cents a gallon. It was originally imposed as a temporary tax to pay for the purchase of Petrofina by Petro-Canada. It has been extended as a permanent revenue tax.

I would like to speak about unemployment insurance premiums. Details about this are buried in the Budget documents. Employment premium rates will rise from 2.3 per cent of insurable earnings in 1983-84, to 2.35 per cent in 1985, and then to 2.65 per cent in 1986 before falling to 2.15 per cent in 1987. In 1982, the rate was 1.8 per cent. The employer rate is 1.4 times the employee rate.

I see my time is up, Mr. Speaker. I thank Hon. Members for this opportunity to participate in this very meaningful debate.

Mr. Keeper: Mr. Speaker, I would like to ask a question of the Member who has just finished speaking. He said a vote for the NDP is a vote for the Liberals. Is the Member aware that in the House the Conservative Party votes with the Liberal Party many more times than does the New Democratic Party? How does he explain those facts in the face of his assertions?

Mr. Elzinga: Mr. Speaker, I will return the question to the Hon. Member and ask him where his Party stood on the constitutional debate and the energy debate, and how his Party

voted in 1979 to defeat a sound economic Budget which was presented to the Canadian people. On issue after issue the New Democratic Party and the Liberal Party have walked hand in hand. Mr. Speaker, there is no difference between those two Parties.

Mr. Fisher: Mr. Speaker, I was the guy interrupting the Hon. Member earlier. I should not have done that. He was quite right to remind me of proper decorum, and I apologize to him. I will ask him the question now rather than doing it in the middle of his speech.

As the former President of the National Progressive Conservative Party can he tell us why his Leader does not come to the House of Commons? Why does his Leader not ask questions in Question Period? Why does his Leader not participate in the debates here? All new guys take a while to learn things, but we do not run away and hide. Actually, we usually throw ourselves into the fray rather than running away from it. This guy seems to have stabbed the Hon. Member for Yellowhead (Mr. Clark) in the back and left. Why is that?

Mr. Elzinga: Mr. Speaker, I am delighted to have the opportunity to respond to the Parliamentary Secretary. On a personal basis I have always appreciated visiting with him, but the sleaze and slime to which he descends in the House of Commons is not becoming to him.

Mr. Mazankowski: Nor is it becoming to the House of Commons.

Mr. Elzinga: As our Leader said, there is no belt below which individuals such as yourself will not kick. It is because of such an attitude that the Canadian people are going to throw you out so fast when you have the courage to call an election that it will be unreal.

Our Leader has an enviable record in this Chamber. On a consistent basis he has spoken on a number of major issues and has put questions to all Cabinet Ministers. The sad part is that he never gets a decent answer from anybody on the Treasury benches.

Mr. Keeper: Mr. Speaker, I have a supplementary question for the Member who just spoke. Would the Member be sufficiently candid to acknowledge that the economic proposals which his Party often puts forward call for tax reductions, particularly with regard to the business sector? That is in fact what the Liberal Party has been doing, particularly in the last Budget. It handed out more tax loopholes to the business sector. In fact, the Liberals and Tories are the same when it comes to give-aways to large businesses and to economic policy. Could he explain that?

Mr. Elzinga: Mr. Speaker, I am more than happy to respond to that. There is no trust in the business community as it relates to this Liberal administration because, on a consistent basis, it changes the rules. There is no predictability for the business sector.

I would like to deal now with the Hon. Member's question as it relates to our economic proposals. As I indicated in my speech, the Budget we brought down was labelled the most socially progressive Budget introduced in Canada in the last 10 years. It was labelled thus by the Social Policy Planning Board of Canada. It indicated that was the most socially progressive Budget introduced in Canada in the past decade.

Mr. Simmons: Mr. Speaker, I would like to put a question to the gentleman from Pembina. My friend, the Parliamentary Secretary, got his answer. The gentleman from Pembina yelled about sleaze and dodged the question. I can understand his dodging the question, but he should not mislead the House. We all know the gentleman from Central Nova (Mr. Mulroney) makes an appearance here roughly once a week, other than for votes. Everybody knows that.

Mr. Elzinga: You already gave your speech. Ask a question.

• (1700)

Mr. Simmons: This period is for questions and comments, as I am sure the Member will realize. That is my comment. Now here is my question.

Mr. Mazankowski: Neither will make sense.

Mr. Simmons: I understand. I am quoting him so it will not make sense. The gentleman talked about sensitivity to the far reaches of the country. Then he proceeded to talk about the whole country from P.E.I. to B.C. Does he know that geographically, Newfoundland is east of P.E.I.?

Talking about sensitivity to the far reaches of this country, will he explain what sensitivity it was that constrained the Member for St. John's West in the December, 1979 Budget, to cancel, without exception, all small craft harbours fisheries expenditure in Atlantic Canada and the short-term job creation program? Would he explain that in terms of sensitivity to the people of this country?

Mr. Elzinga: Mr. Speaker, I am more than happy to engage myself in a debate with the Hon. Member who referred to himself in Question Period as the Member with the bionic mouth with no brain behind it. If I heard him correctly, that is what he called himself in Question Period earlier today. I do not have to speak on behalf of the man who was the Finance Minister for us in our short lived Government because he is very capable of speaking for himself. I just say to the Hon. Member that we on this side of the House of Commons will take a thoughtful and reasoned approach—

Mr. Simmons: Answer the question.

Mr. Elzinga: —to any policies that we advocate, unlike our friends opposite who will indicate one thing during an election campaign and immediately reverse themselves after the election.

We can point back to the 1974 election when they swallowed themselves on wage and price controls. We can point back to the 1972 election campaign when they swallowed

themselves on the issue of indexation of income tax and pensions. They swallowed themselves as it related to the 18c. excise tax when they promised the people cheap gasoline and it is now five times the amount that we campaigned on.

Mr. Simmons: Mr. Speaker, the Member illustrates exactly the point I was making. He does not understand what is happening in the House, including when his Leader is present or absent. Of course, my description can apply to only one person in the House, and it is not me nor the Member for Pembina (Mr. Elzinga); it applies to the Member for St. John's West. I very distinctly said, as *Hansard* will show, that my good friend from St. John's West is the bionic mouth not attached to any known intelligent life form. I said that about him, but of course the Member for Pembina would misunderstand that as he misunderstands most things.

I spent the time in my speech showing how the Tories reversed themselves on a number of issues. I documented them. If he wants a full report, he should look in *The Toronto Star*. *The Toronto Star* documented it in 1979. He does not want to hear that because that is reality. He wants to engage in rhetoric.

The people of Canada, whether from P.E.I. or B.C. or the important part east of that are not listening to him, thank God.

Mr. Elzinga: Mr. Speaker, I am truly amazed when I hear an individual talk about reversal. The Canadian public is aware that, as I just indicated to the Hon. Member opposite, the Liberals have consistently swallowed themselves immediately after their election. They are deceitful in their approach and in what they indicate to the Canadian people during that election period. I indicated their deceit in 1972, 1974 and 1980.

I cannot see how an honourable person could be part of a Party that can swallow itself so readily just to be on the Government benches.

The Acting Speaker (Mr. Guilbault): Order. The Chair has grave doubts that this 10 minute question period was conducted properly. The Standing Orders are very precise about the reason for this 10 minute question period. I would like to quote from Standing Order 35(2)(b). It reads:

—following the speech of each Member a period not exceeding ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto;

This question period was not intended for mud slinging or the type of speeches that are more at home on hustings during an election campaign. I would like to remind Hon. Members that comments should relate to the substance of what was contained in a Member's speech.

Mr. Fisher: Mr. Speaker, I rise on a point of order. The House is the master of its own fate. Could we have unanimous consent to continue our questioning so that we could come to the budgetary matters in our comments to the Hon. Member? Since he specifically is President of his Party nationally and a very important spokesman, I am sure he would not mind a few more questions about the Budget.

Mr. McKinnon: Mr. Speaker, it is very unusual for me to rise on a point of order. But in view of what has been happening here in the last few minutes, when the two hon. gentlemen from the other side saw fit to stand and do anything except discuss the Budget speech or the speech of the previous speaker and preferred to cast insults and aspersions on the Leader of our Party, I see no reason at all why we should give unanimous consent for them to continue on that course.

The Acting Speaker (Mr. Guilbault): The Minister of State for Finance (Mr. MacLaren) has the floor.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, we have before us today a motion which criticizes the Budget in four principal areas. It says that the budgetary deficit is too high, that the Budget fails to lower existing high interest rates, reduce unemployment or introduce meaningful pension reform. In the next few minutes, let me deal with one or two of these questions which have been raised.

In fact, we have a Budget which sets out the deficit for 1983-84 and 1984-85 in quite clear terms. It indicates the estimated level of that deficit for the years ahead.

However, the critics of the Budget tell us that that deficit is too high. The Member for St. John's West (Mr. Crosbie), among others, says that the deficit is too large. I question the criticism on the part of the Member for St. John's West, who is the finance critic for the Opposition, because he has told us that he would do the very same thing. He said that if he were the Minister of Finance he would have a deficit that is at least as high as the one that is in this Budget.

Let us not make any mistake about what he has said. The Member for St. John's West said that, "the present Minister of Finance had little choice this year except to plan for a deficit in the $30 billion range". That is what we have, a deficit in the $30 billion range. That is what he says he would have done as well.

He went on to say, "A big deficit this year is necessary to encourage economic recovery". That is a quotation from the Hon. Member. That is what we have.

I do not understand how there can be an Opposition motion before us complaining about the size of the federal deficit when the principal spokesman for the Opposition on financial questions says that he would do exactly the same thing.

The reason he would do exactly the same thing is quite obvious. We in Canada have passed through a period of real economic recession. We are on the way to recovery from that economic recession. Indeed, we are on the threshold of substantial growth in the time ahead. The Hon. Members opposite must recognize that during a period of recession there are social programs that must be sustained. The revenue of the Government diminishes during a period of economic recession. Tax revenue is not at the level it would be during a period of great prosperity, so we maintain the essential programs by deficit spending. We do so fully conscious of what we are doing. We do so because we recognize that Canadians must be sustained through a period of recession, expecially those who

cannot provide for themselves. But our friends opposite tell us, I suppose they tell us—this must be what they are saying—"All right, fine. During a period of economic recession we see that there is a need for a higher deficit." The Hon. Member for St. John's West says, "Yes, a high deficit is fine for this year. If I were Finance Minister, I would have done the very same thing". At the same time, however, his colleagues, including his Leader, go about the country saying that they would spend more, that they would spend more on defence, more on transfer payments to the Provinces for medicare, for post-secondary education and for farm credit. One could continue.

• (1710)

Each of these proposed areas of increased spending is no doubt needy and could be beneficial to Canada in times of greater economic recovery. But let us be clear that such spending would result in a yet greater federal Government deficit. Other policies of our friends in the Opposition would increase the deficit even further. While they are calling for greater spending, they call equally for tax cuts. When they are spending more, they would have even less revenue and the deficit would grow even more. But our friends opposite say, "Wait a minute. That is not what we mean. We are going to cut out other things. We are going to increase defence spending, transfer payments to the Provinces, and we are going to increase this or that, but we are going to cut other things". What things are they going to cut? Presumably they are not talking about a little belt tightening or a little rejigging of this or that. They must be talking about very substantial numbers. Yet the Hon. Member for Mississauga South (Mr. Blenkarn) tells us he would abolish, if he were in office, the press clipping service provided for Ministers and for the House of Commons. That is what I understood him to say. What does he think that is worth? A few thousand dollars? And he complains about the fact that the deficit is $31.5 billion this year. But his solution is to cut a little bit of press clippings. Or he tells us about the CBC. Apparently he does not like the CBC, so he will cut the CBC. What is he talking about? The CBC budget, if my memory serves me correctly, is somewhere between $600 million and $700 million.

Mr. Schellenberger: It is closer to $900 million.

Mr. MacLaren: What does the Hon. Member want to do? Does he want to halve the CBC budget and save, as it were, some $350 million or $400 million? Is that what the Hon. Member is proposing? Does he want to undermine one of the principal agencies in our country that gives Canadians a sense of their own identity, practices, traditions and history? Is that what the Hon. Member is advocating? What else does he want to cut? Does he want to cut support for our exports? Does he want to cut help for the neediest of the developing countries? Does he want to eliminate subsidies for rail and certain air services? What are these cuts that he wants? Does he want to cut incentives for petroleum exploration? One could go on, but the fact is that any such measures as the Opposition advocates from one side of its mouth, that of major reductions in our deficit, would bring very real hardship to the Canadian people. Let us make no mistake about that. No wonder the Hon. Member for St. John's West speaks about being "mean and nasty". He would have to be mean and nasty. Any Finance Minister would have to be mean and nasty to eliminate pensions, the UIC and transfer payments to the provinces if he really wanted to bring down the federal Government's deficit rapidly—and in a wholly socially irresponsible way.

That is unnecessary, Mr. Speaker. We have shown that in the April Budget and again in this Budget. There is no need for the vaunted meanness and nastiness which the Hon. Member for St. John's West advocates. What we need is a balanced policy of economic stimulation on the one hand and social responsibility on the other. Such broad approach, an equitable and balanced approach, was elaborated in last April's Budget. It is again here in this past week's Budget. The deficit for 1983-84 reflects that dual approach. The deficit is at the level we forecast last April. For 1984-85, as our economic recovery progresses and real growth is restored, we are forecasting a reduction of some $2 billion, a reduction in dollar terms of some 7 per cent in one year. As a percentage of the Gross National Product, it is a yet higher reduction. We are doing that. We set out our commitment. We are doing that in terms of the commitment we set out last April in the paper on the deficit which accompanied that Budget. We are going to strive to ensure that we keep on track, as we are now, that there is no future crowding out for private sector borrowing in our capital markets by government borrowing. At the same time, and I can assure you of that, Mr. Speaker, this Government will maintain support for those Canadians who cannot adequately provide for themselves.

Let me turn to the second point to which the Opposition motion refers which concerns high interest rates. We have had high interest rates in Canada, and so has every industrialized country, some higher than others. But every industrialized country, indeed every country in the world, has passed through a period of very high interest rates. What has happened in Canada? High interest rates have dropped. They have dropped substantially. Mortgage rates are down. Bank lending rates are down. The Bank of Canada rate, the fundamental rate in the country, is down sharply.

Mr. Blenkarn: Oh? Over a year ago the Bank of Canada rate was 9.43 per cent. It is 10.4 per cent today. You do not know enough to understand.

Mr. MacLaren: Not 14 months ago, Mr. Speaker,—

Mr. Blenkarn: A year ago.

Mr. MacLaren: —interest rates in Canada were at high levels. Today we see them sharply reduced, to the benefit of consumers, to the benefit of investors, to the benefit of house owners. Through government policies and through the international decline in interest rates, we foresee further limits in the consumer price index. We have set out our forecasts with regard to interest rates in Canada. They are set forth in the fiscal plan. We see those rates gradually dropping over the

next five years. Of course, the Budget document acknowledges that there is a risk with interest rate assumptions. They are based in part on further assumptions about government deficits in the United States and elsewhere. The assumption is that the size of the government deficit and interest rates in the United States will decline as a portion of national income. We are making that assumption. But it is an assumption that will be underpinned by actions here in Canada to ensure, to take an example, that we do not cause inflation by excessive wage settlements, or by the Public Service leading the private sector in the level of wage settlements. We have committed ourselves in this Budget, as we move out of the period of six and five restraint, to control the levels of wage settlements in the public sector. We have also moved to ensure that the administrated prices for which the Government has a responsibility will not exceed 4 per cent in the time ahead. These are direct action plans by the Government to help ensure that we do not, as a country, face high interest rates again.

As well, we have moved toward the real answer to high interest rates in so far as they are within our national control, that is, to increase productivity within our country to ensure that we in Canada become more internationally competitive. Productivity is the essential answer to inflation and to high interest rates. That is why we have put in place in recent months a national productivity centre which carries the full support of labour and business and why in this Budget we have offered, for example, a profit-sharing plan that can encourage workers and employees to take a greater share in the success of their own company, through their own hard work and their own efforts, and to benefit from greater productivity. These measures will help to answer the questions about the likelihood of higher interest rates in Canada.

● (1720)

The third problem with regard to the motion of the Hon. Members opposite today concerns unemployment in Canada. We have recognized quite clearly in the Budget that unemployment is at a very high level in Canada. There is no question of that. We are saying also that it will continue to be at a high level in the time ahead. None of us take any satisfaction in that. None of us rejoice in that fact. What we are saying is that we shall make every effort—we have been making every effort—to reduce unemployment in Canada.

Part of the difficulty with which we are faced in Canada is a growing work force. It is increasing at a rate which is unparalleled in most industrialized countries. As new jobs are created—some 400,000 additional jobs in the past 12 months or so—they are more than filled by those joining the work force. That is a challenge for us. It is certainly no cause for despair.

The Hon. Member for St. John's West during his amusing little speech the other evening castigated our unemployment forecasts in the Budget by comparing them to a fish on the beaches of Newfoundland, that it is "shiny on the surface but . . . rotten inside". In amending John Randolph's noted observation about a political opponent, the Member opposite might have asked himself to whom the full quotation could best apply, and I quote, "He was a man of splendid abilities but utterly corrupt. Like rotten mackerel by the moonlight, he shines and stinks". I digress for a moment merely to draw attention to the real applicability of the Hon. Member's use of John Randolph's observation.

In fact, the unemployment figures in the Budget recognize the economic reality facing Canada. To that end, the Government has put in place a comprehensive program to help economic recovery. I speak of course of the April 1983 Budget. In that Budget we designed a four-year effort, an effort which offered early capital spending by the federal Government and early increases in the training of workers to help ensure that the foundation is there for our further economic recovery. Half of the $4.8 billion under the four-year Special Recovery Program is being directed into Special Recovery Capital Projects. Those projects will have their main impact during 1984-85. In the coming fiscal year, $1.1 billion will be invested in public facilities essential to our future economic growth.

In addition to the Special Recovery Program, other government programs are providing direct employment and job training for Canadians. We have committed something over $2.3 billion for that purpose in the coming fiscal year. It is important that we keep these facts in perspective when we are talking about the support being given by the Government to the economic recovery. For example, the Budget announced that an additional $150 million is being allocated for the Youth Opportunity Fund. Some people have tended to lose sight of the fact that this is in addition to more than $1 billion for that fund announced in the Speech from the Throne in December. Altogether the Government is committing more than $3.5 billion in the coming fiscal year to Special Recovery Capital Projects and to direct employment support. That is about $500 million more than in the previous fiscal year.

The motion before us also castigates the Budget for absence of "meaningful" pension reform. I do not know what in this context the adjective "meaningful" means. It must imply that in some way it is thought that the pension reforms are inadequate or perhaps long in implementation. Let us be clear on what we are talking about. We are talking about fundamental issues which affect every Canadian and indeed every business in Canada. We are talking about protection against inflation for future pensions. We are talking about the provision of pension portability. We are talking about people being able to move their pensions with them, in a way that they have never had that opportunity before in Canada, as they move from one job to another. We are increasing the mobility of workers indirectly in that way, which can also bring indirect economic benefit as well as direct benefit to the individual. We are proposing broadened pension coverage for full and part-time workers, again in a way unique in Canada. We are proposing changes to the Canada Pension Plan which will require provincial concurrence, but will certainly bring about better pension coverage for Canadians. We are proposing changes in tax incentives for private pension savings which will help to put all pension plans on an equal basis for tax purposes.

In this way we believe that we are answering the need for Canadians to achieve greater security for their retirement years. We think that these policies will no doubt carry the broad support of Canadians. We are determined to bring them into place at an early date. We shall work with the provinces to ensure that all Canadians have meaningful pension plans in the time ahead.

The Budget before us has brought to Canadians a range of benefits, a range of initiatives and innovations which can only be of the greatest value to them as our economic recovery progresses and real growth is restored in our economy.

Mr. Blenkarn: Mr. Speaker, would the Minister confirm that transfers to Crown corporations this year have increased from $3.767 billion to $4.618 billion, an increase of 22 per cent? Did the Minister not realize that the increases to the CBC were as much as $895.7 million; that EDC was getting $287 million; that Petro-Canada was getting $460 million, plus $60 million more for drilling off the coast of Jamaica; that the post office was getting $520 million, which was never provided before in budgetary figures; that Atomic Energy of Canada was getting $331.4 million; that CMHC was getting $1,345.1 million; that the National Capital Commission was getting $105 million for its parks and parkway belts in the City of Ottawa; and that the Cape Breton Development Corporation was getting $134.4 million? Will he advise the House that in his opinion none of these expenditures could be challenged or reviewed, that all these expenditures were perfectly proper and the kind of thing a Liberal Government would do and increase from time to time? It borrows money at a 10.4 per cent rate, which is significantly higher, indeed six-tenths of one per cent higher, than it was a year ago.

Mr. MacLaren: Mr. Speaker, the Hon. Member opposite has offered a whole shopping list of Crown corporations, some of which have had substantial increases in their operating budgets or their capital budgets. Others which he did not mention of course have not. Be that as it may, I hardly think it is for me to ask the Hon. Member what he is talking about. I must infer from what he says that he thinks that the Cape Breton Development Corporation is not a good idea. He must be telling us that he thinks the CMHC assistance for subsidized housing or lower cost housing in this country is not a good thing. Is he telling us that we should not make the investment in the Post Office to ensure that in the future we shall have better postal service in Canada? Does he wish to scrap Candu reactors and write off the investment Canadians have made in a high technology industry which is respected around the world? What is he telling us? Certainly we have had increases in the budgets of some of our Crown corporations. Those budgets are subject to review and analysis. We on this side of the House are satisfied that those budgets can play a major part in the expansion not only of the public sector activities which are assigned to them, but they can also be a vital catalyst in the further growth and expansion of the private sector.

• (1730)

The Hon. Member opposite questions the budget of the Export Development Corporation. Is he telling us that we should not be offering insurance guarantees and lower cost loans to purchasers abroad of Canadian goods and services? Does he wish us to withdraw from the international financial area? What is he talking about?

Mr. Schellenberger: Mr. Speaker, the Minister constantly gives the impression that there is nothing to be saved in these various Crown corporation budgets, that when they demand certain numbers of millions of dollars, that money can just be granted. In his speech he also gave the impression that there was no way to cut the expenditures of government that are leading to the $31.5 billion deficit this year, well over $25 billion last year and projected deficits in upcoming years of over $20 billion for each of the next four years. Is the Minister concerned about that? Is he saying there is no restraint available for these huge deficits? Is he not concerned about the lack of borrowing ability in the private sector because the Government is such a huge borrower and because of the effect that that may have on interest rates?

Mr. MacLaren: Mr. Speaker, the Hon. Member opposite perhaps did not follow the comments I made earlier to the effect that we set forth in the April 1983 Budget a plan for the gradual reduction in the federal Government deficit, both in dollar terms and as a percentage of Gross National Product. The Hon. Member is right that over the time ahead we shall see deficits in Canada remaining at over $20 billion. That amount as a percentage of our GNP, and indeed in absolute dollar terms, will diminish as our growth goes forward and the recovery is completed. Our deficit will be going down. One reason why we are committed to such a policy is that we do not wish to see the sort of crowding out that the Member has described. If you ask any of our financial institutions in Canada, brokerage houses or banks, there has been no crowding out. There has not been the demand in the private sector for massive borrowings which would be affected by the presence of the federal Government in the money marketplace. We believe that as recovery goes forward, and I refer the Member to the document with the April Budget, crowding out is a potential problem. That is one reason why we on this side are determined to bring down gradually the level of the federal deficit.

Mr. Orlikow: Mr. Speaker, the Minister began his speech, and I think I quote him correctly, by saying that we passed through a recession and we are now in a period of real growth. The fact is that we have 1.5 million unemployed. If one looks at the Budget papers and the projections of the Minister of Finance (Mr. Lalonde), he is projecting double-digit unemployment for the next number of years. How can the Minister argue that we have passed the recession when we have 1.5 million unemployed, when the projections of the Minister of Finance are that we will continue to have very large and unacceptable unemployment? Balance that against the fact that all the Government is proposing in the way of funds for

job creation to try to help the 1.5 million unemployed is $150 million. At the same time the Government was able to propose tax incentives, particularly for upper-income people through the RRSP formula, which will cost the people of Canada in lost revenue four or five times the $150 million new money which the Government is prepared to put into job-creation programs.

Mr. MacLaren: Mr. Speaker, I am not sure from the last two interventions that we do not have a classic example of the difference between the Conservatives and the Socialists or NDP. Our Conservative colleague tells us we are spending far too much. He presumably would want us to cut out some of the social spending. I do not know how else you could sharply reduce the deficit without doing that. On the other hand, our friend from the New Democratic Party says that we are not spending enough, that we should be spending far more, that we should somehow spend our way out of recession.

As usual, the Liberal Party is in the centre, in the right place, in the equilibrium position. What we are doing, of course, is providing on the one hand, as I noted in my speech, substantial support for the unemployed for retraining and direct employment. As I pointed out earlier, we are adding a $150 million allocation for the Youth Opportunity Fund. That is in addition to the $1 billion for that fund that we announced in the December Speech from the Throne.

The Member opposite overlooks an essential fact, as our colleagues from the NDP often do, and that is, what we must do to stimulate greater productivity in our country. We are not talking merely about redistribution of income. We are talking about the creation of income. The creation of income will be assisted by the sort of incentives that we put in place for the business sector in the April Budget and in this Budget. The Member opposite must surely be aware that the research and development incentives, the tax carry-forwards—

The Acting Speaker (Mr. Guilbault): Order. The question period has now elapsed. We will now resume debate.

Mr. Fisher: Mr. Speaker, I rise on a point of order. Members opposite are always asking for more opportunities to raise issues and to question the Minister. He is doing very well now. I might ask the House for unanimous consent to continue asking questions.

Some Hon. Members: No.

The Acting Speaker (Mr. Guilbault): There is not unanimous consent. The Hon. Member for Vegreville (Mr. Mazankowski).

Hon. Don Mazankowski (Vegreville): Mr. Speaker, we really did not learn all that much from the Minister's speech. The exchange in the question period was perhaps a little more productive. It seemed that the Minister was quite apologetic about this Budget. I guess we can sympathize with him. He admitted that the Government does not have the answers to the economic ills that face this country. He admitted, albeit in a roundabout way, that this Government lacks economic leadership. The point has been missed time and again that over the last 15 years this Government really has not changed. Whenever there is a problem, it merely wants to throw money at it in the form of another alphabet soup program. That is really what it expects to do. Rather than providing the incentives and the kind of environment which would be conducive to growth and productivity, it simply creates another government program, put a fancy title to it, and say, "Here, go get it boys". If the Liberal ridings are a little more aggressive, they will get more than their fair share.

• (1740)

What we really need in this country is an admission that we have some very natural strengths. We have built this country on some very basic, natural strengths; agriculture, forestry, fisheries, energy, mining, and a whole host of things. But what has happened is that every one of these industries is in trouble because of the economic policies of this Government. What we need in this country is stimulation of these industries, greater productivity, and the production of more high quality products at lower prices. That way we can generate new health in this country.

We certainly do not argue with the theme which is contained in this Budget. The theme is great, except that there is nothing in the Budget which will help to achieve that kind of feeling of optimism and confidence, nothing which will encourage greater productivity and opportunities for individual Canadians.

The Hon. Member for Burin-St. George's (Mr. Simmons) delivered what I would consider to be a scathing personal attack on the Hon. Member for St. John's West (Mr. Crosbie). He unleashed a litany of insults and innuendo which quite clearly demonstrate, I believe, the lengths to which some Hon. Members will go and the desperate methods they will use in dealing with the integrity of Hon. Members of this House. The Hon. Member also posed as an expert on deficits. He really admitted that he was not an expert on deficits in the federal domain. He talked about the experience he had in the Newfoundland legislative chamber, again attacking the Hon. Member for St. John's West. He refused, Mr. Speaker, in the course of his comments, to deal with the deficit problem we have right here in this country, which emanated essentially from the work of this Government. The fact of the matter is, Mr. Speaker, that if you look at the record you will see that when this Government came into office under its current Leader, we had a gross debt in this country of some $31 billion. Today, at the end of this fiscal year, the gross debt will be $190 billion. In terms of net debt, when this Government came into office under its current Leader, there was a net debt in this country of $17.7 billion. At the end of this fiscal year, March 31, 1984, the net debt in this country will have reached $150.7 billion. We all know that the percentage of government expenditure is rising very dramatically. As a percentage of GNP, the Government expenditure was something like 21 per cent four years ago. It is now approaching 26 per cent.

The current Leader of this Government promised in 1980 that Government would keep the level of expenditures on a consistent basis with that of the then current percentage *vis-à-vis* the gross national product. Since 1968, Mr. Speaker, there has been only one balanced budget. What about the future? We have a $31.5 billion deficit at the end of this fiscal year; $29.6 billion for next year; $27.9 billion for 1985-86; $27.1 billion for 1986-87 and $26.1 billion for 1987-88.

Mr. Blenkarn: That is if you believe its projections.

Mr. Mazankowski: Yes, that is if you believe its projections. And this $31.5 billion deficit was to have been $11 billion—

Mr. Blenkarn: That's right.

Mr. Mazankowski: —as estimated by the former Minister of Finance. Therefore, the problem, Mr. Speaker, is that this Government has no credibility. No one trusts it. No one believes it. The only way we will restore confidence in this nation is to bring in a brand new Government, and it will be a Progressive Conservative Government. Only then will the country be really working.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please. It being 5.45 p.m., it is my duty, pursuant to Standing Order 65(7), to interrupt the proceedings and put forthwith any question needed to dispose of the amendment now before the House.

[*English*]

The question, therefore, is on the amendment. Mr. Crosbie, seconded by Mr. Hees moves:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

this House regrets the failure of the government to present measures designed to reduce Canada's budgetary deficit, lower existing high interest rates, reduce crippling high levels of unemployment or to create meaningful pension reform all of which are needed as a result of years of government economic mismanagement and condemns the government for its continued misuse of public funds and arrogant maladministration which have led to a crisis in public trust and confidence in government.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

(*Division No. 19*)

YEAS

Messrs.

Andre
Beatty
Benjamin
Blackburn
Blaikie
Blenkarn
Bosley
Cardiff
Carney (Miss)
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Cook
Cooper
Corbett
Cossitt (Mrs.)
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Dick
Domm
Ellis
Elzinga
Fennell
Forrestall
Fretz
Friesen
Fulton
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hamilton (Swift Current-Maple Creek)
Heap
Hees
Hnatyshyn
Howie
Huntington
Jarvis
Jelinek
Jewett (Ms.)
Keeper
Kempling
Kilgour
King
Knowles
Kristiansen
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
MacDougall
Manly
Mazankowski
McCain
McCuish
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McLean
McMillan
Miller
Mitchell (Ms.)
Mitges
Munro (Esquimalt-Saanich)
Murphy
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Orlikow
Paproski
Parker
Patterson
Reid (St. Catharines)
Robinson (Burnaby)
Roche
St. Germain
Schellenberger
Scott (Hamilton-Wentworth)
Scott (Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stewart
Taylor
Towers
Vankoughnet
Wise
Young—97.

NAYS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dion
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Lamontagne
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé

Messrs.

Masters	Penner	Rooney
McCauley	Pepin	Rossi
McRae	Peterson	Roy
Munro (Hamilton East)	Pinard	Savard
Nicholson (Miss)	Portelance	Schroder
Olivier	Reid (Kenora-Rainy River)	Simmons
Ostiguy	Roberts	Smith
Ouellet	Robinson (Etobicoke-Lakeshore)	Tardif
Parent	Rompkey	Tessier
Pelletier		Tobin
		Tousignant

Messrs.

Trudeau	Veillette	Weatherhead
Turner	Watson	Whelan
		Yanakis—137.

Mr. Speaker: I declare the motion lost.

It being 6.15 p.m., the House stands adjourned until eleven o'clock tomorrow, pursuant to Standing Order 2(1).

At 6.15 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, February 24, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AIRPORTS

ZONING REGULATIONS AFFECTING FARMERS' SILOS AT CHATHAM AND HAMILTON, ONT.

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, let me tell you a story about two farm silos. One is located in the flight path at the Chatham, Ontario, airport. The other silo stands in the flight path at Mount Hope, in my riding, where Hamilton Civic Airport is currently undergoing expansion.

My constituent, Mr. Joseph Popper, last year received authorization from Transport Canada and the Municipality of Glanbrook to erect a silo in accordance with Hamilton airport zoning and height restrictions. Several months later the Department of Public Works claimed that Joe Popper's silo violates the height in feet above mean sea level. Although local pilots have indicated no problems or any incidents in the area, Mr. Popper has now been ordered to take immediate action to remove about 10 feet off the top of the silo. That would mean a very heavy financial burden for the Poppers, who are understandably upset that they had acted in accordance with Transport Canada and the Municipality of Glanbrook height regulations in the first place.

We switch you to the controversial silo at Chatham, Mr. Speaker. The Minister of Transport (Mr. Axworthy) has agreed to solve that problem after meeting with the Hon. Member for Kent (Mr. Bossy) and the Mayor of Chatham, along with Transport Canada officials.

Meanwhile, at Mount Hope, my office, Glanbrook Mayor Don Weylie, and Joe Popper, have yet to hear from Transport Canada, despite repeated attempts during the past several weeks to work out a compromise similar to Chatham airport.

Farm silos are not porkbarrels. After what we have been through this week about government favouritism toward Liberal ridings, I sincerely hope the Minister of Transport will rise above treating these situations as first and second class silos.

INCOME TAX

TAX ON TIPS EARNED BY WAITERS AND WAITRESSES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, there are 600,000 Canadians who work as waiters or waitresses throughout Canada. Most of them receive minimum wage, or a little more, and supplement their low wages with the tips they receive.

Recently Revenue Canada has begun to enforce a rule that they must pay income tax, not just on their wage but on their total income of wage and tips. However, when they pay their unemployment insurance premiums and Canada Pension Plan, it is done on the basis of the lower wage. When they are unemployed they receive unemployment insurance benefits at the lower rate, and when they qualify for Canada Pension they will get it at the lower rate.

I call on the Government to change the laws and regulations so that, if these people must pay income tax on their total income, they will also receive benefits based on their total income.

* * *

POLITICAL PARTIES

SOCIAL SECURITY—POLICIES OF LIBERAL AND PROGRESSIVE CONSERVATIVE PARTIES

Mrs. Ursula Appolloni (York South-Weston): Mr. Speaker, according to the National Council on Welfare, the poverty rate in Canada has declined sharply since 1969. The report states that, among families headed by people over 65, the percentage living below the poverty line dropped from below 41.4 per cent in 1969 to 11.7 per cent in 1982. The National Council on Welfare credits improvement in the quality of life to such government programs as the Old Age Security Pension, Guaranteed Income Supplement, and the Canada Pension Plan.

Perhaps there can be no greater testimony to the effectiveness of the Government of Canada under the Prime Minister (Mr. Trudeau) than the dramatic improvement in the quality of life for so many Canadians.

The Liberal Government has done much, and it realizes much remains to be done. That is why Canadians have never heard Liberals make remarks like those in 1976 of the present Leader of the Opposition (Mr. Mulroney), who called for a five year moratorium on increased social spending, or of the former Leader of the Opposition who, as Prime Minister, told Canada's elderly that they would have to endure the effects of

inflation until the economy improved. That was Tory policy in 1979.

An Official Opposition that now calls for the Liberal Government to increase the GIS is the same Tory gang who would not, not could not, increase the GIS in 1979.

Mr. Speaker: Order. Unfortunately, the Hon. Member's time has expired.

* * *

• (1110)

LABOUR CONDITIONS

LAY-OFFS AT BLACK AND DECKER PLANT IN BROCKVILLE, ONT.

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, in his Budget Speech a week ago the Minister of Finance (Mr. Lalonde) stood in this House and whetted our appetites with proud promises of lasting economic recovery and sound fiscal policies. He said:

In my April Budget, my goal was to secure the recovery. That goal has been met.

I would ask the Minister how can he justify that statement when just last Friday 110 employees were laid off at Black and Decker in Brockville, Ontario. This is a responsible, sound firm, that has provided 700 local residents with secure employment for over 25 years.

In announcing these lay-offs, the company president stated the signs of economic recovery last spring had caused them to anticipate a higher volume of sales than actually materialized when the economy failed to recover as the Minister predicted in his April Budget.

The Government has failed these employees with its promises to secure economic recovery and job stabilization. Government spending grew almost 10 per cent last year, well over its own six and five guidelines imposed on Canadians to reduce inflation. The message was obviously "Do as I say, not as I do".

The Finance Minister's Budget Speech, full of rhetoric and encouragement, held little for these recently unemployed Canadians in my riding.

* * *

[*Translation*]

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—REQUEST FOR ADDITIONAL FUNDS FOR SPECIAL PROJECTS

Mr. André Maltais (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, yesterday I referred to the funds allocated by the federal Government for job creation, and I mentioned several projects in my riding which would deserve special attention from the Government.

I have received an incredible number of telephone calls from constituents asking the Minister of Finance (Mr. Lalonde) to reinstate special funding for ridings affected by unemployment, whether these are Liberal ridings or not.

Mr. Speaker, in Baie-Comeau they are still asking for a harbour master's office and harbour facilities, as special projects. In Franquelin and Godbout, they want boat ramps and repairs to small harbours, while in Baie-Trinité they are asking for a harbour and facilities at Petit Mai which have yet to be completed. At Pointe-aux-Anglais they want community facilities; Port-Cartier is asking for relocation of a pier, plus I.T.T. installations. It is the same in Sept-Îles, with Phase III of the industrial park, and, Mr. Speaker, I could also mention Rivière-au-Tonnerre, Tête-à-la-Baleine or St-Augustin, La Tabatière, Blanc-Sablon and Gagnon, plus the airports at La Romaine, Tête-à-la-Baleine and Kegaska. The point I am trying to make is that the unemployed will never get enough money from our governments to put them back to work, and most of the people who called me in my riding have asked me to condemn in public the attitude taken by the Opposition Parties who are indulging in petty politics at the expense of the unemployed.

* * *

[*English*]

SOCIAL SCIENCES

BUDGET OF SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Mr. Walter McLean (Waterloo): Mr. Speaker, the self-congratulatory press release of the Department of Communications of February 16, 1984, misleads the Canadian public. It suggests that the base budget of the Social Sciences and Humanities Research Council will increase by $2 million to almost $59 million in the financial year 1984-1985. In fact the budget of the Research Council will be substantially reduced. A previous allocation of $5.9 million for Canadian studies will not be renewed. The Government's magic arithmetic, as the Canadian Association of University Teachers calls it, gives the Council an increase of $2 million, but really it loses $1.2 million.

This sleight-of-hand is taking place at a time when millions of dollars are available at the whims of Liberal MPs, but post-secondary education support is being attacked under the six and five formula.

The Social Science Federation of Canada affirms that most major problems are both social and economic. More, not less, research is needed. High technology is impacting on the job market, especially for women. Prostitution, pornography, and visible minorities, are all being studied by separate and expensive commissions. Why, I ask, is the Government setting up costly parallel mechanisms for research, and refusing to introduce a five-year plan for research in the social sciences and humanities?

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

POWERS OF DEPUTY MINISTER

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, my question is directed to the Minister of National Revenue who will know that today's press contains reports of growing signs of Liberal back-bench revolt against the lack of ministerial control over the Department of National Revenue. Does the Minister of National Revenue agree with his various colleagues who have spoken to the press in the past two days to indicate that they feel his Deputy Minister has too much power and that the Minister himself does not have adequate control over his own Department?

• (1115)

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have, on several occasions, discussed with my caucus colleagues any problems they may have had with my Department, and I have also done so with Members of the other Party caucuses in this House.

Nevertheless, I would like to point out to the Hon. Member that it is my responsibility and that of my officials to work together and co-ordinate our efforts in order to provide equitable administration of the Income Tax Act, and that is our objective.

[*English*]

Mr. Beatty: Mr. Speaker, you will note that the Minister again avoided answering the question of whether or not he agrees with his own colleagues who are attacking his Deputy Minister as having too much power and saying that the Minister does not have enough power.

INTRODUCTION OF LEGISLATION DEALING WITH DEPUTY MINISTER'S POWERS

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, two days ago the Minister's colleague, the Hon. Member for Renfrew-Nipissing-Pembroke, introduced Bill C-220. The whole purpose of that Bill is to strip away the legal authority to give the Deputy Minister powers similar to those of the Minister of National Revenue. Does the Minister support the Bill introduced by his back-bench colleague, which is designed to curtail the powers of his Deputy Minister?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Bill has been tabled in the House, and as soon debate starts on the Bill, the Hon. Member will have an opportunity to find out the Government's position.

[*English*]

Mr. Beatty: Mr. Speaker, you will note that again the Minister has refused to answer a direct question.

MINISTER'S POSITION

Hon. Perrin Beatty (Wellington-Dufferin-Simcoe): Mr. Speaker, *The Toronto Star* has reported that when the Liberal caucus was in revolt on Wednesday and a succession of Members—

Some Hon. Members: Oh, oh!

Mr. Beatty: —rose to attack the Deputy Minister and to demand his resignation, the Minister sat silently by refusing to take any position one way or the other. I want to know what is the Minister's position. Does he defend his Deputy Minister, or is he prepared to go along with demands from his caucus colleagues that the Deputy Minister be replaced?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member says I am not answering his questions. Actually, in my answer to his first question, I answered the question he put to me just now. My responsibility and that of my officials, including Deputy Ministers, Assistant Deputy Ministers, Directors and Supervisors, is to work together in order to provide for sound and equitable administration of the Income Tax Act. That is our objective.

[*English*]

TRAINING FILM FOR AUDITORS—OFFER TO SCREEN EDITED VERSION

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the same Minister. Last month an application was made to the Minister's Department by the Hon. Member for Saskatoon West with respect to viewing the training film for auditors called "The Investigative Approach to Auditing". By letter of February 15, signed by Mr. Twolan of his Department, access has been denied to the original film, but an edited version has been prepared for his viewing.

Has the Minister personally viewed this film? Did he personally make the decision to give an edited version of the film to Members, or was it just his departmental officials, as indicated in the letter of February 15?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the answer to this question is short and to the point. The question was: Did I see the film? The answer is: Yes. The second part of the Hon. Member's question was: Did I personally ask to have changes made in the film? Mr. Speaker, I suggest that the Hon. Member read carefully the provisions of the Access to Information Act, which provides under what conditions and circumstances records are to be made available to individuals requesting access. If I am not mistaken, depart-

mental officials gave the Member for Saskatoon West a reply, in accordance with the letter and the intent of the Access to Information Act.

[*English*]

Mr. Beatty: Four questions, four evasions.

ACCESS OF MEMBERS OF PARLIAMENT TO FILM

Mr. Chris Speyer (Cambridge): Mr. Speaker, the Minister has acknowledged that he has personally viewed the film. Would the Minister tell us what is in the film that Members of Parliament cannot see with respect to the attitude of the auditors? What is it that is being cut out? What is it that is being covered up? What is it that we cannot see?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is showing contempt for the laws passed by this Parliament. If his ignorance or bad faith or blind partisanship did not prevent him from doing so, he would have taken the time to read the Access to Information Act, where he would see that under the provisions of this Act, the Department may protect certain kinds of information. I do not know what was taken out, but I do know that the officials who gave the Hon. Member access to the film did so in accordance with the letter and the intent of the Act.

* * *

• (1120)

[*English*]

EMPLOYMENT

SPENDING ESTIMATES FOR JOB CREATION

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Estimates which were released on Tuesday indicate that the Government has cut spending on job creation by $172 million. According to the Government's own criterion of roughly $4,000 per job, the loss of this money will cost 42,000 jobs. How can the Minister justify cutting funding for job creation at this time of very high, crisis level, unemployment?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the hon. gentleman may be miscomparing figures. He was not exactly clear what comparison he was making, but I do not think that the facts will bear out that there was a cut of the kind he has described. What he may be doing is comparing the Main Estimates which were presented a few days ago, but he must remember that, as the fiscal year goes on, those Main Estimates are increased by Supplementary Estimates. It may be that he is comparing apples and oranges and not comparing one set of Main Estimates with another.

BUDGET PROPOSALS

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, what I am pointing out is that the Estimates cut funding for job creation by $170 million. The Minister may promise money down the road, but the unemployed need that money today. The Budget added 40 per cent to the PIP grants, which is another $450 million for the oil companies. How can the Minister give $450 million to the oil companies, which is less than he put in the Budget for the unemployed? How can he justify that at this time of unemployment?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I have two comments. If indeed in the Budget there was an increase of funding flowing toward the problem of the unemployed, particularly young people, and if the Member does a fair comparison of our expenditure projections, he will find that we are not cutting back funding for job creation.

In so far as the PIP grants are concerned, this is a question which should be directed to the Minister responsible, and not to me.

OUTREACH PROGRAM FUNDING

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, the Estimates also indicate that the Minister is cutting funds for the Outreach Program by some $5 million, which will be a loss of 25,000 placements. How does the Minister justify slashing the Outreach Program, which has helped disabled Canadians and those who lack job skills? Is he simply taking advice from the former Conservative Finance Minister who said over the CBC this morning that a Conservative Government would cut job-creation funding?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, that may very well be the view of the Conservative Party. It is not our view. The basic answer to the Hon. Member's question is the one which I gave to him earlier, that what he must look at is not the expenditures last year in comparison with the Main Estimates. He must look at the figures which respond to the Main Estimates as we go through the year with the Supplementary Estimates added. He has to make a fair comparison and compare the same things, not different things.

* * *

FINANCE

EFFECT OF TAXATION ON DISTILLING INDUSTRY

Mr. Ron Stewart (Simcoe South): Mr. Speaker, in the absence of the Minister of Finance I will direct my question to the Minister from Etobicoke North. On February 6 I asked the Minister of Finance about excessive taxation on alcohol products and lost jobs in the distilling industry. In his holier than thou reply, he said that declining sales were the result of decreased consumption by Canadians, a trend we should

applaud, and that the excessive taxation was due strictly to the taxation by the Provinces. Does the Minister accept this government reply?

Hon. Roy MacLaren (Minister of State (Finance)): Yes.

• (1125)

MEMBERSHIP OF TASK FORCE

Mr. Ron Stewart (Simcoe South): Mr. Speaker, in a letter dated February 20 from the Minister of Finance he points out to all government Members how to answer their constituents and shareholders in the distilling industry. He explains his great concern that the federal share of revenue from alcohol has dropped from 41 per cent to 31 per cent, that a task force has been established to look into the matter, that they will consider alternatives which meet the objectives of both the industry and the Government, and that meetings of the task force are under way. He says further that he trusts his remarks will be helpful in replying to their constituents.

What about our constituents, Mr. Speaker, and the jobs lost to the people we represent in this industry? I would like to know who is on the task force, how often have they met, what are the objectives, and will we on this side have input, or will it be like the Local Initiatives Employment Program?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the task force is chaired by a vice-president of the Toronto Dominion Bank, Doug Peters, who is currently on loan to the federal Government. The members of the task force have been nominated and supplied by the associations most directly involved in the question. They are currently reviewing the situation. The Member opposite, indeed any Member of the House, or for that matter any Canadian, is welcome to make his or her views known to the task force. I am sure the task force will want to take those views into account.

The task force is charged with a broad review of the industry and of fiscal policy as it affects the industry. It will, of course, address the question of the proportions of taxation represented by provincial Governments and the federal Government. It will address the question to the impact of taxation policies at the federal and provincial levels on the further growth and development of the industries affected. If the Hon. Member wishes to make his contribution, I am sure the task force would welcome it.

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FISHERIES

GEORGETOWN SEAFOODS PLANT—SCHEDULED ANNOUNCEMENT BY MINISTER

Mr. Tom McMillan (Hillsborough): Mr. Speaker, in the absence of the Minister of Fisheries my question is directed to the Acting Minister. Last Friday my good friend, the Minister of Veterans Affairs, stated in Prince Edward Island that within a week the federal Governmemt would be in a position to announce the details of the reopening of the Georgetown Seafoods plant in Prince Edward Island. Since that week is now up, I wonder if the Acting Minister would be in a position to share with the House the details of that reopening.

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, I think I can answer the question. I am aware that the Minister of Fisheries is working on that subject very, very intensely. I am aware that he is going to live up to the commitment he has made, and that he will inform the House as soon as he can.

REQUEST THAT ANNOUNCEMENT BE MADE IN HOUSE OF COMMONS

Mr. Tom McMillan (Hillsborough): Mr. Speaker, although it is apparent that the Acting Prime Minister does not have a clue about the question posed to him, I wonder if he would, nevertheless, assure the House in the name of fairness, if nothing else, that such an announcement will be made in the House of Commons to Members who have been asking questions about this for the last two years, rather than in the forum of a partisan function on Prince Edward Island before only Liberal Members in Prince Edward Island?

Hon. Jean-Luc Pepin (Minister of External Relations): Mr. Speaker, every Minister has a choice to make when he has news to announce, particularly when it is good news. I will bring the representation made by my hon. friend to the attention of the Minister of Fisheries.

* * *

IMMIGRATION

HEAD TAX IMPOSED ON CHINESE IMMIGRANTS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Acting Prime Minister. From 1885 to 1923 the Canadian Government levied a discriminatory and racist head tax only on Chinese immigrants. This was followed by complete exclusion of any Chinese immigrants until 1947. In order to make amends for this shameful period in our history, and to recognize our new Charter of Rights which should prevent such future discrimination against ethnic minorities, will the Minister forward a request to the Prime Minister asking that he, on behalf of Canada, formally acknowledge these injustices to Canadians of Chinese origin?

• (1130)

Hon. Jean-Luc Pepin (Minister for External Relations): Mr. Speaker, this is the first time I have heard about this one. I learned yesterday about Baltic Consuls and things of that kind. My education is progressing. I will look into that particular matter. I would believe, however, on the face of it, that the legislation on human rights is not retroactive. However, I will look into the matter and see if a more generous approach could be taken.

Ms. Mitchell: Mr. Speaker, I was asking Canada to apologize to the Chinese at this point in time. I was not asking for retroactivity of legislation.

REQUEST THAT GOVERNMENT PAY COMPENSATION

Ms. Margaret Mitchell (Vancouver East): My supplementary question is directed to the Minister of Justice, on this same matter. Perhaps he would also consult with the Prime Minister. Since last Chinese New Year, when I called on the Canadian Government to compensate persons who have paid the discriminatory Chinese head tax, a number of elderly Chinese people from all over Canada have come forward with tax receipts. The Chinese community as a whole is most interested in this, as a symbolic gesture. Would the Minister be prepared to investigage the possibility of compensation for the few remaining survivors who paid this discriminatory head tax? Would he also ask the Prime Minister to convey our apologies on behalf of Canada?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, we will certainly give very full consideration to that request. As I am sure the Hon. Member knows, the Charter, which we are all happy to have, is prospective in its application, and for any kind of consideration to be given to the past this requires that we establish a new policy for that period. I know that the Hon. Member appreciates that we cannot really rewrite the whole of Canadian history. There have been many kinds of injustices committed by many groups, and suffered by many groups. We cannot undo all of those things which have happened in the past, but we can, at the very least, make a resolution that they will not happen again. In selected cases we can also look at the past, as the Hon. Member has suggested, and I undertake to do that.

* * *

NATIONAL REVENUE

ACCESS BY ROYAL CANADIAN MOUNTED POLICE TO DEPARTMENTAL FILES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Revenue.

[*Translation*]

Could the Minister tell the House whether, by virtue of the agreement entered into by the Solicitor General and his predecessor, the Hon. Member for Sarnia-Lambton, under which the RCMP would have access to the files of the Department of National Revenue for the purpose of investigating infringements of the Income Tax Act and later, signed by the former Member for Saint-Boniface, now sitting in the other place, the RCMP was given access to tax files for the purpose of investigating infringements of the Criminal Code? Is the Department of National Revenue carrying on with this practice or has the previous agreement been adhered to religiously? We would like to know whether the RCMP or someone else has access to the files of the Department of National Revenue.

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I shall have to check about the agreement mentioned by the Hon. Member in the much broader context of his question which suggests the involvement of police forces in taxation matters. The Hon. Member will understand that, wherever fraudulent action is suspected, police may be justified in getting involved in the taxation aspects of investigations. However, as I would like to be more specific in my reply, I ask the Hon. Member to give me a little time to check on this matter.

[*English*]

DEPARTMENT'S DEPUTY MINISTER

Hon. Ron Huntington (Capilano): Mr. Speaker, my question is directed to the Minister of National Revenue. Would the Minister give us a clear flat statement that he has full confidence in and supports his Deputy Minister?

Mr. Beatty: Yes or no?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member for Wellington-Dufferin-Simcoe has set such an example of narrow-mindedness that his colleagues are having about the same simplistic reaction as he has.

Mr. Speaker, in my previous answers, I have twice described my responsibilities and those of my senior executives and told of my commitment to fulfill these responsibilities in order to promote the common good and ensure that the Income Tax Act is administered fairly for all Canadian taxpayers.

[*English*]

Mr. Huntington: As a supplementary—

Mr. Speaker: This appears to be a day when perhaps we can call upon a number of people who have not had an opportunity to put a question for some time. The Hon. Member for Kootenay West.

* * *

EDUCATION

FUNDING OF POST-SECONDARY INSTITUTIONS IN BRITISH COLUMBIA

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, my question is directed to the Minister of State, and I have given him notice. The Minister will recall that I wrote to him in January of this year regarding the closure of the David Thompson University Centre in Nelson, British Columbia, and other problems arising from the massive diversions of federal post-secondary education funds by the British Columbia Gov-

ernment and, to a lesser degree, by other "mean and nasty" Conservative provincial Governments across Canada.

At that time I requested that the Minister give consideration either to imposing federal sanctions against British Columbia, or to providing special emergency funding to aid those programs and institutions being destroyed in my home Province, and in others. Similar appeals have also been made by my colleague, the Hon. Member for New Westminster-Coquitlam, and were echoed on February 14 by the Liberal Member for Ottawa Centre.

Will the Minister advise the House, first, whether he recognizes the seriousness of this problem in post-secondary education, especially in British Columbia, and, second, whether he is now considering, or will consider, any action along the lines suggested, either sanctions against B.C. or direct emergency funding to save the future of our students, their programs, and educational institutions?

Hon. Serge Joyal (Secretary of State): Mr. Speaker, the question raised by the Hon. Member is a very serious one. It asks the question of what this Parliament should do when, after having voted funds in support of higher education in Canada, transferring these funds to the Provinces, one Province or another decides, in fact, not to pass on the funds to the institutions, but to cut additional funding to them.

I have already written twice in the last six months to the Minister of Education for British Columbia, drawing the seriousness of this situation to his attention. This week I did appear at the Standing Committee on Finance of this House to announce that I have appointed a special task force, headed by Mr. Al Johnson, to review the over-all policies which this House should adopt in future to ensure that, when it votes funds for support of higher education, those funds are passed on to the students and the university community.

DAVID THOMPSON UNIVERSITY CENTRE, NELSON, B.C.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I want to be clear on the answer. Is the Minister giving consideration—at least giving consideration—to the imposition either of sanctions or special emergency funding in the case of the David Thompson University Centre? This is the second time in seven years that a university campus has been closed down in that same community. And those are the first and second times, I believe, in the history of Canada that that kind of action has been taken. We need help desperately, and we need it now. Will the Minister consider, or is he considering, such sanctions or such aid as suggested by myself, the Hon. Member for New Westminster-Coquitlam, and by the Liberal Member for Ottawa Centre?

Hon. Serge Joyal (Secretary of State): Mr. Speaker, those are options and suggestions which are under consideration. As a matter of fact the suggestion to impose penalties has been commended by some associations of university teachers in the country, although some have opposed that as not being the right course of action to take.

The Hon. Member is then suggesting additional funding, or emergency funding be provided. I would suggest to him that it would not solve the problems because some other Provinces might be tempted to do the same in order that Parliament would be called upon to vote additional funding. We are reviewing the various options. I will be in British Columbia myself later this month to meet with the Minister of Education. I will certainly raise the matter pointed out by the Hon. Member. However, as I said, we are looking at the various options which would address the root of the problem and not just come up with a temporary solution which would not cure the problem at its root.

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NATIONAL REVENUE

DEPUTY MINISTER

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my colleagues have been unsuccessful with this question. I will try again. I would like to ask the Minister of National Revenue if he will give us a simple yes or no. We know about all the responsibilities, and everything else. Does the Minister support and have complete faith in his Deputy Minister in the Ministry of Revenue—yes or no?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, we have just seen the true face of the Conservative Members—

Mr. Beatty: Yes or no?

Mr. Crosbie: Answer the question.

An Hon. Member: Answer the question, yes or no.

Mr. Crosbie: Does the Deputy have any confidence in you?

Mr. Bussières: The Hon. Member just said that he does not care about the sense of responsibility. I do care.

MINISTER'S POSITION

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, that is not what he said at all. That is not what the Hon. Member said at all. He said, "We know the responsibilities". What I am asking the Minister is, does he have faith, does he support unequivocally, his Deputy Minister? Will he stand up and say he supports him, yes or no? It is a simple yes or no answer we want from him. Oui ou non; what is it?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member will simply not understand.

I told him how I intend to take my responsibilities, and he replied that he did not have any sense of responsibility. I went on to say that my responsibilities and those of my officials are to work as a team to ensure the fair implementation of the

Income Tax Act. Mr. Speaker, that implies that all parties concerned work in a climate of mutual confidence and trust.

• (1140)

[*English*]

PLACEMENT OF MINISTER'S CONFIDENCE

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, my question is also directed to the Minister of National Revenue. If I were the Deputy Minister of National Revenue I would be humiliated by the answer which has been given by the Minister. Will the Minister answer yes or no on whether he enjoys the full confidence of his Deputy Minister of Finance?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is a bit confused by his own improvisation!

I would simply suggest to him that, instead of rising when prompted to do so by his colleagues, he ought to prepare sensible questions rather than making stupid remarks like his colleagues when clear answers have already been given.

[*English*]

REPORTED STATEMENTS MADE BY MEMBER FOR KITCHENER

Mr. Walter McLean (Waterloo): Mr. Speaker, I would like to ask the Minister of National Revenue a question in another context. Yesterday as I left Kitchener the Minister's colleague, the Member for Kitchener, indicated on radio station CKKW that the problems in the Department lay at the feet of the Deputy Minister. The Minister's Deputy has been attacked by his colleague. Does the Minister have full confidence in his Deputy?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, either the Hon. Member is deaf, or he does not want to understand anything, or perhaps he does not listen to the answers!

I answered his questions three or four times.

[*English*]

Mr. McLean: Mr. Speaker, a supplementary.

Mr. Speaker: The same question has been asked four times. The Hon. Member for New Westminster-Coquitlam.

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NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—STATISTICAL CRASH PROJECTIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in the absence of the Minister of National Defence, the Minister of the Environment, the Prime Minister, and the Secretary of State for External Affairs, I would like to direct my question to the Acting Prime Minister.

This week a claim was made by the Department of National Defence that the chances of environmental hazards such as crashes and forest fires resulting from the Cruise missile tests were one in a million. This is totally misleading the public. The U.S. consultant who conducted the Cruise hazard study used by the U.S. military has said the figures given by our Department of National Defence were totally unrealistic and, in fact, absolutely in error.

Will the Acting Minister inform the House, on behalf of the Government and the Department of National Defence, that it will immediately issue another bulletin with the correct assessment of the very grave hazards which are going to come upon us with the testing of the Cruise missile?

Hon. Jean-Luc Pepin (Minister of State (External Relations)): Mr. Speaker, I am afraid my hon. friend will have to make her own decision. As an intellectual, which she is to a great degree, she has had to make decisions of this kind in her life. On almost every subject she is confronted with extremist and middle of the road opinions, and she has to make her own decision.

If the Minister of Defence were here I am sure he would say he has full confidence in his officials, particularly in his DM, when they present him with views of this kind. I cannot help her very much. It is a question of her making up her mind which of those opinions is the most valid. I would tend to believe the Canadian opinion in this matter.

Mr. Speaker: A short supplementary. We have refused supplementaries lately.

NUMBER OF CRASHES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Cruise crashed were 44 out ot 109 flights, not one in a million. I would like to direct my supplementary question to the Prime Minister, who is in the House, Mr. Speaker, but not in his place.

Mr. Speaker: The Hon. Member for Edmonton-Strathcona.

* * *

ADMINISTRATION OF JUSTICE

THE ROGER BILODEAU CASE

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, my question is for the Minister of Justice. Precisely why has the Government of Canada taken the position it has in its factum in the case of Her Majesty versus Roger Bilodeau?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the Hon. Member's question is so broad that I am not sure what he has in mind. If he could be more specific in his supplementary question I might be able to provide a reply.

This case in under appeal and there are limitations on what either of us can say with respect to it.

Mr. Speaker: The Hon. Member for Edmonton-Strathcona. Please bear in mind the problems.

GOVERNMENT SUBMISSIONS

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, the Minister and I are both lawyers. Why is the Minister opposed to the position of Roger Bilodeau on the basis of the "shall" being a mandatory, and on the basis of necessity, which is the position his factum takes in the Supreme Court of Canada? His position seems to me to be inconsistent with the position of the Prime Minister and Section 23 of the Charter of Rights. Can he tell us why this is?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, there was certainly no such inconsistency. However, in light of possible happenings in Manitoba I think the federal submissions before the Supreme Court of Canada will clearly have to be reconsidered.

* * *

NATIONAL REVENUE

DEPUTY MINISTER—MINISTER'S POSITION

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is for the Minister of National Revenue. I would like to apologize to the Minister of National Revenue. I have been listening carefully over the last number of days, and particularly today, to his answers, because I have had a veritable flood of difficulties in my constituency with Revenue Canada to the extent that my constituents and myself have lost confidence in the tax system.

I could not understand the Minister's response to a number of previous questioners today. Was his answer yes or no when he was asked whether he had confidence in his Deputy Minister?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have the impression that the Hon. Member needs more time before my answers sink in. I would urge him to ponder over them in *Hansard* next week to find out the answer he is seeking.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

COURT HEARING ON CRUISE MISSILE TESTING

Mr. Jim Fulton (Skeena): Mr. Speaker, in the recurring absence of the Prime Minister, my question is for the Minister of Justice. Members of the House, and Canadians generally, know the position taken by the Minister and the Prime Minister in the past on matters that are before the courts, particularly the Supreme Court of Canada. Would he tell Members of the House what his position is on the testing of the Cruise missile in Canada? Would he not agree that it should be stopped, completely terminated, while this matter is before the courts, simply on the principle of British common law and law practised in this country?

• (1150)

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, if the Hon. Member is addressing his question to me on the basis of the law, and indeed that is the only kind of question to which my portfolio would allow me to reply, the answer is that he is clearly wrong. In our law the remedy in such a situation is an injunction. It is not to ask parties to stop short of an injunction. Therefore, there is certainly no legal requirement on the federal Government in such a case.

If my hon. friend has a question of policy, he will have to address it to the appropriate Minister.

* * *

THE PRESS

GOVERNMENT ADVERTISING IN ETHNIC PRESS

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, my question was to be directed to the Minister of Multiculturalism, but he is in Toronto cutting back all kinds of grants for the ethnic press. I will direct my question to the Secretary of State who is senior Minister in that particular Department. Why is the Minister of Multiculturalism cutting back on government advertising to the ethnic press, particularly in metro Toronto? Does his Government separate it between Grits and Tories? What is happening?

Hon. Serge Joyal (Secretary of State): Mr. Speaker, the Hon. Member has raised a point that creates many questions around his allegation. If I remember well, less than a year ago there was an announcement by the then Minister of Multiculturalism that there was an enrichment of the programs of the Secretary of State in support of the ethnic press in Canada. I am quite sure that in the application of the criteria to support the ethnic press, some cases may have been reviewed along the lines of the criteria of the program. But the total budget that has been allocated for that specific program has been increased by many hundreds of thousands of dollars in the last year.

There might be one case where that could be questioned, and we would like to look into the definite details of that case. On the whole, my recollection is that the program has been enriched and that the over-all community should profit from it.

DISTRIBUTION OF ADVERTISING

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I hope the Minister would review this because I have had a number of inquiries. As a former Minister I guess they feel they should write me a note to say that the Government is doing now what it is supposed to do 60 days before the next election. It is already starting to cut back between those who are Grits and those who are Tories in the Toronto area.

Hon. Serge Joyal (Secretary of State): Mr. Speaker, if the Hon. Member wants to provide me with the details of the specific case that he has in mind, I will certainly take it upon myself to look into it and report to him, either today or early next week, to make sure everyone is fairly treated and that the criteria are applied with the same kind of equity for everyone.

* * *

TOURISM

IMBALANCE BETWEEN CANADA AND UNITED STATES

Mr. Mel Gass (Malpeque): Mr. Speaker, my question is directed to the Minister of State for Small Businesses and Tourism. At the first of the week we had a meeting in Charlottetown with TIAC, the Tourism Industry Association of Canada. There were numerous statistics given to us at that meeting on the decline of the tourism industry in Canada in 1983. There are an increasing number of Canadians going south, and fewer Americans coming north. Could the Minister give us any indication of why that is occurring?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, it is true that there is in fact an imbalance in terms of tourist dollars between Canada and the United States. What we have done was to announce just recently a television campaign that will be launched in April in the northern tier of the United States, through which we will be going after American tourists to encourage them to come to Canada this summer.

In addition, a television campaign has just been launched encouraging Canadians to vacation in Canada. I believe the impact of both those campaigns will be to turn the situation around.

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CANADIAN PACIFIC RAILWAY

WORKING CONDITIONS OF EMPLOYEES AT CRANBROOK, B.C.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, my question is directed to the President of the Treasury Board. He will know that CP Rail was included in the six and five restraint program, yet at this time CP Rail has invoked a material change in working conditions that will reduce the wages of employees of CP Rail in Cranbrook, British Columbia. Will the President of the Treasury Board investigate this, with a view to telling CP Rail that it cannot do this at this time and must wait until the restraint program is completed?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I would be happy to look into the matter, and certainly if it turns out that it is not consistent with the law passed by this Parliament I will see that appropriate action is taken.

* * *

EMPLOYMENT

DISTRIBUTION OF JOB-CREATION FUNDS IN ONTARIO AND QUEBEC

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. He and the Prime Minister have made a very large case for the competence—I think efficacy was his word—of Liberal Members of Parliament in getting special recovery funds for their ridings as opposed to other ridings. Would he explain why Ontario, as a total, which has higher unemployment than Quebec, has managed to get 51 per cent less funds than Quebec? Does that mean that the efficacy of Liberal Members in Ontario is substantially below that of their counterparts in Quebec?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I would not want to come to such a broad and sweeping condemnation as the Hon. Member has, but I would remind him that we have also said that these programs are part of the effort to combat unemployment and that there are others on the part of the Government that are equally directed in doing so. I have stressed particularly the importance of my colleague's Budget and the kinds of tax incentives that it has provided to create jobs which will obviously have a very considerable impact in Ontario.

I have also pointed out to the House that one must take into account, in considering job creation questions, the fact that some Provinces, because they are wealthier, have greater fiscal resources for responding to job-creation problems within their areas. In considering that, Ontario is one of the richer Provinces and therefore can reasonably be expected to make a more vigorous effort than some of the relatively disadvantaged Provinces in other parts of the country. I have repeated those kinds of facts in the House before.

I have argued that when one takes into account those alternative thrusts toward job creation, the figures that relate to Ontario are reasonable in terms of the over-all context.

SEARCH AND RESCUE

REQUEST THAT HELICOPTERS BE STATIONED AT ST. JOHN'S, NFLD.

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of State for Mines in the absence of the Minister of Energy, Mines and Resources. The abandonment yesterday of the oil rig *Vinland* dramatically highlights and emphasizes the danger to our off-shore workers.

The Minister of National Defence has indicated that in his estimation there is sufficient deployment off the east coast of Newfoundland, in reply to a request from the Newfoundland Government for direct access to helicopters for the offshore workers. The Minister knows that this year there are very hazardous ice fields out there. Can the Minister tell the House and his own Province why the Government will not agree to the reasonable and responsible request of the Government of Newfoundland to have helicopters placed in St. John's so that they will be directly accessible to the 500 workers out there who are in constant danger?

Hon. William Rompkey (Minister of State (Mines)): Mr. Speaker, I appreciate the Hon. Member's question. I want to assure him of my own concern over that matter, as I am sure he, and indeed the people of the Province, are deeply concerned.

I think to focus on the helicopters exclusively is possibly not to paint the whole picture. I think a lot has been done in the past couple of years to improve the situation with regard to search and rescue off the East Coast. Many guidelines and procedures have been put in place. There is a lot of equipment that was not there before.

I also point out to him that there are other ships, such as fishing ships and transport ships, that must be accounted for in addition to the drill rigs.

I would say to him that I do not think that we can ever rest easy about any system. I think we should continue to monitor that, and as we proceed into the development stage I think we should be very careful that every possible consideration is given to putting the best possible search and rescue system in place.

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RAILWAYS

AGRICULTURAL ADJUSTMENT FUND

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, my question is directed to the Minister of Transport. Would he tell the House whether he still has the $204 million Agricultural Adjustment Fund available to him? Is it his intention to use that fund, if it is still available, to alleviate the livestock hurt as a result of the Crow Bill as was indicated in the Gilson report, or will he use it for a new feed grains policy for which the Minister of Agriculture seems to be intending its use?

Business of the House

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, as the Hon. Member knows, we addressed that particular question several times during the committee debates on the Grain Transportation Act. What I indicated at that time still holds true. The money that was set aside to provide for that adjustment was related to the method of payments question. My intention is to establish an inquiry committee as early as this April to look into the various choices and alternatives in the method of payment. We would not want to have any disposition of those funds until some report was made back to Parliament and some conclusions were made so the money would be relayed to that specific part of the Act, which is very central to the operation of the entire Bill.

* * *

• (1200)

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Pinard: Mr. Speaker, consultations have been held by the Prime Minister of Canada and the other Party leaders, and it seems there is unanimous consent for the following: first, to allow the Minister of Transport (Mr. Axworthy) to move forthwith a Resolution concerning language and language rights in Manitoba. Once the Resolution has been moved, the understanding is that there will be one speaker for each Party which will enable adoption of the Resolution without further debate.

Mr. Speaker, I suggest that you seek unanimous consent of the House for allowing the Minister of Transport (Mr. Axworthy) to move the Resolution, and then put the Resolution before the House. The Minister of Transport (Mr. Axworthy) will then make his speech, followed by one speaker for each Opposition Party.

[*English*]

Mr. Speaker: Is there unanimous consent for the Minister of Transport (Mr. Axworthy) to introduce the motion?

Mr. Hnatyshyn: Mr. Speaker, the consultations referred to by the Government House Leader have, in fact, taken place. He has stated the agreement that will be arrived at after the three representatives of the respective parties in the House have spoken. The motion will be deemed to have been passed. We agree to that. We are also giving unanimous consent to the motion being presented at this time.

Mr. Young: Mr. Speaker, the statement of the House Leader for the Government side is in conformity with our understanding and our agreement.

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

Official Languages

OFFICIAL LANGUAGES

RESOLUTION ON FRENCH LANGUAGE RIGHTS IN MANITOBA

Hon. Lloyd Axworthy (Minister of Transport) moved:

That:

Whereas the House, in a resolution adopted on October 6, 1983 with unanimous support from all Parties, invited the Government and Legislative Assembly of Manitoba to take action as expeditiously as possible to fulfil their constitutional obligations and to protect effectively the rights of the French-speaking minority of the province;

Whereas the House also endorsed on that occasion the essence of the agreement reached to that end on May 16, 1983 by the Government of Canada and the Government of Manitoba, with the participation of the Société Franco-Manitobaine;

Whereas the Government of Manitoba introduced in the Legislative Assembly of the province, on July 4, 1983, a constitutional resolution providing for the amendment of the *Manitoba Act, 1870* and, subsequently, amendments thereto as well as a bill respecting public services which, together, are consistent with the essence of the agreement reached on May 16, 1983 by the Government of Canada and the Government of Manitoba;

Whereas the Legislative Assembly of Manitoba, after several months of debate, is being prevented from bringing the constitutional resolution to a vote, and therefore from fulfilling its constitutional obligations;

(1) the House urges the Government of Manitoba to persist in its efforts to fulfil the constitutional obligations of the province and protect effectively the rights of its French-speaking minority in a spirit of tolerance and civility, amity and generosity;

(2) the House urges the Legislative Assembly of Manitoba to consider such resolution and legislation in an urgent manner so as to ensure their timely passage.

He said: Mr. Speaker, first let me express my thanks on behalf of Members on this side and all Members of the House for having granted unanimous consent to introduce this resolution that is of such major importance both to my own province and to the country as a whole. It takes us back not that many months ago to October 6 when this Parliament, perhaps in one of its finest hours during the past several years, agreed also unanimously to a resolution urging the Manitoba Legislature to find the solution to the matter of language rights in my home province.

That was a very important moment. It was a very historic moment. This Parliament was united, speaking with one voice, marking a spirit of hope and expectation so that a major historical wrong could be put right through the actions of the elected members of the Assembly of Manitoba and ultimately this Parliament.

Unfortunately, as we viewed those hopes and expectations of October they have become something of a distant echo. All too often news reports coming from Manitoba are full of stories of paralysis, stalemate, rancor, indignation and frustration. As we all know, the legislature of that province has been unable to find the resolution to the proposals that were brought forward.

As a citizen of the Province of Manitoba, and there are other Members of this House who share that distinction, we ache with what we see in our home territory. It is difficult to witness the kind of division that takes place. It is frustrating to see the business of the province come to a halt, to be received by deadlock in the Legislative Assembly. This is preventing the business which that province desperately needs to create work and to deal with the social problems of its citizens which cannot be seized by the Manitoba Legislature because of this overriding issue.

The business of the province has reached a stalemate, but perhaps more important is what has happened to the people. I think I speak for most Manitobans who would like to see the problem resolved. There is a great sense of willingness, I believe, to look at the record of almost 100 years and to find ways of resolving it. But for whatever the causes and for whatever the underlying reasons, that has not been the case. That is why it is so important that this House once again speak with a united and unanimous voice and reassert and reaffirm its commitments to the Constitution of Canada. Once again we must put forward our voice of reason and reasonableness to argue that we must correct a historical wrong, correct the past injustices and invite Manitobans, in fact all Canadians, to approach this matter in a state of tolerance and generosity.

Some Hon. Members: Hear, hear!

Mr. Axworthy: There are some in my province who argue that this House has no business in the issue, that it is purely made in Manitoba. I think throughout the discourse and debate that has gone on there has been a degree of restraint on behalf of federal Members of Parliament and other Canadians to allow over time the efforts of that province to focus on its responsibilities. Those who say that we have no business are dead wrong. This is not a matter that can be confined or limited simply to the boundaries of Manitoba; it is an issue for all Canadians. We are going to the very heart of what this country is all about, to the very basic fundamentals of our Constitution—the fact that we are not prepared to recognize that anybody will be a stranger somewhere in this country, that there is equality of treatment. Whether it be linguistic, sexual or moral treatment, everyone must be treated equal. We must make sure that takes place.

Some Hon. Members: Hear, hear!

• (1210)

[*Translation*]

Mr. Axworthy: Mr. Speaker, we know it is vital for all Canadians to have the right to work, to live and travel anywhere in Canada. We know it is important to fight the separatist view that a group has to stay in a given region without having a choice in this matter. We realize the importance of protecting English and French minorities in each region.

Language rights are a fact of life in Canada and an essential part of our Federation. Therefore, we must accept official recognition of French in Manitoba.

[*English*]

There is another issue which it is important to consider, that is, what has happened in Manitoba and what statement it makes about the democratic process. One reason our resolution of October 6 was so heartily endorsed by all Members of

the House was that we believe fundamentally it should be a decision that takes place within the democratic chambers of our country; that it should be a decision arrived at by elected members; that it should demonstrate that the authority and legitimacy of making decisions for the protection of minorities can be and should be made by elected representatives. It is important for the House to re-establish and reaffirm once again our commitment to that area.

What future can there be for parliamentary government in Canada if in every legislature certain groups try to halt the process when their arguments fail? How can legislatures remain the central focus of legitimacy and authority in our society? How can they remain the central decision-making body if a government has to prorogue because some of its members prevent the taking of a vote—perhaps the most fundamental right of any democracy, the right finally to decide?

Some Hon. Members: Hear, hear!

Mr. Axworthy: I believe the strong message of this resolution which we are putting forward in the House today is to underline clearly the commitment to that process and to give a sense of hope and confidence to all Canadians, minorities or otherwise, that this is the place where decisions are made, that this is the place where rights are protected and that this is the place where liberties are defended. We may disagree, as we do every day, about the nature, extent and character of those rights and liberties, but this is the place, in the Chamber, where those decisions must take place. We must say in our resolution, which we will through its unanimous adoption, that that really is the underpinning of our society.

This is why it is so important for us to encourage and to provide every ounce of persuasion, both as a Chamber and as individuals, to the leadership, the political people and the elected members in Manitoba to find once again a basis of moderation, to search out for a common sense solution and to adopt a position which will firmly recognize those rights in the Constitution, firmly prefer and offer the services required, and do so in a way which will extinguish the fumes and vapours of extremism that are beginning to seep over that territory and have the possibility of spreading even further.

We have an opportunity today to build a fortress against any further extension of those tragic and sometimes very unhappy circumstances which we see happening. It is my hope that through this resolution we will be able to provide that sense of encouragement and sense of support to the Assembly of Manitoba to come to a resolution.

It may be important as well for Members of the House to consider whether there should be further steps, to look at the basic spirit and essence of the May 16 agreement which recognized the importance of a resolution being passed in both Houses, and to determine whether, if it would help, if we had the sense through consultation and discussion with our confrères in Manitoba and among ourselves, and if we were able to move a resolution based upon that May 16 agreement in this House again entrenching and confirming those rights, it might provide a further incentive, a further impetus and a further motivation for Manitoba to pass its resolution so that this House can live up to its responsibilities and complete our side of the bargain.

I leave that as a matter of some examination, some judgment and some assessment by Members of all Parties in this House. I think it is our responsibility to speak out and provide suasion, but it may also be important at this point in time or in the near future—perhaps when the House returns after our break—to address the further issue of whether it is time for a resolution here to demonstrate clearly to the official opposition in Manitoba that their amendments and subamendments, which are simply there to validate some statutes, are not acceptable to the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Axworthy: I have taken up enough time of the House. I do not think we have to go over the history or the details of the organ; I am sure we are all well familiar and associated with it. I would simply express once again on behalf of our side our appreciation to other Members of the House, knowing that we all share the same spirit and interest in having the problems of language rights in Manitoba resolved, not just for Manitobans but for all Canadians. We really are debating today, once again, the future of this country.

Some Hon. Members: Hear, hear!

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, in a perceptive column Fred Cleverly of the *Winnipeg Free Press* described a recent meeting of the grassroots movement in Manitoba: the meeting was peaceful; the tone temperate; the participants, hard-working Manitobans. They were neither extremists nor reactionaries, as some have called them. They were ordinary Manitobans, articulating a vision of Canada, a vision I can understand but cannot share on this important point.

[*Translation*]

On October 6 of last year, I announced on behalf of my colleagues the unanimous support of our caucus for the resolution tabled that day by my colleague, the Prime Minister (Mr. Trudeau). I said at the time, and I shall, if I may, say it again today, that our support for the French speaking minority in Manitoba, as well as for other minorities in this country, is a strong and lasting one. I also said that this resolution compelled us to remember our overriding commitments in this country of almost limitless space, overflowing with great opportunities for the future. These commitments comprise a respect for our linguistic and other minorities, a long-held desire to encourage their flowering, and the duty to protect the rights of our minorities—wherever they may be.

Mr. Speaker, the same thoughts are appropriate to the resolution tabled in the House today.

On February 15 of this year, following a caucus meeting, I announced publicly our renewed support for the Franco

Manitobans. The press release issued that day, following our meeting, announced, and I quote:

All Members of the Federal Progressive Conservative caucus renewed their support for the position announced by Mr. Mulroney. That support remains unchanged and continues to reflect the position of Mr. Mulroney and all his caucus colleagues on this subject.

[*English*]

We are all children of our environment, the sum total of our human experiences. I learned years ago that a Manitoban, indeed most westerners, does not perceive the Canadian duality and the importance of its linguistic application with the same degree of immediacy as someone whose roots are in the east. In eastern Canada from the very beginning, the French-English alliance, uneasy though it has been, became a daily reality. The sheer impact of numbers and the consequent political influence have ensured that it be so. Millions of French Canadians could not be ignored, nor could their rights be set aside. Accordingly, we have witnessed the slow but certain evolution of the protection of French language rights and others over the decades. Perfect equality has not been attained everywhere, but the evolutionary process, deeply rooted in reality and the doctrine of fairness, is irreversible in the east of this country.

● (1220)

Some Hon. Members: Hear, hear!

Mr. Mulroney: I acknowledge, Mr. Speaker, that the view in some areas of western Canada is different. It is neither pernicious nor benighted. It is simply different. It is different because the evolution of western Canada did not in some very important respects parallel the evolution in the east.

Vast waves of courageous immigrants from the Ukraine, Central Europe and elsewhere arrived to cause the Prairies to blossom and grow. Their sense of sacrifice and their unremitting commitment to the soil gave life to western Canada. Though different in background, they found in western Canada common ground in language. English became the quasi-universal instrument of communication. In many ways, in many important ways it became a unifying force among people of remarkably diverse backgrounds.

That precious and fragile dimension of linguistic duality which Macdonald and Cartier saw as an indispensable characteristic of nationhood was submerged by growing demographic realities of the new west. The country grew; the English language became more dominant and ultimately more pervasive. This was the silent and the inexorable toll of history. In my judgment, it emerged less through contrivance than through the irresistible effect of overwhelming numbers. Large groups of Germans, Ukrainians, Poles, Swedes and Icelanders have made the Prairies home.

But what of the small group of Franco-Manitobans who were there at the beginning as one of the founding partners of the dual linguistic dimension of Canada? They were there with rights and obligations, establishing the unique beachhead for Canada. They would later be joined by so many others of whom I have spoken who opted for the English-speaking side of our unique dual dimension. But the linguistic rights of Franco-Manitobans were not submerged. They were removed. They were removed by a wilful act of the legislature in violation of a historic understanding. Today, Mr. Speaker, we ask simply that these rights be returned.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I think in some way, I hope in some important way, I understand the feeling of large groups of Manitobans who believe that their languages brought from the old country deserve a place no less prominent than the French language, which is used by relatively few Manitobans. But those few—those courageous few—who have kept the French language and culture alive in Manitoba deserve today the gratitude and not the harassment of their fellow citizens.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Because they have ensured through decades of anguish that, in some modest way, the unique and priceless vision of our founding fathers has perservered. To the dismay of some and the chagrin of others, but I suspect to the pride of most, they have made it possible for Canada to affirm today that French Canadians need not be locked into an enclave in one province; and they have made it possible for us to say as a nation that there are other ways, because not only there can the rights of French Canadians be protected to the exclusion of other areas in Canada. They have made it possible for Canada and millions of French Canadians to reject the ultimate siren call of separation based on language. They have made it possible for Canadians in a very certain way, and in particular for growing, overwhelming numbers of young Canadians, the hope of the future, to say of our unusual and imperfect land: this is the kind of tolerant and generous country I want to preserve for future generations.

Some Hon. Members: Hear, hear!

Mr. Mulroney: So, Mr. Speaker, today my thoughts are with that small group of people in Manitoba, isolated from Quebec and New Brunswick and Ontario where millions of their fellow French Canadians live in increasingly beneficial, cultural, linguistic and economic surroundings. I think of them and I salute them for their dignity and their courage. On behalf of my Party today, I feel genuinely honoured to assist in a process that begins to repair a grievance and historic wrong.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I think as well of the other Manitobans whose vision of Canada, formed and shaped in circumstances different from mine, might make it difficult for them to understand or accept what I have said. I say to them how deeply I regret the unsettling events of the last few months. Although we have disagreed on this fundamental issue, I know that Manitobans have been motivated by a different historical perspective of our nation and not by a sense of malice.

I invite Manitobans, all Manitobans, as Canadians, to bind up the wounds and to deal promptly with the question of

minority language rights. There could be no doubt where I stand. There can be no question as to where the obligation of a national political party lies. It lies today, as it shall tomorrow, in ensuring that our minorities in Canada are treated at all times with dignity and with justice.

Some Hon. Members: Hear, hear!

Mr. Rod Murphy (Churchill): Mr. Speaker, I was born in Manitoba. I have lived all my life there. I grew up in the south; I represent the north. I know that my province is not the domain of bigots. I know that my province is not the domain of racists. Most Manitobans have a tolerance for those with different religious beliefs, those from different language groups, those with different colour skin.

Part of our history has been to welcome people from the Ukraine, to welcome people from Germany, to live with the native population of our province. Louis Riel is the father of Manitoba. We have been tolerant of each other from that day. We have had our problems. We have had unjust laws passed by the Manitoba Legislature. The actions that are taking place in the Province of Manitoba at this time are to restore the rights of those who have been deprived by those unjust laws. It is imperative that we in this House and Canadians throughout this country, regardless of their political beliefs, work for the protection of each and every minority in our country.

Some Hon. Members: Hear, hear!

• (1230)

Mr. Murphy: Mr. Speaker, I, too, have watched television and seen the antics of those who have disgraced Manitoba and shamed me personally. Those people do not represent the majority of the people of Manitoba.

There are others who have legitimate concerns about the course of bilingualism. There are people who are legitimately concerned about the employment opportunities of their sons and daughters if bilingualism is entrenched in the Province of Manitoba. It is a legitime concern which all of us as parents can understand. But it is not the real issue in the Province of Manitoba.

The legislation before that legislature is limited. It limits French language services to areas where the population warrants those services. It limits the use of those services in government offices. I say to all Canadians that it does not provide complete protection and complete use of services to the Francophone minority in Manitoba, but it does recognize the historic right of that population and that where there is a French speaking community, there should be services for those people.

The proposals in Manitoba provide adequate safeguards for both the minority and the majority. That is important for all of us to understand, important for all Manitobans to understand. I am a Manitoban who speaks only English. I am learning French but it is a slow process for me. I represent a riding where there are two official languages, English and Cree. In my riding 30 per cent of the population speak Cree. They are not affected in a positive way by this legislation, but they are people who can understand that in Canada we are not just English and French; we are not just English, French and Ukrainian; we are not just English, French, Ukrainian and German. We are a mosaic, not a melting pot. In Canada, as in Manitoba, we must respect that fact. We must respect the concerns and the aspirations of the Ukrainian population, the concerns of the Mennonite population, indeed the concerns of all segments of our population. In the Manitoba Legislature that is what is being attempted, and both I and my caucus support it not only on historic grounds but because it is the right thing to do in Canada; it is the right thing to do in the Province of Manitoba.

Some Hon. Members: Hear, hear!

Mr. Murphy: Since 1870 we have had protection in our Constitution in Manitoba for the French and English fact. In 1870 the French-speaking native population was the majority. Louis Riel, as a result of a rebellion, negotiated with the Government of Canada for the protection of both English and French. That is a proud part of our history and we should all recognize that. Now that the English are the majority, now that other cultural and linguistic groups have surpassed the French, we should also show the tolerance of Riel. We should recognize that there are some services, some basic rights, for a group which granted the minority of that day, the English, those rights.

We in this nation are anything but monolithic. But if the majority in our nation ever decides that it is going to use its power as some in the Province of Manitoba are presently trying to do, if they are going to use that power on the French-speaking population of Manitoba with its constitutional guarantee which has been upheld by the Supreme Court of Canada, then, Mr. Speaker, no Canadian is safe; no religious minority is safe, no linguistic minority is safe, no individual or group of individuals with different beliefs from the majority is safe in this country.

Some Hon. Members: Hear, hear!

Mr. Murphy: The Government of Manitoba can stand with pride. They are fighting a difficult fight. They are fighting a fight not only on behalf of the 6 per cent of the population of Manitoba who speak French, but they are fighting a fight on behalf of tolerance throughout this nation. In Manitoba that tolerance is being challenged by a minority party in the legislature. It is being challenged on the streets and in meetings held throughout that province. But we as Members of Parliament, as Canadians, and we as Manitobans, must fight for tolerance throughout this nation. We must fight for tolerance throughout Manitoba, and we must fight for tolerance in the Legislature of Manitoba.

That is what this resolution does. We are saying that we will work to protect the rights of one of our minorities. It is a small minority in Manitoba, a larger minority in other parts of Canada, but nevertheless a minority; and we believe, along with the Manitoba Government, that we must support that

minority despite the intolerance which exists, despite the bigotry which exists in some areas. We must do so despite the fact that at one particular time it may be politically unpopular.

I congratulate the Government of Manitoba, I congratulate the Leaders of all three Parties in this House, and I hope that not only do we pass the resolution, Mr. Speaker, but that we work to make sure we have a much more tolerant society throughout this nation. Thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: Pursuant to agreement reached earlier this day, the motion is deemed to have been adopted.

ROUTINE PROCEEDINGS

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. David Berger (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, on behalf of the Chairman of the House Standing Committee on Finance, Trade and Economic Affairs, I wish to table the First Report of the Standing Committee on Finance, Trade and Economic Affairs.

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

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CANADA POST CORPORATION

TABLING OF ANNUAL REPORT

Hon. André Ouellet (Minister of Labour): Pursuant to Standing Order 46(2) as well as Section 33 of the Canada Post Corporation Act, Mr. Speaker, I wish to table in both official languages and for reference to the Standing Committee on Transport, the annual report of the Canada Post Corporation for the fiscal year ending March 31, 1983.

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[*English*]

Mr. Paproski: Mr. Speaker, on a point of order, in Toronto today the Minister of State for Multiculturalism (Mr. Collenette) is speaking to the ethnic community and saying that he is going to be pledging more money for advertising, when he has cut advertising—

Mr. Speaker: Order. The Hon. Member cannot make a statement at this point. These are Routine Proceedings and I am sure there will be an opportunity for him to rise and make his point.

Mr. Paproski: All I am saying—

Mr. Speaker: The Chair cannot entertain a point of order at this stage in Routine Proceedings.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 53, 354, 416, 471, 548, 637 and 649.

[*Text*]

INCIDENTS AT DORCHESTER PENITENTIARY

Question No. 53—**Mr. Howie:**

Since July 1980, how many (a) demonstrations (b) hunger strikes (c) hostage-taking incidents have occurred at Dorchester Penitentiary?

Hon. Bob Kaplan (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned: (a) twenty-four, (b) three, (c) two.

BUDGET FOR FASHION CANADA

Question No. 354—**Mr. St. Germain:**

1. For the fiscal year 1982-83 what was the total budget for Fashion Canada and what was its mandate?

2. In the same year, how many persons were directly employed by the Agency?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): 1. For the fiscal year 1982-83, the total budget for Fashion Canada was $33,000. Its mandate was to promote Canadian fashion and to develop Canadian fashion designers.

2. For the same fiscal year, no employees had directly been employed. One officer from the then Department of Industry, Trade and Commerce was, however, assigned to work for Fashion Canada.

CRIMES OF VIOLENCE

Question No. 416—**Mr. Howie:**

For the fiscal year ending March 31, 1983, how many (a) homicides (b) attempted murders (c) assaults (non-sexual) (d) robberies (e) sexual assaults were reported in Canada?

Hon. Charles Lapointe (Minister of Supply and Services): Statistics Canada reports: Data for the fiscal year ending March 31, 1983 are not available yet. For the calendar year 1982, the preliminary figures are as follows:

(a) Total reported homicides numbered 710. Forty of those were found to be unfounded[1] leaving 670 actual offences.

(b) Reported and actual figures for attempted murders were 987 and 943, respectively.

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[1] After police investigation

(c) Total reported assults (not indecent) numbered 133,699; actual offences in this category numbered 125,912.

(d) Reported robberies totaled 28,105 while actual robberies, after the subtraction of unfounded offences, totaled 27,257.

(e) Total reported sexual offences numbered 16,012. The subtraction of unfounded offences resulted in an actual figure of 13,864.

The table below provides more detailed information on total crimes of violence in Canada for the calendar year 1982.

Offences	Reported or Known	Unfounded	Actual Number	Offences Cleared		Adults Charged		Juvenile [1] Offenders
				By charge	Otherwise	Male	Female	
Canada								
**Homicide—total	710	40	670	500	72	506	68	26
Murder, first degree	306	22	284	190	42	220	16	8
Murder, second degree	353	13	340	267	25	248	41	11
Mans Laughter	46	4	42	42	4	38	10	6
Infanticide	5	1	4	1	1	0	1	1
**Attempted murder—total	987	44	943	738	55	704	87	29
**Assaults (not indecent)—total	133,699	7,787	125,912	41,172	57,373	36,092	4,476	6,546
Wounding	2,865	293	2,572	1,385	468	1,115	249	116
Bodily harm	32,278	1,074	31,204	14,435	9,130	13,753	1,205	1,585
Police	5,101	12	5,089	4,800	179	3,924	466	141
Other peace—public officers	987	33	954	666	140	567	48	30
Other assaults	92,468	6,375	86,093	19,886	47,456	16,733	2,508	4,674
**Robbery—total	28,105	848	27,257	6,553	1,403	6,963	525	1,678
Firearms	9,076	122	8,954	2,250	292	2,216	104	348
Other offensive weapons	6,314	153	6,161	1,762	328	1,810	145	420
Other robbery	12,715	573	12,142	2,541	783	2,937	276	910
**Sexual offences—total	16,012	2,148	13,864	5,345	2,786	4,369	121	1,064
Rape	3,633	1,105	2,528	1,037	308	1,067	8	81
Indecent assault—Female	7,681	657	7,024	2,456	1,515	1,816	20	716
Indecent assault—Male	1,534	96	1,438	654	299	451	5	116
Other sexual offences	3,164	290	2,874	1,198	587	1,035	88	151
**Crimes of violence—total	179,513	10,867	168,646	54,308	61,689	48,634	5,277	9,343

[1] Includes both persons charged and those who were not charged.

Source: Canadian Centre for Justice Statistics, Statistics Canada

SENTENCING GUIDES FOR JUDGES

Question No. 471—**Mr. Howie:**

1. Since January 1, 1983 did the Department of Justice undertake any studies relating to sentencing guides for judges and, if so (a) were these studies carried out by outside consultants (b) was any amount allocated to the studies and, if so, what amount (c) what is a list of the names of the person or persons who carried out the studies (d) were any studies carried out within the Department and, if so, how many?

2. What was the purpose of the studies, did they achieve their objectives and will they be made public?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Department of Justice is concerned: There were no formal or discreet studies as such undertaken since January 1, 1983, by the Department of Justice relating to sentencing guides for judges. However, information and background materials were gathered by departmental officials as part of Phase II of the Criminal Review Project on Sentencing, which forms part of the Criminal Law Reform Bill introduced in the House of Commons on February 7, 1984. This information and background material, including approaches followed in other jurisdictions, were considered and used in the formulation of the purpose and principles of sentencing which are contained in the Bill.

NATIONAL TRAINING PROGRAMS

Question No. 548—**Mr. Howie:**

Does the Canada Employment and Immigration Centre operate the Occupational Orientation Program or the Job Readiness Training Program and, if so, how many persons availed themselves of each of these programs during the last year for which figures are available?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Both the Occupational Orientation and Job Readiness Training Programs are operated by the Canada Employment Centres across Canada. During 1982-83 fiscal year, 3,512 Canadians were enrolled in the former and 6,776 in the latter program. The trainees are enrolled in courses that are purchased specifically for the program purposes by the Commission; the courses are designed and offered by the community colleges or equivalent institutions in each province.

Point of Order—Mr. Paproski

BUSINESS OPPORTUNITIES SOURCING SYSTEM

Question No. 637—**Mr. Stewart:**

With reference to the answer to Question No. 128, in the fiscal year 1983-84, what amount was budgeted for the Business Opportunities Sourcing System?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): For the fiscal year 1983-84, an amount of $240,000, non-salary dollars, was budgeted with an allocation of nine person-years.

CRIMINOLOGISTS, SOCIOLOGISTS, STATISTICIANS AT DEPARTMENT OF JUSTICE

Question No. 649—**Mr. Howie:**

In the current fiscal year, are any (a) criminologists (b) sociologists (c) statisticians employed by the Department of Justice and, if so, how many and, in each case, how many were so employed in each of the last two fiscal years?

Hon. Mark MacGuigan (Minister of Justice): The number of criminologists, sociologists and statisticians employed by the Department of Justice in the current and two preceding years is as follows:

	Criminologists	Sociologists	Statisticians
1981-82	3	3	2
1982-83	3	2	2
1983-84	4	2	2

[*Translation*]

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

[*English*]

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

Some Hon. Members: Agreed.

* * *

POINT OF ORDER

MR. PAPROSKI—REQUEST FOR STATEMENT BY MR. COLLENETTE

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, Ministers usually make statements in the House and you have called Statements by Ministers. The Minister is in Toronto making statements to the ethnic cultural community about the amount of money he is going to be giving out for advertising to the different communities. Why would he not make it here in the House? This is the place for making statements—

Mr. Speaker: The Hon. Member has made his point but it is not a point of order.

• (1240)

GOVERNMENT ORDERS

[*English*]

DIVORCE ACT

MEASURE TO AMEND

Hon. Mark MacGuigan (Minister of Justice) moved that Bill C-10, an Act to amend the Divorce Act, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, to rise to support second reading of amendments to the Divorce Act, the first amendments since 1968 and, in fact, the most fundammental we have ever had to our law of divorce in Canada, is not a happy task. It is, rather, an onerous and painful duty. I believe the subject of marriage breakdown is one which many people in Canada would wish not to have to deal with. Indeed, we all wish that the reality in our country was not such that this is a matter which we are now required to consider. We are told that the estimate is that there is about a 40 per cent chance for any marriage entered into now to end in divorce.

[*Translation*]

Mr. Speaker, the concept of the family and the sacredness of marriage are deeply rooted in our society. As a government, we are entirely in favour of protecting and supporting this institution in Canada. For instance, our policies on the tax system, family allowances, the Canada Assistance Plan in relation to day-care and employment all indicate the Government's strong support for the institution of marriage and its preservation in Canada.

As for the causes of marriage breakdown, they are many: financial problems, urban overcrowding, housing shortages, increased mobility in our society owing to the search for employment and career development, changes in the traditional roles of men and women and finally, the emphasis on individual rights.

Mr. Speaker, marriage breakdown is a fact, and the Divorce Act is not intended as preventive but as curative legislation, aimed at organizing the legal status of people whose marriage has already broken down.

I also would like to make the point that the Divorce Act in its present form is destructive rather than constructive, and that it should be changed in order to promote as much as possible, reconciliation of the parties, in the hope of avoiding a divorce.

[*English*]

If this set of amendments to the law of divorce were likely to have the effect of undermining the institution of marriage in our society, we as a government would not be putting them forward. As I indicated, this law of divorce has to deal with a social fact. The social fact of marriage breakdown is occurring for broad social causes, for reason. entirely independent of the

laws of Canada. It may be true, indeed it is true, that the law regulates the number of divorces that take place each year in Canada, but it is not the law but rather social conditions that regulate and cause the number of marriage breakdowns which occur in our country. The role of the law is to deal with the social reality and the terrible cost in human pain and suffering which are involved in it.

As I will illustrate in the course of my remarks, it is the children more than any other single group who are the losers in marriage breakdown, in divorce. We would wish to have a law which would be so humanized that the children would suffer less than now is occurring under the law—as little, indeed, as our law can make possible.

Many people seem to have the idea that these proposals will make divorce easier to obtain in Canada. I categorically deny that interpretation, if by easier they mean quicker. This law, in fact, will make it slower, more difficult, for more than three-quarters of Canadians who now are obtaining divorces.

Statistics Canada tells us that in the years from 1969 to 1977, 75.8 per cent of divorce cases were completed through to decree absolute in less than 360 days, which is less than the period of one year which we are making the minimum possible for obtaining divorce under our amendments. In other words, three-quarters of the Canadians now obtaining divorces obtain them in less than the time we are proposing as the minimum time in this legislation. Because of the legislation, one-quarter of Canadians will be able to get their divorces more quickly but three-quarters will have to wait.

Mr. Lambert: No, you are wrong.

Mr. MacGuigan: The Hon. Member simply does not know the statistics.

Mr. Deputy Speaker: Order. For the sake of orderly debate the Minister should be allowed to make his comments now and replies will follow.

• (1250)

Mr. MacGuigan: I can tell Hon. Members that these statistics are available through Statistics Canada, and they refer to a considerable period of years. In case the Hon. Member is not aware of what is now happening in our courts, I can tell him that since this legislation was given first reading in the House I have spoken to groups of lawyers practising family law in many cities in Canada; in Toronto, Victoria, London, Windsor, Charlottetown and other centres. They showed massive support for this legislation because as lawyers they understand what is actually happening. I have heard of divorces being granted in five weeks, four weeks, three weeks, and in one case from the beginning of the divorce to decree absolute a total of only nine days. That is what the present law in Canada is bringing about.

We are going to require all of these people, without exception, to wait a minimum of a year. We believe that there has to be time for reconsideration and reconciliation. The law which we are proposing would encourage married couples to reflect on their decision to divorce. It would impose an obligation on those who counsel them to draw to their attention the mediatory facilities which exist. It would also change the law with respect to the reconciliation period so that there would no longer be only a single period of cohabitation for reconciliation during the running of the time for divorce. It would be possible to have any number of such periods of reconciliation up to a maximum of three months.

More important than even those points, Mr. Speaker, is our proposal to reduce the accusatory aspect of the divorce process to the absolute minimum. As Hon. Members know, the reason that most people who are now applying for divorces can get them in such a short time is that they are obtaining them on the basis of cause: adultery, physical cruelty, mental cruelty and so on. The legal necessity for alleging cause—and we fear sometimes even for fabricating cause—in order to obtain a divorce is a legal concept which imposes an atmosphere of confrontation on the parties. It can involve the children as pawns in the marriage breakup, and it can, as I am sure Hon. Members know, have the effect of having children called in on examinations for discovery to testify, for instance, that they saw their father beating their mother.

We already know, Mr. Speaker, as my earlier words indicated, that children in all divorces carry a sense of guilt that they were somehow unwittingly the cause of the marriage breakup. When the law adds to this natural psychological tendency by requiring there be accusation, and sometimes accusation piled on accusation and counter-accusation, it of course adds to the guilt that a child will feel, especially if the child has to testify to prove the existence of the cause of cruelty on which the divorce may be based.

There is a profound need, Mr. Speaker, for the humanization of our divorce system in Canada. That is the objective of the Government in this legislation. It is not to make divorce easier. In fact, it will not make divorce easier.

It will make divorce less expensive, I am happy to say, by the fact of enabling the provinces to adopt rules and procedures which will eliminate the making of the decree in open court. The expense of lawyers will diminish, it is our estimate, to a third or a half of the present billing. Therefore, there will certainly be a financial saving on the part of couples who are seeking divorce. It will, in addition to what I mentioned, make the process as healing and as mediating as I believe it is possible for the law to do.

Of course, in order for this to happen most effectively, as I will also indicate later, there are some other changes apart from the law of divorce which are also necessary, such as more facilities for mediation and conciliation in our country.

[*Translation*]

Before concluding this explanation of the Bill, Mr. Speaker, I would like to stress some of the proposed aspects of the reform which are more technical but none the less significant. The way things are now, three conditions are required before a petition for divorce can be filed before provincial courts: first, the petitioner must be a Canadian resident; second, one of the

two parties involved must have been a resident of the province for at least one year at the time of the petition; third, that same person must have been a resident of that same province for ten months. I intend to replace those three conditions by only one, namely that one of the parties must have resided for at least one year in the province where the petition is filed. That would simplify the issue and provide easier access to the courts.

Under the existing system, orders concerning alimony or child custody can be changed only by the court which has issued them. This rule may have serious consequences. For example, let us take the case of a couple whose divorce was granted in Toronto, one of the spouses now being in St. John's and the other in Calgary. Any order pertaining to alimony or child custody issued at the time of the divorce of that couple could be changed only by the Toronto court.

I intend to make the rule less stringent in that respect. Under the Bill, if both parties agree, a petition for any variation of the order pertaining to either question could be filed before any court. Should only one of the parties want to have the order changed, that party could apply before the court of his or her province, or that of the province where the other party resides. However, the court will always be free to turn down the petition should it feel that, under the circumstances, either party would be wronged.

The suggested amendments represent an in-depth review of the Divorce Act. In fact, such a review is long overdue. The proposed reform is based on a new approach not only to the grounds for divorce, but also to the whole divorce system. The procedure will be greatly simplified. As for the judicial rules concerning the determination of the effects of divorce, that is the rights and obligations of spouses as well as the rights of the children, they will be made more specific and more sensible.

This reform will have a direct impact on the welfare of an increasing number of Canadians.

There have been virtually no changes made to the Divorce Act in the past fifteen years. The principles on which it is based must be reexamined in the light of modern social trends. We need a more humane system for settling marital conflicts, a system which will be more effective and less distressing for those faced with the painful experience of divorce. We need a statute which will take the needs of people into greater consideration and which is more in agreement with the interests of society as a whole.

The reform project which I have just outlined will, I believe, allow us to fulfil all those objectives.

Mr. Speaker, may I now call it one o'clock and continue at two o'clock?

Mr. Deputy Speaker: Order, please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: Order. When I left the chair at one o'clock, the Hon. Minister of Justice (Mr. MacGuigan) had the floor. I must add that he still had 23 minutes left in his allotted time.

The Hon. Minister of Justice.

[*English*]

Mr. MacGuigan: Mr. Speaker, I have no intention of taking all the time which would be available to me, but I would like to make one or two additional points with respect to the legislation and then review briefly some parallel initiatives.

In response to the decision of the Supreme Court of Canada in the case of *Messier* versus *Lessard* we have provided objectives for maintenance orders in the Bill. This is the first time there have been such objectives in the Divorce Act. The Supreme Court has now effectively required them. Even if it had not, they would be useful tools for the judiciary in deciding how to deal with the question of maintenance.

It is very important to note that the objectives set forth there are not absolute. There is obviously some overlapping. There are also key words in Clause 10 of the Bill. Those words are "in so far as is practicable". Those words govern each of the four objectives which follow.

With respect to children, we have for the first time set forth principles respecting children. It is important to note that this is put in terms of a right of the children; the children ought to have as much access to each of the spouses as the circumstances permit. That in particular is a very important statement of principle.

It should also not escape notice, Mr. Speaker, that for the first time we have provided for access by other parties to the children. In those comparatively rare cases where it was appropriate, this could mean that any person other than the parents could have the custody, care and upbringing of the children. It also includes access to the children. Of course, that would apply to the respective grandparents more than to any other group. This possible right of grandparents has long been overlooked by the law, so this is a very important change.

• (1410)

Also important is the change which in the discretion of the court, allows the appointment of an advocate to represent the interests of the children. We have not laid down rules with respect to how this should be done, thinking it best to leave it to the discretion of the court to work out. Of course, there is discretion in the provinces to establish rules which may be relevant to all of these situations.

The provinces will have the discretion to decide how divorce actions will actually be handled, whether they will continue to be handled in open court or, if not in open court, whether they will continue to be dealt with by a judge. From what little I have heard on this point, the disposition of most provinces

seems to be to keep the involvement of the judges in the process but through some simpler procedure than decisions made in open court, as at present.

I also mentioned that I would like to deal with some parallel initiatives. Any Divorce Act, particularly in our federal state, is necessarily very limited legislation. It deals only with a very well defined territory. There are other initiatives which are necessary and we are taking those initiatives. I might mention that in his Budget the Minister of Finance (Mr. Lalonde) announced that the Canada Pension Plan would be improved to provide for mandatory credit splitting of Canada Pension Plan credits on marriage breakdown. As well, for all private pension plans under federal jurisdiction the Minister provides that there will be splitting of pensions between spouses in the case of marriage breakdown. I think those are important principles to have established.

We are also concerned about the fact that there presently are not adequate institutions or an adequate number of properly prepared people to assist in the very important process of conciliation and mediation in the case of marriage breakdown. If this can lead to reconciliation, of course, that's all the better; but even if it cannot lead to reconciliation it can lead to the easing of discussions over questions of custody and maintenance and therefore can be of great assistance.

It is my hope that some of the money that the provinces save on legal aid will be devoted by those provinces to trying to establish adequate systems of conciliation-mediation. We will be taking some initiatives in this area ourselves in order to show our concern about the development of a better system of mediation conciliation across Canada.

The final matter I wish to mention is, in some ways, the most important of all, though it is not in itself a matter for a Divorce Act. That is the matter of enforcement of ancillary orders, orders of maintenance and custody. This is another serious social problem.

It has been estimated that some 75 per cent of the maintenance orders in Canada are now in arrears. Spouses—I am afraid this is normally the husband—have been known to go to great lengths to escape the liability which the court has imposed on them at the time of divorce, by moving to other provinces or even by disappearing. All governments in Canada must do everything they can to deal with this problem.

As the House knows, since ancillary orders are registered as orders in provincial courts, this is a matter for the provinces primarily to deal with. They have the jurisdiction in this area. The only way I am aware that we could conceivably get federal jurisdiction is to use the Federal Court across the country as the court for divorce. However, the Federal Court is not generally accessible to people. I think it would not be as effective a system as the present one, even with all of its deficiencies.

Thus, I believe we are limited to proceeding with the present system or some variation of it in which the provinces have jurisdiction over these orders. We have had a federal-provincial study and a number of recommendations have been made to provinces and the federal Government. We have followed those recommendations in our divorce legislation to the limited extent that it is possible. For instance, we have provided for the possibility for easier variation of orders subsequent to their initially being obtained. We have also provided that it will be possible for a judge to require the party on whom maintenance payments fall to give security as well as to incur an obligation to pay on a monthly basis. This possibility of security—of course, in cases where the party with the responsibility has property against which the security can be made effective—will be a very effective new remedy.

Beyond that, it is important to try to move to what I would call a national enforcement network. It is only in this way that I believe we can really have greater success in the implementation of ancillary orders. In this respect, I was able to announce recently not only that the federal Government was prepared to agree to a national divorce registry and ways of making it effective through tracing and enforcement, but that the provinces now appear to be willing to go along in this direction as well.

Once again, I want to pay tribute to my colleague, the Minister responsible for the Status of Women (Mrs. Erola), and her departmental officers for their efforts in continuing to press for a national registry of maintenance and custody orders. Their efforts have helped in the very significant breakthrough that I think has been made in reviving the interest of the provinces in this kind of proposal and improvement of enforcement procedures generally. Officials from my Department and that of the status of women are now working together in studying the feasibility of establishing a national registry of custody and maintenance orders. I very much appreciate the contribution of my colleague and her officials.

I was able to tell the House recently that at a recent meeting of deputy attorneys general there was a general disposition to proceed with the establishment of such a registry. There will be a further meeting in this respect in March. I believe it is realistically possible to hope that even in this year we can achieve success in setting up such a registry. The Government of Canada is prepared to contribute its share. I think the operational costs would not be great but, of course, there obviously will be some start-up costs to which I would expect all governments would wish to contribute. The Government of Canada would certainly wish to be part of that because we want, so far as we can, to induce, lead and persuade the provinces that we really cannot go on any longer without establishing a national enforcement network.

As I mentioned, these parallel concerns are terribly important. They are not matters that can be resolved by divorce legislation but they are matters that are worth mentioning in the discussion of divorce legislation. They are certainly matters which are worth pursuing as objectives of national importance.

● (1420)

Within the divorce legislation itself, we have adopted a new approach. We have changed the basis of the law so that it will

no longer be adversarial in this area of human difficulty, so that we will not add to natural difficulties, artificial problems created by an adversary system which, as we all know, is sometimes in all respects misused and abused.

The non-adversarial, no-fault basis which we are proposing for divorce will enable divorce to take place when marriage breakdown has already occurred with the least trauma possible. We have to support the institution of marriage in every way possible. When that institution has already ceased to function because marriage breakdown has occurred, as testified to by the witness of the parties themselves, we have to try and resolve the social problems without the addition of legal burdens that are in themselves unnecessary and are no longer related to the social conditions in which we find ourselves. That is the essence of what we are trying to do. It is to change the atmospherics of the divorce process so there can be a humanization of that process, one which can benefit all of the participants but especially the children whose interests, most of all, need to be protected. We believe this is very much in the interests of society.

Mr. Hudecki: Mr. Speaker, are there any provisions in the rules for questioning the Minister?

Mr. Deputy Speaker: Not at this time. Under the rules this is not possible for the first three speakers.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I appreciate the opportunity to participate in this very important debate with respect to the first amendments we have had relating to divorce law in Canada for over 15 years.

Before I proceed with my remarks, I might be forgiven, after hearing the Minister in his remarks speak about the initiative taken on the part of the federal Government in the area of divorce reform, to observe that the Minister seems to be sending out different signals with respect to this legislation. When the legislation was introduced in the House and presented to the press in a formal press conference, as I recall the Minister referred to it at that time as a step forward toward a more efficient, faster and more facile method of obtaining divorce in Canada.

Mr. MacGuigan: I never said faster.

Mr. Hnatyshyn: The Minister confirms this. I just want to make sure that something was not wrong with the hearing utensil on my desk. The Minister said today that this law will make divorce more difficult and slower.

Mr. Lapointe (Charlevoix): He did not say that.

Mr. Hnatyshyn: I know the Minister of Supply and Services (Mr. Lapointe) has been listening carefully, but I am afraid he will just have to lean over and whisper to his colleague, the Minister of Justice (Mr. MacGuigan), because I made a note of precisely when the Minister made that reference.

As I said, we have two signals coming from this legislation. I think this is one of the difficulties we experience with respect to this legislation. It has been held out to whatever crowd the Minister and Government spokesmen have been speaking as the basis of great reform, but it depends upon the forum to which they are speaking as to which way they describe that particular reform.

Mr. MacGuigan: That is entirely untrue.

Mr. Deputy Speaker: Order, please. The Chair would like to intervene at this point and remind Hon. Members that Standing Order 15(3) reads:

When a Member is speaking, no Member shall pass between that Member and the Chair, nor interrupt him or her, except to raise a point of order.

Mr. Munro (Esquimalt-Saanich): Not even the Minister.

Mr. Deputy Speaker: I had to intervene this morning when the Minister was speaking. I would expect the co-operation of all Members on both sides of the House in listening to the very interesting speech of the Hon. Member for Saskatoon West (Mr. Hnatyshyn).

Mr. Hnatyshyn: Mr. Speaker, I know when I have hit a responsive chord on the Government side because when I speak the truth with respect to the position the Government has taken, we hear squeals, yelling and whining from the Government benches. It does not affect me at all. I am prepared to set forth on the record what I think are some of the concerns we have regarding this legislation.

At the outset I should remind Hon. Members that 40 per cent of all marriages in this country end in divorce at the present time. In 1982 this translated into some 70,000 divorce decrees being granted. That means 140,000 people were directly affected by the laws relating to divorce.

It must not be forgotten that, in addition to that figure, there are untold thousands of children and relatives who suffered and endured the breakup of marriages. The cost of the people involved cannot be adequately measured. In financial terms the expenditures are enormous. Canadians involved in divorce have spent an estimated $500 million in legal fees alone over the last ten years. Under our present laws, even a straightforward, uncontested petition can result in significant financial hardship for many individuals. In addition, the cost of court administration continues to grow.

Yet in the scheme of things and the way things operate in this area, the financial cost in many cases may not be the most important component of the costs litigants are required to bear. The psychological and emotional costs are more often than not far more significant. Parties to a divorce are put through an emotional wringer in many, many instances. At the time they are dealing with the stress of a family breakup, they must also deal with courts, judges, lawyers and the intricacies of formal divorce proceedings. This process is, when all is said and done, another form of legal proceeding. This means a component common to all legal proceedings, the adversarial component, is still present in the present proposal brought forward by the Minister. It will involve lawyers who are hired and who by and large are involved in pursuing cases on behalf of their clients to ensure that their client receives the best

possible result in terms of the relief claimed by the applicant, in terms of the financial settlement and in terms of custody.

Lawyers are used to operating in an adversarial system. I am not criticizing them for that. They do their work. They are trained to pursue their clients' cases in that way, the same as if they would pursue a case on behalf of a commercial client. They are there to get the most they can for their client. They are not, by and large—although there is a tendency to improve the situation—trained in the area of counselling and mediation, which often is so essential in cases of matrimonial breakdown.

Unfortunately, in the process factors that are unique to a divorce proceeding may be ignored and counselling and mediation may be forgotten. As a result, the parties often emerge bitter and mistrustful of their former spouses, lawyers—usually lawyers on the other side—and the judicial system in general. Another consequence is that marriages that may, in fact, be salvaged are not saved because of the adversarial nature of the proceedings in a formal court setting.

• (1430)

In short, I would suggest that anyone who has gone through the process will say that it is very often a most unpleasant one for the participants and often highly traumatic and distressing. Legislation dealing with divorce will necessarily affect hundreds of thousands of Canadians. Such legislation will of necessity deal with a matter of extreme importance to the individuals involved. Therefore the importance of this particular Bill cannot be overstated. Canadians have a right to expect that their elected representatives will give it the care and consideration it deserves.

As I mentioned, the last major changes to the divorce legislation took place some 15 years ago, in 1968. Since that time there have been significant social and economic changes in the structure of Canadian society. New trends have emerged both in judicial approaches to marriage breakdown and in provincial legislation dealing with the division of matrimonial property. During that 15 years numerous groups and agencies have grappled with the problems of divorce and with difficult questions as to just what reforms are desirable.

The Law Reform Commission of Canada studied the matter closely. The Canadian Bar Association and the Law Society of Upper Canada provided detailed recommendations in this area. Changes and reform have been urged by a great many groups and agencies, from church representatives and spokespersons for social workers to a variety and a number of important women's groups. Not all of these parties have called for the same changes; it would have been surprising if they had. However, what is noteworthy is that for a great many years many people have asked for change and reform to our divorce laws. In point of fact, the Minister of Justice has been promising great and sweeping changes for almost as long as he has held his portfolio. When he took over his responsibilities he said that divorce reform was a "top priority". Time and time again the Minister in various fora, in newspapers and in front of the media across the country, promised that new legislation would be introduced immediately, if not sooner. Every time I picked up the Monday morning edition of *The Globe and Mail* there was another article featuring the Minister promising divorce reform and the introduction of sweeping legislation during the course of the coming week. We were repeatedly disappointed until the Minister finally brought forward Bill C-10 as a result of enormous consideration on his part and that of his colleagues.

The fact of the matter is that with all the trumpeting and fanfare preceding the introduction of this Bill, Canadians expected comprehensive, well thought out, effective legislation which would deal with the many problems involved in marriage breakdown and the possibility of salvaging relationships between human beings. We have had reason to expect that, but now I am sorry to report that, as a result of all this cogitation on the part of the Minister and his colleagues, he has come up very much short of what might have been expected on his part.

The Hon. Member for Durham-Northumberland (Mr. Lawrence) has termed the proposal before us as shallow, superficial and simplistic. My colleague was always a Member noted for his understatement of a point of view. When he says that about this particular piece of legislation, I know he knows about which he speaks.

The Minister has addressed himself to the relatively easy question of grounds for divorce. For all intents and purposes he ignored far more difficult and contentious issues, such as maintenance and child custody. In terms of this kind of legislation, unless we deal with these matters the legislation in itself will be wanting and subject to great criticism across the country.

I would like to indicate the depth of concern which has been expressed with respect to this legislation. Many Hon. Members will remember that when the Minister brought down his Bill it was met with the usual approbation by "The Toronto Trudeau Star". It was very much applauded as being a forward-thinking piece of legislation. Even *The Toronto Star* has now had second thoughts and realizes that the legislation is seriously lacking. In terms of editorial opinion and representations by people who follow the issue and are concerned about it, such as women's groups across the country, they are together and consistent in their criticism of the legislation, not so much because the Minister has tried to do only a few things but because there are many items which should have received attention but received absolutely none.

I could refer to the editorial comments in newspapers across the land, but I would like to quote from the Vancouver *Province* and its editorial of January 25, which characterized the Bill as "short on courage". A small portion of that editorial reads:

> After all the preening and advanced promotion of its divorce law changes, the federal Government has brought forward a mouse . . . For six months the Justice Minister . . . heralded the proposed changes as his "top legislative priority". The end product is the work of a tired administration sapped of political courage.

That is precisely the point. This Bill does not even come close to dealing adequately with the subject matter. It is a

calculated attempt to give the appearance of action while in fact doing very little at all. It is clear that the Bill requires a great deal of consideration and work to turn it into an acceptable Bill, if it is at all possible. Canadians must be given the opportunity to express their views on such a fundamental topic. It must receive a fair and thorough examination in committee so that we in this Party, as well as Members of the other Parties in the House, can do the job which the Government has apparently abdicated.

I am concerned as well with the legislative initiatives which have been brought forward at this point in time by the Minister and whether we will have sufficient time in the Standing Committee on Justice and Legal Affairs to deal in a proper manner with the legislation. He has brought in an omnibus Bill which requires two pages to carry around concerning amendments to the Criminal Code. He has brought in this divorce legislation. His colleague the Solicitor General (Mr. Kaplan) has brought in an important piece of legislation which we are now debating dealing with a civilian security service. A further Bill has been languishing on the Order Paper for some years now. It deals with the grievance procedure in the RCMP. I ask whether or not the Government is serious when it says that it is interested in reform or whether or not this is window dressing with no anticipation of being able to complete our work in committee, even if we worked morning, noon and night to deal with the many topics which the Minister of Justice and the Solicitor General have brought before us for consideration and for ultimate consideration by the Standing Committee on Justice and Legal Affairs.

Much has been made of the fact that if this Bill is passed the traditional grounds for divorce would be eliminated and replaced by the sole ground from this time forward of marriage breakdown. This approach is justified on the basis that fault grounds "encourage the view of divorce as an adversarial conflict between an innocent and guilty spouse". I have already referred to some of the drawbacks in an adversarial system. I have already talked about whether or not the adversarial system is the appropriate one to deal with marriage breakdown.

However, I want to raise with the Minister some of my concerns with respect to the reform that he proposes should be accepted by Parliament. Any lawyer who practises in the field of family law will say that the questions of maintenance, property division and custody of children are the contentious issues in a marriage breakdown. It is on these issues that adversarial conflicts are joined. If there is agreement with respect to these matters, the question of grounds or fault is often of little significance. I suggest that it makes no difference under the present law in my experience.

Although I have not specialized in the practise of family law, members of my law firm who have been involved in it confirm this point. No matter if the grounds are three years, five years, adultery or cruelty, in terms of the dispute that takes place in the court that is often insignificant, if not completely secondary. Where the real dispute takes place is with respect to the level of maintenance and the whole question of custody.

• (1440)

To be sure, the process of apportioning fault, finding one party guilty of misconduct, may exacerbate the feeling of hurt and embarrassment. However, the elimination of these so-called fault grounds will not necessarily mean the end of the adversarial process. The danger with what the Minister is suggesting is that he may well be throwing the baby out with the bath water. In his attempt to lessen adversarial conflict by eliminating fault grounds, he may well be giving rise to new problems if those grounds are entirely eliminated.

I pose to the Minister that it is not necessarily a question of grounds for divorce being based on fault. Very often they can be regarded as being on the basis of necessity. I want to pursue that and try to examine what might occur in a great number of instances with this proposal which requires a one-year waiting period in all circumstances.

What of the woman who becomes pregnant by a man other than her husband while the marriage is still extant? With the traditional ground of adultery or infidelity gone, the possibility of immediate divorce is eliminated. In fact, if this Bill is passed, the divorce will not be obtained until some time after the child of that liaison is born.

What of the wife who is subject to extreme physical cruelty at the hands of her husband? It may well be that it is in both party's interests, when that circumstance exists, by virtue of the doctrine of necessity, to have an immediate dissolution of the marriage. I ask the Minister this rhetorical question: Must a woman under the circumstances I have indicated be obliged to wait for a rather long period of time, causing great anguish and difficulty?

I want to make another point with respect to the elimination of necessity grounds. In my experience, under the present law judges are often reluctant to make orders for interim relief that may not be made final for an extended period of time. This is based on the knowledge gained by judges that facts that are alleged on interim applications often are in conflict and do not coincide with facts in the final disposition of any matter relating to marriage breakdown or divorce.

Under this Bill, interim relief could and would often extend for a year before such relief could be made final. The Minister will say if there is cruelty that you issue the divorce, and although you cannot get a final decree for a year, you can apply to the judge for a decree of interim alimony. I say to the Minister, because of the experience that I and many lawyers who deal in family law have had, that this may be a great disservice to the party who has every right, because of cruelty or whatever reason, to be living separate and apart from her husband.

The realistic facts are these. In these interim agreements judges have been somewhat reluctant to grant reasonable and adequate interim alimony, even under the present law, pending the completion of the litigation. We should consider these matters in terms of the effect that the sole ground for dissolu-

tion may have with respect to people in very difficult circumstances.

The move to eliminate the grounds of necessity requires serious consideration. I understand what the Minister is trying to do with this Bill. By dropping some of the grounds, we may find in the course of our deliberations that it should be sufficient for the parties to have the right to proceed immediately to divorce. We should look at this as the present law may not ameliorate the difficulties that surround the adversarial system.

The second major difficulty with this legislation is in its approach to the whole question of maintenance. This in turn involves the dual question of maintenance criteria and maintenance enforcement. I know the Minister spent a long period of time on this matter. I am sure he is sensitive to the very serious criticism that has been put forward regarding the lack of adequate provisions dealing with maintenance enforcement.

In dealing with the issue of maintenance criteria, this Bills sets out a number of objectives that the court should consider in making a maintenance order. While these objectives may well be desirable, what is conspicuously absent from them is any sort of precision. It will be left to the courts to try to establish a systematic method of achieving those enumerated objectives.

The absence of precision, coupled with the clear ambiguity, is objectionable for a number of reasons. First, it is much easier to arrive at a negotiated settlement between lawyers or through mediation if the rights and obligations of the parties involved are precise. The clearer and more explicit the criteria, the fewer things there are to fight about.

If you want a demonstration of this principle, Mr. Speaker, you need only look to provincial laws concerning matrimonial property. In many provinces the law now states that there is a presumption that matrimonial property is to be divided on a fifty-fifty basis. The parties are aware of this, and hence litigation and consequent expenses are significantly reduced. Instead of lawyers' fees eating up the family assets, they now go to the parties involved in the dispute.

A second problem with the stated objectives is that they do not ensure adequate maintenance for one type of situation in particular. I am referring to the common case of a woman who has been married for 20 or 30 years being faced with divorce proceedings. She has devoted her life to her home, husband and family and, as a consequence, the unfortunate fact is that she has few if any marketable skills and little prospect of being in a position to obtain the kind of training to put her back into the workplace so that she can sustain herself or be self-sufficient. Realistically, if her husband petitions for divorce she is not going to be able to support herself.

The Bill presented to us today does not adequately deal with this situation. It is often impractical to suggest that a woman in such circumstances can become economically self-sufficient. Yet even if the court recognizes this, there is no guarantee that the wife will receive maintenance sufficient to live in the manner to which she was accustomed. While her ex-husband may still have significant earning potential, the woman may be sentenced to a life of penury and deprivation. Surely it is up to us to direct our minds to seeing if we can structure this legislation to provide as much protection as is possible for women who find themselves in those unfortunate circumstances.

At least as important as the question of how maintenance is determined is the question of how maintenance orders are to be enforced. A maintenance order is of absolutely no use if the maintenance debtor refuses to pay and cannot be forced to pay. It is difficult to say precisely how many maintenance orders are in default at any one time, but estimates indicate that up to 75 per cent of maintenance orders are in default at this time.

This is a shameful and scandalous situation that has been tolerated for far too long in this country. It is too easy for a spouse to evade payment of a court ordered maintenance obligation by simply leaving the jurisdiction. Even if the spouse simply refuses to pay, it leaves an onerous obligation on the other spouse, who is obliged to bring an action to enforce the legitimate order. It invariably results in the administration of justice being brought into disrepute. The spouse, generally speaking the woman, has gone through a harrowing and traumatic divorce proceeding. She has obtained a maintenance order from the court obligating her husband to make payments. Her husband then refuses to pay. How can you explain to that woman that the justice system cannot force her husband to do what the court said he must? You cannot, of course. Meanwhile another person has lost faith in the system which is supposedly in place to protect her and her family.

• (1450)

The other obvious problem with the general unenforceability of maintenance orders is that the financial burden for family support is lifted from the individual, where it belongs, and transferred to the state, where it does not belong. Surely if the husband has the ability and legal obligation to help support his children, and perhaps his ex-wife, he should be made to do so. The Minister cannot justify his inaction in this area by claiming it is one of provincial responsibility. He has not seen fit to implement the recommendation made by the federal-provincial committee on the enforcement of maintenance and custody orders in Canada.

Mr. MacGuigan: We have.

Mr. Hnatyshyn: These recommendations were brought down last year and the Minister has had ample time to consider them. Certainly the proposal put forward by the committee deserves serious consideration.

In addition, they came down clearly in favour of the establishment of a central registry for maintenance and custody orders. The Minister has now said they are giving the most serious and immediate consideration to the final implementation of this concept. However, these are things which should have been pursued with great vigour prior to bringing in this legislation. This should not have come up after the Bill was

introduced in the House. In a planted question on the floor of the House, the Minister was able to stand up and say: "Well, we finally got around to considering this matter and things are looking good. I want to thank my colleague, the Minister responsible for the Status of Women, for all the assistance she has given me".

That, Mr. Speaker, should have been dealt with by any self-respecting Minister of Justice in order to bring it to a conclusion. I believe, and it has now been verified by the Minister himself, that the provincial governments had been prepared to co-operate. He now tells us this is the case. Not before the Bill is brought in, but afterwards, which gives some indication of the bona fides with respect to the amount of time and energy the Minister expended to reach this very important agreement. Even though maintenance enforcement is primarily of provincial concern, surely it is up to the federal Government to show some leadership in resolving the horrendous problems which now exist. Uniform provincial agreements to permit nationwide enforcement of maintenance and custody orders are clearly necessary. No longer should it be possible for a spouse to escape his or her legal obligation simply by pulling up stakes and moving out of the jurisdiction where the original order was made.

When I began my remarks this afternoon, Mr. Speaker, I mentioned the difficulties which can arise when matters end up in the courts and the legal system and lawyers are inserted into the complex factors surrounding marriage breakdown. Unfortunately the legal process often exacerbates many problems rather than diminishes them. A large property or maintenance award may well be obtained at high cost in emotional and psychological terms. Unfortunately it is not possible to completely eliminate this difficulty. However, there are things which can be done to offset the negative aspects of divorce proceedings. In my view this should have been pursued by the Minister and his Government in order to bring some sanity to this whole question.

The Minister will know that we have across this country pilot unified family court projects. These resulted from federal-provincial agreements and involved not only judges with jurisdiction in both the federal and provincial areas of responsibility in these matters, but judges who can hear all these matters as superior court judges. But they also have a very unique capacity which I think is an important ingredient in any so-called reform and our divorce law. That, Mr. Speaker, is the capacity to make available to people faced with this unfortunate circumstance in their marital relationship good pre- and post-divorce counselling services.

I think one of the most successful parts of a unified family court is this unique counselling capacity which exists in the system. I know in my own home city of Saskatoon that we are indeed fortunate to have a unified family court system. I am sure the Minister will agree that these have been very successful enterprises. I think this is the direction in which we as legislators and as Members of Parliament must encourage divorce reform. We can all understand the pre-marriage breakdown counselling. Husband and wife have come in, their minds are set on dissolution of the marriage, but there is available a service which will bring perspective to the custody of and access to children. It will remove the adversarial atmosphere which exists in the courtroom. From the people I have spoken to who deal in family law, it is amazing the enormously good work which has been done in these counselling services.

This is the kind of expenditure of public funds we on this side of the House would very much encourage the Government to get involved in. It is a meaningful expenditure which, in the final analysis, will save Canadian taxpayers literally millions and millions of dollars lost when one spouse, usually the wife, finds herself on welfare and unable to support herself or her family.

I would also point out, Mr. Speaker, that pre-divorce consultation may in fact have the advantage of allowing people to consider reconciliation in a meaningful way. However, I suggest the post-divorce counselling services are equally important for individuals who have just had their world shattered. The normal situation in a divorce proceeding is that the last we see of these people is when they leave the courtroom hearing with a decree absolute. There is no provision except through welfare departments in some provinces for any kind of counselling in order to assist these single parent families where the change has been very difficult.

When we consider a Bill which will, according to some of the Minister's utterances, facilitate divorce, I think we have the responsibility of considering how best to implement counselling and mediation. One way which has worked, as I say, is through the unified family court concept.

Mr. MacGuigan: Manitoba has done it; speak to Saskatchewan.

Mr. Hnatyshyn: Well, Mr. Speaker, there are examples across this country and I want to bring some to the attention of the Minister. A further example of initiatives in this area can be seen in the approach to mediation and custody disputes in Ontario. The Children's Law Reform Act provides a mechanism whereby a mediator can, at the request of the parties, be appointed. The role of the mediator is to consult with the parties, attempt to reach an agreement between them and ultimately file a full report with the court on the results of the mediation. I think this represents a novel and constructive approach and, along with similar concepts should receive comprehensive review by the committee. I agree with the Minister. Let us look at the experience in Manitoba, in Ontario and in Saskatchewan to see whether we can bring forward proposals that will enhance and improve the legislation.

● (1500)

The long and the short of it is that the Minister promised much and delivered little. We are getting used to that from this Government, of course. Unfortunately, it is the hundreds and thousands of Canadians who will seek divorces in the next

few years who will suffer because of the lack of government action.

There are a number of areas that I could deal with but I do not want to spend an inordinate time on this. Many of my colleagues feel strongly about the legislation, feel strongly about support of the family unit and feel strongly about the protection of the rights of people affected by divorce. My colleague, the Hon. Member for Kingston and the Islands (Miss MacDonald), who is this Party's spokesperson on women's issues, has had a long and distinguished career standing up for the rights of women, particularly the disadvantaged women in our society, those who often have suffered the trauma of divorce. I look forward to her remarks on some of the inconsistencies in this legislative package. She will deal with matters to which I have only had an opportunity to allude in a general way. I look forward to a full and reasonable debate.

There are aspects of the Bill which I think may lead, willy-nilly, to results contrary to those that the Minister intended. For example, we should consider the Minister's idea about trying to take the whole question of divorces arrived at by agreement out of the courts. I understand the motivation of the Minister in this regard.

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Member but his time has expired. He may continue with the unanimous consent of the House. Is it agreed?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: I want to conclude with one example, Mr. Speaker. In the present circumstances the law is that even when there are settlements with respect to maintenance and other things that come before a judge in a divorce action, the court is not required to accept that agreement arrived at by the spouses. The idea the Minister put forward would obviate the necessity of a trial where there is consent to divorce proceedings and where all items such as maintenance, dissolution of marriage, custody and other ancillary matters have been settled. It is my experience that in a great number of cases, after observing the litigants first hand and having had an opportunity to examine and cross-examine the parties, the judge will come to the conclusion that such an agreement is not in the best interests of one party or the other. He may feel that the wife is accepting it because she has been harangued and harassed and would be in a difficult position if she did not accept the husband's offer. In those circumstances, whether the parties like it or not, the judge may not accept the agreement and rule that the maintenance be twice as much, for example, and if the wife does not want to pursue it, then so be it.

These are the things that I think we must examine. We must examine the Bill and determine whether it is constructive and thorough and if it will bring about appropriate reform. The Minister has taken a one dimensional approach, I think, but we need an approach that is consistent with the welfare of the men and women concerned, that is consistent with the welfare of the children of those marriages and consistent with the principles of equity and fairness regarding maintenance orders and the enforcement of them.

I can assure the Minister that on this side of the House we regard this as a very important piece of legislation and he will receive a number of constructive suggestions from my colleagues.

I want to thank Hon. Members for their indulgence in allowing me extra time to speak, Mr. Speaker. I also want to tell the Minister that because we find the Bill lacking in so many essential elements in its present form, we in this Party are unable to support it.

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I am pleased to be able to take part in this extremely important debate on divorce. This is the first reform in our divorce legislation in Canada since 1968. There are roughly 60,000 divorces in the country every year, half of them involving minor children. It has been estimated that up to 40 per cent of first marriages presently undertaken will end in divorce, so it is a matter that touches a large number of people.

Reform is needed, Mr. Speaker, and the Bill will accomplish one major reform. It also deals with a few minor reforms. However, it is grossly deficient in a number of other matters, especially in the area of maintenance. I shall deal with these deficiencies at some length.

Let me begin with the area in which there is broad agreement, that of marriage breakdown as the sole grounds for divorce. It has been said that divorce does not cause marriage breakdown; unsatisfactory marriages do. A decree of divorce does not kill a marriage; it certifies that it is dead. This is the spirit behind the approach to marriage breakdown as the sole grounds for divorce. It is a principle that the New Democratic Party has accepted for many years. It has been on our books since 1967, and a large number of women's organizations have recommended recognition of this principle as the sole grounds for divorce. There is overwhelming support for it among women's groups. Let me quote from a couple of them, Mr. Speaker.

The Catholic Women's League, an important women's organization in Canada, in its brief to the Minister of Justice (Mr. MacGuigan) said that the present system of having to air one's marital laundry in a public court room seems both demeaning and time consuming. It is obvious that at a time when the matter is being heard by a divorce court judge, any possibility of reconciliation has long since dissipated. The organization says that the present system appears to lend itself to a good deal of mutual disrespect and disposes of any possible future friendship the spouses may have. Furthermore, it believes that the accusations and counter-accusations of the present adversarial system seem to do a great deal of harm to the familial relationship which oftentimes must survive the dissolution of a marriage because of children.

Of course, Mr. Speaker, it is especially because of the children that we are concerned to see marriage breakdown established as the sole grounds for divorce. Having it so

established will make it easier for arrangements for custody and maintenance to be facilitated.

The National Association of Women and the Law says that to attempt to focus upon a single marital fault on the part of one of the spouses as the cause of the breakdown of marriage is most often a distortion of the marriage relationship. It says that hostility between the spouses on the issue of grounds must necessarily taint negotiations between the parties on corollary issues where important decisions must be made on more relevant considerations such as the best interests of the children.

The one-year waiting period to establish marriage breakdown, of course, is more controversial. Some people think it is too short and some think it is too long. Some women's organizations have suggested that there ought to be no fixed waiting period at all. The National Association of Women and the Law and the National Action Committee on the status of women have taken this position, and they have reasons for doing so. Let me quote the National Action Committee. It says:

● (1510)

Marriage must be recognized as an equal partnership, entered into voluntarily by a woman and a man. Once one of the parties has decided that the partnership is not working, the relationship is clearly ended and no legal rule will make it work. The spouses should be able to declare that the marriage has broken down, and that declaration should be regarded as sufficient to prove the breakdown. Proof of separation or fault should not be required.

This is quite an extreme statement and lots of people would disagree with it. Clearly, the one-year period to establish marriage breakdown is a compromise between those who think it is too long and those who think it is too short. I suspect that there would never be a period on which we could agree as being ideal for all situations.

I consulted a number of ministers and priests in my own riding. We had an excellent discussion on this subject. Some felt that one year was too short. Some felt that there might be greater reconciliation achieved if there were a longer period. None of them, however, felt it was easy to arrive at a time, and there were no great objections to the period of one year. The one year seems at least not unreasonable.

With respect to support for the family, some groups, particularly the Catholic bishops, have argued that instead of making divorce easier, we should be making marriage more difficult. It is indeed true that it is easier to get a marriage licence than to get a driver's licence. Certainly, I myself and the New Democratic Party have vigorously supported all kinds of measures to assist the family; family allowance, maternity benefits, parental leave and daycare provisions. I welcome as well the provision in this legislation which would promote reconciliation within the marriage itself. However, I have to remind people who would like to see marriage made more difficult that marriage itself comes under provincial jurisdiction. It is not possible in the course of amending the Divorce Act to deal directly with that question. We, of course, do have responsibilities as parliamentarians to support the family with many other provisions.

With respect to custody arrangements, here again we do see some improvements, and I welcome them. It will be clearly stated in the legislation that the best interests of the child will be the principal factor in determining custody. There are provisions for awards of joint custody and for persons other than the parents to have custody, possibly the grandparents, and access could be established for the grandparents in a court order. This is certainly an important reform. There is also provision for independent representation of the children in court.

I feel that the Bill could be more explicit in establishing the criteria by which the best interests of the children would be determined by a court. The Law Reform Commission of Canada made some recommendations back in 1975, and these have been taken up by Ontario, and, indeed, used more widely in Canada. I will cite some of them; the emotional tie of the child to the persons claiming custody, the preferences of the child, the length of time the child has had with the person claiming custody, plans for the upbringing of the child, the capacity of the parents for guidance, education and providing the necessities of life, any special needs of the child, the stability of the custodial household, and the relationship to the child, whether by blood, adoption or any other kind. We do, therefore, have some criteria and perhaps it should be in the legislation. Other lists could be provided, and the National Association of Women and the Law, I believe, has a very good list as well. It refers to the mental, emotional and physical needs of the child and the ability of each spouse to provide for such needs. There is the effect of disruption on the child's sense of continuity and need for stability, the views and preferences of the child where such can be reasonably ascertained, the need to foster access to the non-custodial spouse, and the relationship among other children in the family. I believe some greater specificity on the criteria would be important to have in the legislation.

[*Translation*]

Even though we agree with the principle of marriage breakdown being the only ground for divorce, we of the New Democratic Party do not support this Bill on second reading. The drawbacks of this Bill are much too serious and, if it is adopted, it will have dire consequences, especially for women and children who are economically dependent. Although current alimony payments are already inadequate, the proposed amendments, will make the situation of dependent women and children even worse than it is today. The trend nowadays seems to be towards lower alimony payments over ever shorter periods of time. Yet this Bill goes further in the sense that it advocates fixed periods of time and even less generous alimony payments. Why? Apparently because this Bill considers economic independence as something which is due. Indeed it is a reasonable objective, particularly in the case of young childless couples where both spouses are still working. I am reading the text of the Department of Justice on divorce.

It may be true that in many instances the dependent spouse ought to be entitled to long-term financial support, but that is

not always the case. After leaving the labour market in order to run the household and take care of the children, the dependent spouse may find it difficult, if not altogether impossible, to earn a decent income after the divorce. This decrease in one's ability to earn a living is a direct consequence of marriage and should be taken into account when figuring out the amount of financial support. In many cases, however, the dependent spouse might be able to return to the labour market, particularly if measures are taken to enable him or her to get vocational training or go back to school. Some day, that spouse might become self-supporting and financially independent.

The Department is aware that it may be impossible for some women to become economically independent, according to this Bill, yet the Bill does imply that all women are financially independent. Quite simply, the Bill fails to take into account the real situation of a great many women who have looked after the household and raised their children on a full-time basis over a number of years.

Let us admit that there is indeed economic dependence in such a case. Take for instance a women aged 55 who has not had a paid job for 30 or 35 years. She quit working when her first child was born. Her work at home has made it possible for her husband to take the technical training needed to pursue his own career. At the age of 55, that woman cannot make up for lost time. Without any experience on the labour market, what can she do? She could earn a living washing dishes in a restaurant, but is that fair? Let us suppose that this woman had been the wife of a doctor, a lawyer or a Member of Parliament. Is it reasonable for her standard of living to go down that much? Are the highly abstract principles of economic independance, justice and maintenance of a comparable standard of living without significance for the lawyers at the Department of Justice? Unfortunately, the Bill is firm in this regard. The only criterion applicable to maintenance payments is avoidance of serious economic conditions. Maintenance payments will no longer promote economic independence and avoid hardship. That is all! According to the criteria proposed in this Bill, I would say that the principle of economic independence for every man and woman should be outweighed by the concept of justice.

There are various types of marriage. Especially where marriages having lasted a long time are concerned, other criteria should be developed. The other basic deficiency I find in this Bill is the absolute lack of practical provisions for the collection of maintenance payments. As we know, unfortunately, most maintenance payments ordered by the courts are never made. About 75 per cent of maintenance payments are in arrears with the result that thousands of women and children are living in proverty without adequate means of support. These figures are well-known and cannot be questioned. In addition, many practical solutions have been suggested to change the alimony system. During the summer of 1983, a federal-provincial task force came up with recommendations for the reform of the present system. Yet, this Bill contains no practical answers.

A reform of our divorce legislation is not acceptable without a reform of the provisions to enforce maintenance orders.

• (1520)

[*English*]

We have heard too much talk about this Bill legislating no fault divorce. The fact is that really it legislates no responsibility divorce. The provisions for maintenance in Bill C-10 are unrealistic, short-sighted, unfair and will cause real harm to women predominantly, and in some cases to children, if it is passed.

In the rarified atmosphere of the Ministry of Justice the pursuit of an abstract principle, that of economic independence, is considered more important than dealing with the real problems we all know too much about. The goal of economic independence is suitable for many divorced people. The paper outlining the Bill admits it is not realistic for all. It is what is in the Act that counts rather than what is in the discussion paper when it comes to a case in court.

Many women's groups and expert individuals have made very good and persuasive arguments for different provisions. I would like to quote Judge Rosalee Abella from a paper entitled "Economic Adjustment on Marriage Breakdown". Judge Abella notes that spousal independence should not be taken too literally. "Independence will not be possible for every one". It should not be used, as it has been, prematurely, and certainly not where the realities of the marketplace and community make it impractical. If the wife is at home, it is usually because both spouses expect it and often want her there. To suggest to these women that they should become independent when their marriages dissolve is to ignore the economics of their situations. Though they are legally considered equal partners in their former marriage, because of the marriage and because of community expectations, they undertook a role which, though it created equal status, did not create equal access to independent sources of income.

According to Judge Abella, maintenance should not be paid because the wife was formerly her husband's dependant but because she was and is his equal partner who has needs which the partnership created and encouraged. Ideally these payments should be at a level to permit both of them to continue at the same standard of living they had in the marriage.

The years when the husband was increasing his educational and career prospects were years which increasingly diminished the wife's prospects in the labour force. It is the traditional marriage partnership itself over the years which creates an economic disability. The economics of indefinite support flows naturally from the economics of most current marriage relationships.

The National Action Committee on the status of women has made its recommendations on maintenance very clear. They are more realistic and fairer than the ones in the Bill before us today. The National Action Committee suggests that we con-

sider three different types of marriage. For some the principle of economic dependence simply as it is is quite adequate. These are younger couples who split up without either partner having been harmed in the sense of an economic dependence being created in the course of the marriage. When a spouse's capacity to support herself or himself has been reduced by the division of tasks within the family, temporary support should be granted to allow that spouse to continue to be a full-time parent and allow time to upgrade skills and re-enter the labour market. This should include general education up to and including university.

Let us look at the situation of a long-term homemaker where a permanent dependency has been created. In divorces following marriages of long duration where one spouse was a homemaker and a permanent dependency was created, long-term maintenance should be ordered and the criteria used should be fairness and justice. Such wholly dependent spouses should not be expected to seek employment in occupations far below their previous living standards. For example, a homemaker married to a doctor for 30 years should not be denied long-term support for the reason that she could support herself if she found a job as a sales clerk or cleaning lady.

The National Association of Women and the Law has offered a set of similar criteria beginning with a mutual obligation to take all reasonable steps to become financially independent, but conceding that where this is not possible because of the duties undertaken in the marriage, long-term maintenance is required.

Most maintenance payments ordered by the courts are not made. It is true that to improve collection much must be done at the provincial level and some changes require joint action of the federal and provincial Governments. Many measures could and should be taken under federal jurisdiction. One of the main contributions the federal Government could make is in the location of persons defaulting on court ordered maintenance payments. If a defaulter leaves the province to avoid payment, he may be receiving unemployment insurance or paying his income tax and there are records by which his new address could be located. There is a concern for privacy, but I would suggest this does not outweigh the concern that children be supported and dependent spouses receive justice. All federal records, save the census, should be open for the location of addresses of defaulters in the case of court ordered maintenance.

Legislation is needed to provide such access and should be dealt with, if not in the same legislation, in companion legislation at the same time. Given the complacency of the Ministry of Justice, I am not optimistic that we can wait for it to deal with this matter. The recommendations of the Law Reform Commission of Canada on this subject go back to 1976. The Royal Commission on the Status of Women in Canada reported on the deficiencies in 1970. It has had a long time to work out practical criteria with the provinces.

Consistent with the proposal for improving access to addresses to locate the defaulters is the notion of interception. Wages and salaries are subject to garnishment for non-payment. I suggest the same principle should hold for other moneys under federal jurisdiction. Income tax refunds, unemployment insurance, interest on Canada saving bonds, and pensions are all moneys under federal jurisdiction. Why should they be exempt? In the time of the marriage itself these moneys would be shared for the support of the whole family. After a divorce why should they become the private property of only the breadwinner, while other members of the family suffer want as a result? It is time the federal Government stopped blaming the provinces for inaction and did what it can under its own jurisdiction.

Good divorce law should take into account pensions. After all, pensions are deferred wages and salaries. When a couple divide their labours so that one joins the work force and earns an income and the other stays home to look after the home and raise the children, there is an implied contract that that income is for the support of all of them. The same should hold for pensions which are simply a carry-over of that income. Pension splitting is only fair, but Bill C-10 does not deal with it.

In the Budget reference is made to the Government's intention to split Canada Pension Plan credits on marriage breakdown. Certainly the Government is recognizing the principle and the Minister referred to it earlier today saying it would be done for other pensions under federal jurisdiction. I remind Hon. Members that this was not said in the Budget and we have not seen the legislation. Given the slowness of action on the part of the Government and the complacency on this subject, I would not be optimistic. I would like to see all pensions under federal jurisdiction dealt with promptly. That would include pensions of MPs, Senators, judges and federal public servants.

Last year the Judges Act was amended but this was not dealt with. It could have been dealt with then. After all, judges are making decisions about the livelihood of dependent members in families. Their own pensions do not permit credit splitting. Judges should have model provisions for pensions if they are going to be enforcing the law for other people.

Finally, Mr. Speaker, I would like to refer to the issue of unified family courts. This is a very important reform. Lawyers, social workers, women's organizations and so forth have recommended the institution of unified family courts on a comprehensive basis. Experiments have been made and it has been found that they are better. They provide counselling services, they are less expensive for access and for changing maintenance orders. There are many conveniences in having unified family courts. It is difficult for people to go from court to court, from superior court to provincial courts and to family courts. This is a reform which must be dealt with. I am just not satisfied that the recommendations on it are being considered. There should be legislation on it. It should be possible for any province that wishes to establish a unified family court to do so.

• (1530)

To conclude, I say that Bill C-10, is grossly deficient. It must go back to the drawing board. I do not accept the Minister's excuse that we cannot do more in the present context. The Minister himself is an expert in omnibus Bills. We had a 306 page Bill on criminal law legislation. Surely this is an area on which there should be an omnibus Bill. It should be omnibus on divorce, to deal with all the related issues such as the enforcement of maintenance payments, the establishment of unified family courts, credit splitting of pensions by judges, and income tax access and statistical record access for the location of defaulters. These are all federal statutes which need quite modest amendments. However, the principle is important. When this does not take place people really do suffer.

If the Department cannot draft suitable legislation, it ought to hire someone who can. I suggest that the Minister withdraw the Bill and bring it back with suitable amendments. We do not need more study because we know what needs to be done. I can assure the Minister of my Party's support for speedy passage when he brings back a Bill that really deals with the issues of maintenance, a Bill which is fair and deals with the issue adequately and concretely.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I know the Hon. Member is seeking to ask questions but questions are not permitted with the first three speakers. Questions may be permitted with the round I am starting. We will welcome the intervention of the Hon. Member from Hamilton at that time.

When I look at this Bill, I call it swinging door legislation. Marriage in Canada is destined to become a swinging door affair. It is extraordinarily easy to get married, notwithstanding the rather strict requirements of many established churches for people to attend marriage preparation courses. While many people take those courses, and I am pleased that they do, they in themselves are no guarantee that a marriage may not break down. A mere trip to a justice of the peace, the deputy registrar of vital statistics in any city or some "marrying Sam" is evidence enough that if certain people perhaps have an amorous or physical desire for one another they can satisfy themselves under the cover of legality. But surely a marriage based upon that alone will not last.

What I and, I am sure, many Hon. Members and hundreds of thousands of Canadians are concerned about is that this Bill is frankly an attack on the family and its continued existence. Marriage should not be buried as a traditional way of life that has gone out of style. That is not the purpose of marriage.

The purpose of marriage is essentially the procreation and raising of children by a man and a woman. Through the years it is married people who have produced and raised children. Are we now to make a sort of rabbit colony relationship in which man meets woman, man likes woman, woman likes man, bingo, they live together and produce children? Is that going to be our concept of life?

I suggest to the House that this Bill is in many ways part of this, shall we say "easy does it" mentality of the 1960s and 1970s that has permeated through to certain academic levels, certain levels among social workers, among the so-called intelligentsia and sophisticates. The mentality is that if a couple of people get tired of one another or if a particular way of life is not satisfactory, the man need only go out and shuck his wife as he would discard his suit or the wife may discard her husband as she would her year-old dress. This Bill merely reflects that attitude. I do not know that Canadian society will improve as a result thereof.

This Bill has encountered a good deal of opposition. One might expect the Conference of Catholic Bishops to have their say, and to their credit they have done so. It is an area in which they have a right and obligation to speak. There are other church groups and organizations which must look after the children of many of this mismatings and casual matings that we have in modern day society. They also have to look after wives who are discarded.

Incidentally, this divorce law is in many ways no different from some of our veterans affairs legislation. That legislation allows a veteran, under the insurance plan, merely to put aside his wife and live notoriously in the open with another woman. After a year, if he is not in a position to get remarried, he can merely designate his female companion as a beneficiary under the policy. There are other similar features about common law living with regard to veterans' pensions. It is "easy does it."

We must reflect upon whether Canadian society has become a rabbit hutch society. Many of my colleagues have criticized the philosophy behind this legislation. May I say that I have before me a Department of Justice hand-out of information which is printed in the *National Review* that is published by the Canadian Bar Association. The only thing I can say about the Department of Justice publicist who wrote this is that I wish he had learned his English. We are at repeated points. Just to take one, the word "alternatives" is used to describe numerous options. Let that individual go back and find out what the word "alternative" means. It means one of two, not one of many. There is a column replete with the misuse of that word. That is not good enough for the Department of Justice. We are faced here according to this learned person, with a span of 15 years from the last divorce amendments and consequently there must now be a change in the Divorce Act to comply with social developments. What utter piffle!

• (1540)

We remember before when the Divorce Act was changed when cruelty, desertion for three years, adultery, and several other sex-related crimes were the sole grounds of divorce. Of course, that really did set up, at times, an adversarial form of dealing with divorce, an accusation of adultery perhaps when quite often there was not that situation. There was the business of spurious grounds for divorce in manufactured cases, the old motel room routine; what we used to see so often before the Private Members' Committee of the Senate on Divorce. There was a whole industry in the Province of Quebec, which did not

on any grounds allow for divorce. We had this sort of set up divorce machinery. Yet the statistics referred to in this Department of Justice release show that only one in 20 divorces may be contested. Usually divorce is not contested on the grounds of whether there was cruelty or whether there were grounds for divorce. The divorce is contested as a result of a refusal to agree or an inability to agree on the separation of assets, or on the size of the monthly maintenance for the spouse and, if there are children, for the children. That is the nub of why there are contests.

Then, I regret to say, there are some cases that finish up before the court because of the crass ignorance and incompetence of counsel who are advising the parties concerned. I am ashamed sometimes to see the performances of some of my fellow barristers, particularly in matters of this kind. There was always the fee hunter who did not care about what he had to do under the Act but wanted to finish up in court because he could then collect more in fees. Not only ambulance chasers do you find among the legal profession, but divorce hounds. That has its influence on that one person in 20. I would go as far as to say that possibly one in 30 divorces is contested. Is that sufficient reason, one in 30, to get into this open door of no fault? After one year of the filing of a petition for no fault divorce, the decree may be granted. But, Mr. Speaker, there are 90 days of cohabitation allowed, either continuously or cumulatively, after that one year following the filing of the petition. What is this filing for petition for divorce with weekend rights, visation and cohabitation? That is really a fine way of doing it, is it not? I will admit that it might be hard to penalize a person who has made a serious effort at reconciliation who has lived with his or her spouse during that period of attempted reconciliation for two or three months and then finds it is absolutely impossible to reconcile. Therefore, that person is excused. But I know how it is going to work out in the courts, the same way as it was 15 years ago when the Prime Minister (Mr. Trudeau), as Minister of Justice, brought forward the changes in the Divorce Act. That was supposed to provide for marriage counselling and an attempt at reconciliation. I know for a fact that that was the biggest hoax ever perpetrated on Canadians. Divorce lawyers did not even pretend to refer anyone to a family counselling agency. There was mere lip service paid to that provision. That is why I say this Bill pays the same lip service to reconciliation and to efforts to preserve the marriage. That is why I am against this Bill.

If marriage is worth something, it is worth people putting something into it to make it work. That includes going to marriage consellors, proper marriage counsellors, not some social divorce lawyer who may take off his coat and say, "I am a marriage counsellor now," to make the marriage work possibly after a serious spat.

I invite Hon. Members or anyone who reads or who hears what I have had to say to look into their own family to see how many young couples have separated over a stupid little quarrel where each one took the high ground and gathered around himself or herself people who said, "Yes, you are doing the right thing." They may be people who were possibly unprepared for marriage. But there are people who fall into the hands of right-meaning relatives, clergy, counsellors or family service bureaux. If people really mean anything to one another they will make a sincere effort to see if they can find a way to patch up their differences. Sometimes it takes an extra step or an extra mile to achieve success. Apparently that is not the rule today. It is too much effort to patch it up and it is too easy to get a divorce. They feel, what is the difference; they can be married to someone else within six months. Maybe the girl the chap has married is not as glamorous over the breakfast table as she was at some dinner or at some dance; maybe he has halitosis in the morning or he is grumpy. Well, if all those things cannot be cured by some good will and change on the part of both parties, both of them are pretty poor stuff to start with.

● (1550)

I say that this Bill is deficient in that it makes insufficient provision for appropriate counselling and efforts at reconciliation to preserve the marriage. What should be the objective of any matrimonial legislation? It should not be to split the parties but to preserve them, if at all possible. I have seen some actions involving serious marriage offences. As a matter of fact I could cite two examples of young couples who were married in September and obtained their decree absolute the following March.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! I regret to interrupt the interesting remarks the Hon. Member is making, but the time allocated to him has expired.

[*English*]

Mr. Lambert: Mr. Speaker, perhaps I could continue or take questions.

The Acting Speaker (Mr. Guilbault): We will proceed to the ten-minute period for questions or comments relevant to the speech of the Hon. Member.

Mr. Hudecki: Mr. Speaker, I would like to make one or two observations which coincide very much with what the Hon. Member for Edmonton West (Mr. Lambert) has just enunciated. Personally I would like to see very few divorce actions, but the reality of today is such that this is not possible. Divorce actions really penalize a third party, the children, and are certainly the basis of a great deal of misbehaviour and insecurity on the part of children and further breakdown of families. However, I want to expand somewhat on the aspect of divorce about which the Hon. Member for Edmonton West spoke so eloquently, that is, the responsibility of the legal profession in assessing whether or not proper counselling or support has been given to the couple considering divorce.

As I understand it, every lawyer is expected to sign a warrant to the effect that every conceivable approach has been taken in order to keep the marriage together. This may vary from province to province, yet when one hears the duration between the time an action is started and divorce is granted, it

appears that this has not been carried out. Among the people I have seen in the practice of medicine, there has been very little attempt made to bring these couples together. This is a reflection of negligence on the part of the legal profession. In the medical profession, the greater the challenge, the harder the research work and the harder the practitioner works to find a solution to the problem. In the legal profession the common practice has been to go through with divorce actions as rapidly as possible and not give the needed social support to the couples.

A second aspect which is of concern to me is again the one year duration in the Bill. A divorce action is a very serious emotional experience for both men and women. Much reference has been made to women, but I would like to indicate that men go through the same emotionally disturbed period. There are many who require as much as a year to think rationally and to plan their lives as they had originally intended. Some steps must and should be taken to assess whether or not these people were able to assimilate intelligently the counselling and support given in order to keep a marriage together.

I agree with the Hon. Member for Edmonton West that very often the obstacle or barrier to bringing a couple together is minimal and with expert support could be remedied. On that account I feel that one year is too short a period of time to bring about corrective, remedial action. I feel that that period of time should be reconsidered.

I just wanted to bring those two observations to the attention of the House in the hope that they will be considered further in the deliberation of this Bill.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, unlike most of those who rise to speak on Bills and say that they are delighted to have the opportunity, I do not intend to make any such statement at the beginning of my comments. I am anything but delighted to speak on this Bill or enter into debate on it. I am definitely and deeply displeased to have to speak in this debate because I feel that the Bill is a shoddy piece of work, brought before the House immaturely, and is really a disservice to the House in its present form. It is ill-considered, to put it at its mildest, and it is a disgrace as law and an insult to the institution of marriage.

However, I am on my feet and I intend to indicate my views on this Bill. First, I think it is odd. Perhaps odd is not the correct word. There may be another word which will generate itself as I continue. However, there are three Bills now before us which are intended to go through the House on second reading and be referred to the Standing Committee on Justice and Legal Affairs. I cannot really make out whether it is honestly intended by the Government that these three Bills should become law or whether they are just being put forward as a token of the intention of the Government to do something about the three matters.

One subject is of course the security intelligence Bill which has been before the House but second reading of which has not been concluded. The second one is this divorce Bill, which I say is a disgrace to the House and is offensive in the manner in which it has been put forward and the manner in which it covers the purported matter of the Bill. The third one is that very thick Bill, the Criminal Code amendments, which again offends every good legislative taste. I am not sure whether the intention is that these three Bills be passed by the House or whether it is just a device.

If I may call it four o'clock, Mr. Speaker, I will continue at the next opportunity.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! It being four o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items listed under Private Members' Business preceding Order No. 102 be allowed to stand?

Some Hon. Members: Stand!

The Acting Speaker (Mr. Guilbault): Stand.

* * *

CONSTITUTION ACT, 1867

REQUEST TO CHANGE BOUNDARIES OF NATIONAL CAPITAL

The House resumed, from Friday, January 20, 1984, consideration of the motion of Mr. Isabelle that Bill C-206, an Act to amend the Constitutional Act, 1867 (national capital of Canada) be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I think we have a rather unusual and even bizarre situation here this afternoon. About two or three years ago, we debated a proposal tabled by the Hon. Member for Hull (Mr. Isabelle) on—I am not sure it was the same subject—the amalgamation or twinning of Hull with Ottawa, to make them both the capital of this country. Or maybe it was to create a National Capital Region that would include Hull. In any case, it concerned the City of Hull and area. However, this time, something funny is going on with the period set aside for Private Members' Business. We start with a first draw for fifty, more or less. Then, when it is a Member's turn to present a Bill or a motion or some Private Bill, he has the right to do

so. However, I see that on January 20, Bill C-206 was debated for one hour. The Hon. Member presented his Bill, and subsequently my colleague from Lanark-Renfrew-Carleton (Mr. Dick) spoke to the Bill, and also my colleague from North Vancouver-Burnaby (Mr. Cook) and finally the Member for Kootenay West (Mr. Kristiansen). But if we look at the list of private bills, who do we see under No. 11? The same Hon. Member for Hull with Bill C-205. Now, how can we have 205, which is also about Hull how can we have both 205 and 206 in the name of the Member for Hull? Who is playing games here? Who is fiddling with the rules? Somebody must have fiddled with the formula for presenting private bills or motions, because the same Member is not supposed to have two in succession. A Member can only have one option in the first fifty. Yes, but this is all in the same session. Do you see? So—

The Acting Speaker (Mr. Guilbault): The Hon. Member for Hull, on a Point of Order.

Mr. Isabelle: I think the Member for Edmonton West (Mr. Lambert) is somewhat mistaken, because the normal procedure was followed. In fact, he must know the procedure far better than I do. Do you know why, after the debate on January 20, the Bill was allowed to stand and fell to the bottom of the list? Because, Mr. Speaker, no one could be found either on the opposition side or on this side. So I was asked whether I was prepared to speak to the Bill. So I said yes. And as for the matter of debating the other Bills, the other Bill or the same Bill, if you prefer, this was because my name was selected at random from the first ten. That is why the Bill is being presented today. There was no fiddling, and if there was, it was not me.

Mr. Lambert: No, Mr. Speaker—

The Acting Speaker (Mr. Guilbault): Order, please. First of all, I would like to point out to the Hon. Members that, at the beginning of Private Members' Hour, I asked whether all the items preceding No. 102 were to stand. I received unanimous consent. I also want to add that it is normal that we should be discussing at this moment the substance of Bill C-206 and that the subject under consideration is not how the bill numbers are drawn or the order in which they come before the House. The Chair has been informed that the normal procedure was followed when the Bill sponsored by the Hon. Member went down to the bottom of the list the last time it was debated. All those who appear before him on the list were contacted and no one was willing to proceed.

It must be noted that today is Friday. We are discussing item No. 102 and I would ask the Hon. Members who wish to take part in the debate to deal with the contents of Bill C-206 now under consideration.

Mr. Lambert: Mr. Speaker, if you had followed my comments, you would know that I was saying that there were two Bills at issue and that it was difficult to identify their contents. The Hon. Member interrupted me because I believed and still believe that we have distorted the procedure. The Hon. Member is not to blame! It is the bureaucrats. Well, listen! I know what happened and I am going to say so. This will have to be explained and it is not up to the Chair to consider this matter because the Chair has nothing to do with it. The Chair should not interfere in the debate! We are considering including the City of Hull in the area called the National Capital of Canada. The Bill simply states that it is hereby declared that the National Capital of Canada and the seat of the federal Government of Canada shall consist of the City of Ottawa, in the province of Ontario, and the City of Hull in the province of Quebec, and also of such surrounding area as prescribed from time to time by the Parliament of Canada. This simply means, first of all, according to the comments made by the Hon. Member, that the City of Hull will be included in the National Capital area. It does not say anything about the city of Nepean or that of Kanata. All it says is "the city of Hull and its surrounding area". There is a complete lack of definition. It does not say anything about Rockliffe or Vanier or Gloucester either. If you ask any out-of-towner who is visiting the national capital, Ottawa, and who has no idea of the limits of the many cities and towns within the Ottawa area . . . Does the Hon. Member himself know where are the limits between the City of Gloucester and that of Ottawa?

The Acting Speaker (Mr. Guilbault): The Hon. Member for Hull (Mr. Isabelle) rises on a point of order.

Mr. Isabelle: I must regretfully tell my Hon. colleague that he should read the Bill as it is, because what I really want to do is to replace Ottawa as the national capital—

The Acting Speaker (Mr. Guilbault): Can the Hon. Member resume his seat? This is not a point of order. The Hon. Member for Hull may not agree with the Hon. Member for Edmonton West, however the latter has the floor and should be listened to.

Mr. Lambert: Mr. Speaker, actually, I know what the Hon. Member is attempting to do . . . Listen, I have much sympathy for what he is attempting to do.

● (1610)

Legally, the National Capital is encompassed within the very narrow limits of the City of Ottawa. I suggest there are as many people, if no more, who live in what they consider as Greater Ottawa, an area we think of as the National Capital! I know that my colleague from Lanark-Renfrew-Carleton (Mr. Dick), and also the two Hon. Members who spoke before favour the idea. Yes! That may make sense! But it must be remembered that, just because Air Canada mentions Ottawa-Hull in its schedules, that does not mean that Ottawa-Hull is the National Capital. No more than Toronto-Hamilton, which appear as twin cities in the same schedule are one city. They

are neighbour cities, but not part of the same urban centre. There are many such examples.

I can see some constitutional problems. Naturally, some of you will remind me that there should be consultation with the provinces about the site of the Capital. I know that there is a National Capital Region unilaterally declared by the federal Government and which includes some areas in Quebec, like the entire Gatineau Park, but no agreement has been reached on that point, at least I do not know of any. The Hon. Member suggests that a legal authority exists and that we would merely need an order in council to determine the area included in the Capital. It would be the National Capital Region including appropriate towns and suburbs. I am not quite so sure. It seems to me that it could give rise to a confrontation, especially with the Quebec government. I think that it would almost be like a declaration of war. The province of Ontario could very well say: the provinces are entitled to establish towns within their limits and if necessary to alter the limits of cities or municipalities under such or such an administrative procedure. Well, what can you expect? And we have seen municipalities on the other side of the Ottawa River being merged and made into one city through by-laws under the authority of the Government of Quebec. We all know that. But now, however, we are talking about an order in council issued by the federal Cabinet and stating that henceforth the City of Hull will be part of Canada's capital. Hull would be in the National Capital. What would be the legal consequences? I read the speech of the Hon. Member, but I did not find any reference to the legal consequences of such action. Of course, he did mention certain advantages which would flow from that and would affect the region of Hull as well as Ottawa, but we have not heard anything about some of the negative consequences and it seems to me that we are entitled to a word of explanation before we even consider adopting this Bill, or any other on the same subject, and sending it to Committee. It is not after adopting the Bill that we should have explanations which might perhaps make us change our mind and decide to withdraw our support. You know, Mr. Speaker, we have a practice here whereby, if a Bill is passed on second reading, the principle of the Bill is adopted. I for one do not see it that way and I say that it is wrong because Bill C-206 appears on the Order Paper for second reading and reference to such or such Committee of the House where the Bill would be considered and then reported. It might be reported with an amendment which would have been approved by the majority on the Committee and which might or right not be accepted by the House. An amendment could very well be tabled and debated in this House and the Bill could then be read for the second time. This is the way it goes. The report of the committee of the whole is then agreed upon and the Chair says: "The Bill is read for the second time." We are now being told that, after going through this stage in committee of the whole and after the Bill has been voted on at second reading, it has definitely been accepted or approved in principle. That is false, completely false, but the truth has to be pointed out to these people, beginning with the Prime Minister, because he is always saying that once you have agreed to a Bill you are marked forever, which is completely false, because the Bill is accepted in principle only after its referral here, to the committee, and after the Chair has called the vote at the second reading stage. The same is true, Mr. Speaker, with the procedure in this case. Committee chairmen who do not accept that you put forward amendments because the principle of the Bill has been adopted and the amendment flies in the face of that principle. So this cannot be, you did not present it a second time for acceptance.

I would appreciate that, as a conclusion to this debate, the hon. member speak of certain legal implications he anticipates, and also indicate his view as to the attitude of the Province of Quebec and the Province of Ontario, which are the provinces affected. Frankly, I would have this to say, Mr. Speaker, in conclusion. Do you know that the people in Edmonton would have something to say on the composition of the national capital? It belongs to them and to me, a resident, a property owner in the City of Ottawa, as much as to the hon. member for Hull (Mr. Isabelle).

Hon. Members opposite also, and the citizens of their towns have a voice as to what should happen to the National Capital.

• (1620)

[*English*]

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I decided to say a few words about the Bill presented by the Hon. Member for Hull (Mr. Isabelle) because having observed his attempts over the last few years to accomplish this change I can see that even now there is some disagreement or lack of understanding of what he is trying to do. Basically he is simply trying to amend Section 16 of the Constitution Act of 1867; in other words to have the national capital of Canada designated the national capital area.

Over the last few years the Hon. Member for Hull has tried to convince Parliament that since 1858 things have changed drastically and so other things should change as well. One of the changes is introduced in the Bill. On numerous occasions he has pointed out that Parliament has expanded to the Quebec side, that the National Capital Region includes municipalities in Ontario and Quebec. He therefore asks the question, why not make it the capital of Canada? Ottawa and Hull and the surrounding areas equal the National Capital Region.

If we look at the remarks made by the Hon. Member for Hull when introducing the Bill, we will see that on January 20, as reported at page 617, he said:

> —if we refer to the history of the national capital area, we see that since the small village of Bytown was selected by the Queen in 1858, it was then ridiculed and called a forest centre and a capital of logs, the City of Ottawa as such has constantly developed.
>
> The reason why I am asking for that amendment is that since the time of Sir Wilfrid Laurier, Sir Robert Borden and even the Right Hon. Mackenzie King, we have always wanted to make of the capital of Canada a national symbol, the seat of our national languages or, if you prefer, the beating heart of our nation.

Up to now, I think that we have always thought of the capital of Canada as a city in Ontario. I have nothing against Ontario or Ottawa, but throughout the years, we have asked the Federal Government to contribute to the beautification of the region and we have been saying that it should not be restricted to the city of Ottawa. Parliament has continued to expand the region on the Quebec side, in the Outaouais region, and we are now saying that the National Capital Region is a product of Canadian federalism and reflects many of the familiar political, social, linguistic and cultural differences and ambiguities of Canadian society. It is typical of Canada.

In other words, it is a simple matter. The National Capital Region should be the capital of Canada. The Hon. Member for Hull has referred to the positive results of such change over the years. One of the things he has always concentrated on is that it would lead to increased co-operation not, as the former speaker said, to problems. What the Hon. Member for Hull is saying is that it would lead to increased co-operation between the municipalities. He explained that in his last speech when he said:

Whenever we have asked for the co-operation of the various regional governments, it has always been a difficult proposition. This is why over the years I have always advocated a federal district, in order that the federal Government be at home here. But this is not for tomorrow, because we know what came out of the so-called co-operation between the various levels of government, both local and provincial.

The Hon. Member for Hull represents his constituents as well as or better than most Members in the House. He made a statement in introducing his Bill which I thought was interesting. I believe his comments were to the effect that because of the present situation on both sides of the river, it is the most over-governed and overtaxed region of Canada. Why is that, Mr. Speaker? The Hon. Member for Hull says it is because of this complete lack of co-operation between the various levels of government, local and provincial.

In reviewing the objections to the Hon. Member's proposition over the years, a couple of things stand out. It has been said that it is not a simple matter to do this; it is very, very complicated; it is difficult to amend Section 16. I should like to refer the House to what the Hon. Member has said repeatedly over the years. It is reported at page 618 of *Hansard* as follows:

To those who suggest that an extraordinary process is required for amending Section 16, I say all that is needed is an Order in Council, simply adding Hull and the surrounding municipalities on both sides of the river, so that Canada's National Capital truly reflects the daily life of every Canadian. Because certainly visitors, whether they come from British Columbia or from New Brunswick or Prince Edward Island, are not particularly enthralled when coming to Ottawa to visit just another Ontario City.

When the Hon. Member presented his Bill, some politicians provincially and some federally accused him of trying to "get rid" of Ottawa. In all the statements the Hon. Member has made he has clarified this matter. I should like to quote briefly from his speech of January 20, 1984 in the Chamber when he said, as reported in *Hansard* at the botton of page 618:

—we should make Ottawa part of the National Capital Region just as all the other municipalities which are now part of the National Capital Region. And I am sure that members of the House are aware of this major problem of a capital for a young country such as Canada, for we have had a flag for some twenty years and we have a practically new, at least freshly patriated Constitution. In my opinion, what really matters now is to endow ourselves with a capital which clearly reflects the wills, aspirations and modus vivendi of all Canadians.

● (1630)

At that stage, Mr. Speaker, the Hon. Member got to the exact point of his campaign over the years with this Bill. He went on to say:

It should occupy a neutral ground, outside the territory of any individual province—

The Hon. Member for Hull (Mr. Isabelle) continued:

—I just cannot understand how a province such as Ontario can logically have two capitals. If there is disunity, if the West feels alienated, it may be because we have no meeting point where we could all get together and feel at home as Canadians. People from western Canada think that they are away visiting eastern Canada when they come to this Ontario city, and those from eastern Canada think they have gone West when they are in the same Ontario city.

How true that is, Mr. Speaker. The Hon. Member for Hull went on to say:

Therefore, to dispel any doubt and give Canada a new image or impetus, in line with the novelties we have known over the past few years, including the flag, I think it is a matter of individual self-esteem and national pride to have a capital which reflects the character of all Canadians from coast to coast.

That, Mr. Speaker, is basically what the hon. gentleman is proposing in this legislation, and basically what he has said over the years in trying to accomplish his objective. He is saying to us all that we do not as a whole understand exactly why he has been proposing to amend Section 16 of the Constitution Act, 1867 that the national capital of Canada become designated as the national capital area. It is a fact of life today that Parliament, that the federal Government, has expanded to the Quebec side. The National Capital Region itself includes municipalities on both sides. Why not make it the capital of Canada? He is also saying that there will increased co-operation between municipalities. He is making the accusation that this area is presently, and I will quote him exactly, " . . . the most over-governed and over-taxed region of Canada." He said it is so because of a total lack of co-operation between various levels of government, local and provincial. He makes the point that it is a simple matter, and something for Government to think about, to amend Section 16 of a simple Order in Council. He is not saying that he is trying to get rid of Ottawa.

I commend the hon. gentleman for his persistence and perseverance on behalf of his region and on behalf of his constituents. I believe that, regardless of what happens now, we will see in the not too distant future the Hon. Member's proposition become a reality.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, before embarking upon the comments I have prepared for this debate today, I should just like to make a few comments on the remarks which have just been made by the Hon. Member for Gander-Twillingate (Mr. Baker). He said that Parliament had expanded to the other side of the Ottawa River into Hull. Parliament had expanded? I wonder if he knows what Parliament is, Mr. Speaker. Later on in his remarks, the Hon. Member said that the federal Government had expanded its operations across the river. I believe that is probably what he meant. I hope he did not mean that Parliament has expanded in that way. I would suggest, therefore, that perhaps the Hon.

Member could be permitted to correct his first statement so as not to be on the record as having made a statement he did not intend to make with respect to Parliament expanding across the river, because, to my knowledge, Parliament has not.

I am surprised, Mr. Speaker, that this Bill is now before us, that it was accepted by the Table officers. Presumably it was examined for legality before being presented to the House. I do not feel it would stand the test in the courts, with all due respect. If it became law despite its unconstitutionality—because I am satisfied it is unconstitutional—it would be tested in the courts of the land. I am sure of that. Even the most recent constitutional documents which eventually became the Constitution Act of 1982 provide adequate justification for my comments. I can go back earlier than that to the British North America Act of 1867 where again there is a provision suggesting that this is an unconstitutional document.

It has been brought to us, Mr. Speaker, improperly and I intend to demonstrate that. I will choose the most recent document, which of course is not the law of the land, and look at this particular Bill against the background of the Constitution of 1982, as I must. This is a Bill which has to mesh or be found not to mesh with that particular Act. I draw your attention, Mr. Speaker, to Part V, Section 38(2) of the Constitution Act of 1982 wherein the following is found, and I will paraphrase it in order to make it a readable sentence: An amendment made under subsection 1 that derogates from the proprietary rights, or any other rights or privileges of the legislature, or government of a province, shall require resolution supported by a majority of the Members of each of the Senate and the House of Commons, and, Mr. Speaker, the Legislative Assembly is required under subsection 1.

You will notice that the wording of this particular Bill before us, which was presented by the Hon. Member for Hull, purports to declare that the national capital of Canada, "... shall consist ...". This is a declaration of the House of Commons. Presumably, he would expect it to be declared also by the other place, otherwise it could not become law. But are we legally competent in face of what I have just cited, Mr. Speaker, to make any such declaration? I contend that we are not. We are acting beyond the powers that this particular Parliament of ours possesses under a law which was passed by this Parliament and approved by the legislatures of the provinces. I suggest to you, therefore, Mr. Speaker, that Bill C-206 is faulty, is before us improperly and is merely inviting a ruling by the Supreme Court of Canada to declare it *ultra vires*.

● (1640)

More than that, Mr. Speaker, the following is to be feared. I feel that legislation of this Parliament should be aimed at doing something positive to hold the country together. If one of the provinces were to contest this Bill before the Supreme Court of Canada, should it become law, the only result would be acrimony. Why are we considering a Bill which would produce acrimony in the country? Surely we have had enough of that. Legislation should not do that. I have suggested, as has the Hon. Member for Edmonton West (Mr. Lambert), that this is more than invasion of provincial jurisdiction; it is an invasion of municipal jurisdiction.

The Constitution of 1982 has all sorts of appendices. One of them is what I still call the BNA Act of 1867. It describes the exclusive powers of the provincial legislature. One of them is property and civil rights. We are dealing with property here. This is incorporating the property of two provinces into a single unit. This is offensive to the BNA Act of 1867, Section 92(13). Property and civil rights are dealt with there and, to the best of my knowledge, that has not been withdrawn.

Section 92(8) deals with the exclusive jurisdiction of provincial legislatures. How can this Parliament dare—and I use the word advisedly—to consider legislation which derogates from Section 92(8) of the Constitution of Canada? It is invading a provincial jurisdiction by presuming to say that Ottawa and Hull are part of the national capital under the jurisdiction of this Parliament. That is absolute effrontery. The Member who proposed this Bill should have had the good grace to suggest that it would be expedient, once this Bill had been passed, to request the authority of the provinces to accede to the wishes of Parliament. However, this Bill purports to declare that something shall happen. There is nothing more affirmative than that. There is no concession or recognition that there is any other jurisdiction at all.

To whom would the residents of this capital pay their provincial tax? He had not thought of that, had he? The taxes in the Province of Quebec are a little high and people may not want to pay them in Quebec. Perhaps they could pay their taxes to the federal authority which now declares that this incorporated area is the capital of Canada rather than paying provincial tax. It worries me, Mr. Speaker, that we are considering a Bill beyond the powers of this Parliament to consider.

I would like to refer to Section 43 of the Constitution Act of 1982 which was proclaimed in front of this building. This Bill purports to amend the Constitution of Canada. I was surprised to hear the Member for Gander-Twillingate say there was going to be an Order in Council. This is now an Order in Council; this is a legislative Act being proposed.

Mr. Baker: Mr. Speaker, I rise on a point of order. The hon. gentleman is misquoting. If he had been listening carefully he would have known I was quoting the Hon. Member for Hull.

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I withdraw. The Hon. Member for Hull ought to have known better. There is no Order in Council here at all. This would be a legislative Act if it were accepted in its present form.

Section 43 of the Constitution Act of 1982 reads:

An amendment to the Constitution of Canada in relation to any provision that applies to one or more, but not all, provinces, including

(a) any alteration to boundaries between provinces—

That is virtually what this would do. It would ignore the boundary between the Provinces of Ontario and Quebec. The section goes on to say:

(b) any amendment ... may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions

of the Senate and House of Commons and of the legislative assembly of each province to which the amendment applies.

In his wildest imagination does the Member think the National Assembly of the Province of Quebec is going to cede territory to the federal Government? What does he mean by "the capital"? Is it to be some sort of vague area? We were talking about the jurisdictions of municipalities. Who will levy the municipal taxes in the conglomerate which is being gathered up here?

● (1650)

I know the Member has worked on this for a long time but, with all due respect, I believe he might have thought about it a good deal more clearly and fully in order to realize these implications. For instance, what tax will we pay on the gasoline which we buy, whether in metres or gallons? Would you buy in one place because it is cheaper than in another?

I honestly do not believe that the Hon. Member went into it as well as he should have. Maybe he just dredged it up before the Constitution Act of 1982 had become law and brought it forward in this form.

I am not blaming the Member for drafting the Bill, because I am sure he had legal advice. We all need legal advice when drafting a Bill because very few of us are legislative draftsmen. It worries me that a Bill so badly drafted should have been accepted for presentation to the House in this form. Even if it were to be passed, all it would do is to incite opposition in one province or the other or both and create a situation which this country does not need.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, first let me congratulate the Hon. Member for Hull (Mr. Isabelle) on his preparedness. You have explained why it is that for three Private Members' hours in a row we have been discussing matters concerning the National Capital Region, and particularly the constituency of Hull, that have been brought forward by the Hon. Member from that city. I guess it reflects upon the rest of us when we are not prepared for the eventualities of Private Members' Business under the new rules.

In the few minutes that remain let me address very briefly the constitutional issue which was touched upon by my colleague, the Hon. Member for Edmonton West (Mr. Lambert), and gone into in some detail by my colleague from Esquimalt-Saanich (Mr. Munro). If we look at Section 16 of the Constitution Act, formerly the BNA Act of 1867, we find that the determination of the capital of Canada is stated under this section. It reads:

Until the Queen otherwise directs, the Seat of Government of Canada shall be Ottawa.

I think the Hon. Member for Gander-Twillingate (Mr. Baker) would have been quite right had his remarks referred to the situation 100 years ago when he said that strictly through executive action, through Order in Council, a change could be made. I strongly suspect that it is quite conceivable that in those far off days the capital of Canada would have been changed fairly quickly.

I do not know why Ottawa was chosen. Maybe there were some military considerations, such as the existence of the military canal close by or the fact that Ottawa was a little farther away from the St. Lawrence River and the Great Lakes so it could not be readily attacked by our enemies then, now our friends south of the border. Perhaps it was another great Canadian compromise, having something right on the border between Canada East and Canada West as it existed before Confederation.

I suspect that there was a possibility that the capital might have been moved. It had been moved from Kingston and Montreal, if I remember correctly, in times past. As years went by things have changed. If one looks at the remarks of Mr. Justice Cartwright in 1966, in the *Munro versus National Capital Commission* case, one can see that his interpretation at that time, some 20 years ago, was that the authority, prescribed by Section 16, of the Queen to change the location of the seat of Government of Canada would now be exercisable by Her Majesty in right of Canada, and that while the section contemplates executive action, as cited by the Member for Gander-Twillingate, the change could doubtless be made by an Act of Parliament in which Her Majesty acts with the advice and consent of the Senate and the House of Commons of Canada. At that time it was suspected by the Supreme Court that the change could not be made by executive action alone but that it would require an Act of Parliament to make the change.

Since that time we have had the Constitution Act of 1982. I think that constitutional traditions and constitutional conventions have developed in the intervening period to the point where right now we would be satisfied with the arguments made by the Hon. Member for Esquimalt-Saanich that to change the capital would indeed be a constitutional change requiring the consent of the provinces.

To get away from the technical constitutional arguments, let us take a wider view. The Bill we have before us addresses itself to the question of the location of the capital of Canada. If we have that in mind, why can we not at the same time consider other possibilities than the present location? One hundred or more years ago, this was the centre of the population of Canada, the centre of the wealth of Canada. There was very little to the West at that time.

Things have changed in 100 years. The West is built up. Before there was only Prince Rupert Land. Now there are cities like Vancouver, Edmonton and Calgary. This is where the rapid growth in population has been. This is where the new wealth of Canada has been created over the years. Why can we not now look at the possibility of changing location to a place that is approximately at the geographical centre of Canada? I am not suggesting that we necessarily go to Gimli, Manitoba, but we might at least look at the possibility of moving to Winnipeg. It would be a lot easier for western Members of Parliament to go to Winnipeg than it would be to take a plane to Toronto, then change planes in Toronto and

come to Ottawa. As years go by and the make-up of the House of Commons changes, as it should do, that argument will become more and more relevant.

Another series of problems that we have with Ottawa as the capital of Canada is that this is very much a company town. The one industry here is Government. This gives rise to all manner of problems. There is no cross-fertilization of ideas between people who are principally involved in government and people who are principally involved in business or some other endeavour. For that reason I think sometimes the decisions made in Ottawa, in the comfortable ivory towers in the capital city, do not reflect the thinking of Canadians who live elsewhere in this country. It is not right when there is an isolation of the people who do the governing from those who are governed. I think there is a lack of knowledge on the part of many people in Ottawa, especially those who work in the Government Departments here, pertaining to the real life of Canada and Canadians.

If we were to buy this argument, then we might want to move the capital of Canada to a place like Toronto.

Mr. Gauthier: Never.

Mr. Nickerson: Or Montreal.

Mr. Gauthier: Never.

Mr. Nickerson: An even worse suggestion.

The Acting Speaker (Mr. Guilbault): Order. The hour provided for the consideration of Private Members' Business has now expired. It being five o'clock p.m., pursuant to Standing Order 3, this House stands adjourned until Monday, March 5, 1984, at eleven o'clock a.m.

At 5 p.m. the House adjourned, without question put, pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Monday, March 5, 1984

The House met at 11 a.m.

• (1105)

[*English*]

THE LATE JOHN KUSHNER

TRIBUTES TO FORMER MEMBER

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, it is with sadness that I rise today to pay tribute to John Kushner, a Member of this House whose career has been dedicated to public service and who in many ways exemplified those qualities most desirable in a public servant. His entire life was one of devotion to family, to community and to this country.

His was a remarkable career of involvement in Calgary; in the community as a school trustee; as an alderman; on behalf of the labour movement as president of his union; and as a director of hospitals. However, the most important thing in my judgment is that John Kushner was a man of modesty and accomplishment. He accomplished things that really mattered on behalf of people, ordinary Canadians, and this gave him his greatest joy.

He was deeply proud of his heritage. I remember last December his speech at Maple Leaf Gardens to the World Congress of Free Ukrainians, a body which was a great source of pride to him. He spoke from the heart when he mentioned his immigrant roots and he spoke to the soul of Canada when he talked of the need for tolerance in this society, coupled with a strong and ringing defence of liberty, a quality that most immigrant groups bring to this great country. This was his overwhelming belief, along with the need to couple tolerance in Canada with a strong understanding of what we have achieved here. But most of all he believed that freedom must always prevail in Canada.

He was direct, encouraging and warm. He had both a sense of history and a sense of humour. To me he provided thoughtful counsel and loyal support. To my Party he provided dedication and deep commitment to his principles and to its unity. To Canada he provided an abiding love and a real sense of gratitude for the citizenship which he held in this country.

Mr. Kushner's involvement in our Party, both at the provincial and federal levels, goes back to the 1970s when he was elected to the Alberta legislature, and thereafter when he was elected to this House where he provided able and distinguished service.

In that very special way, as it is for most of us, John Kushner's greatest pride was his family. His greatest love was his wife and his children. John Kushner made a real difference in his community, in this Party, and certainly in this House of Commons. This country is, in my judgment, a better place because of him.

With your permission, Mr. Speaker, on behalf of my colleagues and my Party, and I am sure on behalf of all Members in this House, I want to convey to Olga and her family our deepest condolences.

Some Hon. Members: Hear, hear.

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, we were all shocked to learn of the sudden passing of John Kushner. Only a few weeks ago he seemed to be his usual robust self.

Mr. Kushner was a shining example of how Canada has been strengthened by contributions from people who came here from many lands. Born in Poland, he completed his education in the United States. He devoted himself to public service, both in education and in politics. He served his community for four years in the Legislative Assembly of Alberta and for almost five years in this House.

Mr. Kushner will be especially missed by many members of the staff of the House, the little people like the messengers and maintenance staff who always found his door open when they needed advice or encouragement.

I especially want, on behalf of this Party, to extend sincere sympathy to the late Mr. Kushner's widow and her sons.

Some Hon. Members: Hear, hear.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I was personally shocked and depressed to hear of the passing of John Kushner. We have lost a good man. John Kushner was a people's politician. He served his people very well at the municipal level, at the provincial level and at the federal level. But to me John Kushner was even more; he was a friend. He was somebody in whom I could confide. He was somebody who offered me sympathy in some of my darkest moments.

• (1110)

We worked together for four years at the provincial level. John was very conscious of his ethnic background, a background similar to mine, and we tried hard provincially to do something on a multicultural level. I know his heart was in multiculturalism in this House because he recognized, as I have, that Canada was more than just the English and the French factions; it involved people from all over Europe, from all over the world, who came here to find a home.

I say bless him. I hope he has found peace. I offer my deepest sympathy to his wife and family. His family will be carrying on the political tradition, I expect, as his son, Stan,

was in the Alberta legislature. I am sure I speak on behalf of all Hon. Members of the House when I say bless John Kushner; we hope he has found peace.

Some Hon. Members: Hear, hear.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, on behalf of the New Democratic Party I should like to express our sadness at the passing of John Kushner. Indeed, as the Hon. Leader of the Opposition (Mr. Mulroney) said, he was a man of modesty and accomplishment. That is unique. He served his people well, serving, as I understand it, as a trustee, as an alderman in Calgary, in the legislature and here in Parliament since 1979. In other words, he served in all levels of government in Canada—municipal, provincial and federal. That is a real accomplishment.

He was active beyond politics and was very active in the multicultural area. He was deputy critic of multiculturalism for the Conservative Party at the time of his passing. He was of Polish background and very proud of it.

Further, I should like to make two personal observations. John Kushner used to sit near me and we had a little pact among our group. Many people see us arguing in Parliament, but when we leave this House sometimes, in fact most times, we talk to each other as friends. That is a good point about the Canadian Parliament, in my view. We also had a little shared pact. It is very hard to be a back-bencher and to have heckling when one first rises in the House of Commons to put questions. John was part of our little pact. We agreed that we would not heckle each other when we rose. That only applied around this part of the House. In fact, we encouraged each other when we asked a particularly good question and when we struggled with a bad question.

Personally, I will miss John. On behalf of the NDP, I should like to extend our sympathy to his wife and his two sons. To John, *ave atque vale*, hail and farewell. We will all miss you here, John.

Some Hon. Members: Hear, hear.

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I would be remiss if I did not say something about John. John and I go back to when he was the locksmith for the Calgary school board in the very early sixties. He and I have been brushing shoulders now for 25 years. I agree with every word that has been said, but nothing has been said about John and his spirit. This was a happy man. This was a man I never saw truly depressed, a man who oft times caused a smile, oft times gave one a lift just by being in his presence.

In terms of his service, it was to the people of his community. He was, I firmly believe, one of the best constituency men the House of Commons will ever see. John Kushner did not attend just some events in his riding; he attended every event and, more than that, he cared greatly for his people, the people of the area he represented. Whether it was on the school board, as an alderman, as a provincial MLA or here in the House of Commons, his was a life of service to the community.

• (1115)

He will be sorely missed in that area of Calgary. I will sorely miss him as well, miss him in the sense that another bit of laughter is gone, another bit of fun. He was a man you could truly admire because of his skills, feelings and the work that he did. I just want Olga, Jack and Stan to know that I grieve with them.

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Thursday, February 23, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Hon. André Ouellet (Minister of Labour): Mr. Speaker, first of all, I wish to congratulate my eminent colleague, the Minister of Finance (Mr. Lalonde), on his excellent Budget, which was entirely in line with the initiatives announced in the Speech from the Throne. Mr. Speaker, the Budget is part and parcel of the Government's plan to build a strong and growing economy, and, as Minister of Labour, I may add I am particularly happy to see the emphasis placed by the Minister of Finance on creating lasting jobs for all Canadians who want to work. Since I took up my new duties, Mr. Speaker, I have constantly stressed the need for treating Canadian workers as full and equal partners with employers and the Government, and I believe that in our efforts to provide for economic recovery, it is absolutely essential that workers as well as employers should benefit.

I am therefore particularly pleased to see that the Minister of Finance intends to promote economic growth by fully co-operating with workers and business. He has stated publicly that he is determined to promote increased co-operation and economic well-being, using the most powerful mechanisms available to us under our tax policy.

To stimulate the economy, the Minister has decided to act through the private sector which, and we agree, considers itself to be the main creator of jobs. The Government will help, where the need arises, by lightening the burden of administration where feasible, and by leading directly where necessary.

We feel that the best stimulus for economic progress will come from the increased confidence of Canadians, whether they are workers, consumers, savers or investors.

The creative energy and entrepreneurship that flow from this confidence will shape our future.

Mr. Speaker, I wish to stress the importance of consultation with and full participation of workers in the economic recovery process. Although job creation will be a major factor in restoring the worker confidence, it will be useless if the old attitudes and confrontation tactics do not change.

If, as employers and workers, we try to take more out of the economy than we put in, our country's return to prosperity will be threatened and the economy will again be subject to inflationary pressures. Consequently, as Minister of Labour, I am pleased to see that we are phasing out the 6 and 5 program. The program has done the job it was intended to do. It has brought our inflation rate down from 12 per cent to 5 per cent, an accomplishment that has opened the way for new productive investments. However, the 6 and 5 program has not always been smooth sailing, especially for Canadian workers. I feel that new controls would only cause serious disruption in our economy. Once the 6 and 5 program is phased out, we shall, I hope, be able to turn over a new leaf and improve relations between workers and business.

● (1120)

Once the 6 and 5 program is terminated, collective bargaining in the private sector will not necessarily be tough, but it will be a serious matter. However, I am confident that all those who take part in the collective bargaining process will act responsibly, bearing in mind the responsibility they share for the Canadian economy and the general well-being of all Canadians, and refrain from any unreasonable disruption of labour-management relations through sterile and frivolous disputes.

Our present economic recovery must be kept growing. We cannot make excessive demands on this recovery, either collectively or individually, without endangering the economy in the long run. A sustained and strong recovery is our only chance of achieving the legitimate economic goals we all share, that is, job security, maintaining and enhancing our purchasing power, and constantly strengthening our competitive position, both on national and international markets. We have resolutely crossed the threshold toward a period of rapid development in technology and industrial relations. Refusing to take advantage of what modern technology has to offer would have disastrous consequences for the Canadian economy. One of the tangible contributions being made by the Government of Canada towards bringing labour and management closer together is the Employment Profit-Participation Plan, proposed by my colleague, the Minister of Finance (Mr. Lalonde), in his Budget Speech.

This plan is designed to bring workers and employers closer together, but it is certainly not intended to complement or replace the collective bargaining process. This plan should on no account be considered a substitute for collective bargaining. In fact, the Profit Participation Plan being proposed would provide a tax credit of 10 per cent of the profits shared under the plan, with 60 per cent of the tax credit going to employees and 40 per cent to the employer. I know the initial reaction of the unions to this announcement was mixed, which is not surprising, since the unions have always seen such plans as a plot to draw employees closer to management and, occasionally, to keep unions out.

I therefore want to make it quite clear that this is certainly not the Government's intention, and, although I may be repeating myself, what the Government supports is establishing an equal partnership and respect between workers and business. Details of how the plan will work were not given in the Budget Speech, since we intend to work these out with labour and management. In keeping with this concept, the Government intends to continue its consultations with business leaders and unions, in order to discuss the Profit Participation Plan in greater detail. We are particularly anxious to seek their views on the format and implementation of such a plan. To that end, I intend to consult in the coming weeks with leaders of Canada's major labour and business associations. I trust we shall be able to establish a plan that will be beneficial to all.

Mr. Speaker, I shall, if I may, repeat what was said in the Budget Speech, and I quote: "The Employee Profit-Participation Plan is designed to complement the collective bargaining process, not replace it. Experience has shown that to succeed, profit sharing cannot be a substitute for competitive wages". There is certainly no mention of forcing the profit sharing plan on workers. Another quote from the Budget Speech: "Any company wishing to establish a plan must form a labour-management committee. The details of the plan will have to be agreed on by both workers and management."

● (1125)

Pension reform is another Budget item that should be of particular interest to Canadian workers. The benefits deriving from a new partnership relation between workers and business must be shared equitably. We must therefore ensure that retired workers are able to live in comfort and dignity. For a long time, labour groups have been criticizing the deficiencies of the existing provisions of the Pension Plan. The proposals contained in the Budget will make our Old Age Security plan—and I have no hesitation in saying this—one of the best in the industrialized world. To start with, legislation will be introduced by my colleague, the Minister of National Health and Welfare (Mrs. Bégin) to increase the maximum payment under the Guaranteed Income Supplement by $50 a month. This raises the guaranteed income for elderly single individuals, that is, those who need help most in Canada today, to more than 60 per cent of the amount paid to couples, as recommended by many business, labour and women's groups.

Other provisions will provide protection against inflation for future pensions and will assist mobility by ensuring that employees acquire rights to their pension benefits after two

years' service instead of ten. Individuals would also be allowed to take their benefits with them if they move to another job, a frequent occurrence during initial years of service among many Canadian workers. Further proposals will broaden pension coverage for full-time and part-time workers. There are provisions providing survivor benefits and ensuring equal treatment of Canadian working men and women. In addition, the Budget proposes to broaden considerably the Canada Pension Plan. We therefore have a whole series of pension-related measures that ought to help Canadian workers.

Mr. Speaker, the Government intends to take further steps to improve the dialogue between workers, business and government, and I am referring to a proposal originated by my own Department of Labour. I am therefore pleased to be able to confirm today that Cabinet has approved the establishment of a government-union employee interchange program. The program embodies a concept first described in the Throne Speech. It will foster the exchange of personnel between labour organizations and federal Government departments for periods of up to two years. I believe that this program will improve understanding and communications between unions and the Canadian Government.

The experience and know-how of the labour movement can be extremely useful in the preparation of Government policy. On the other hand, civil servants will be able to explain to the unions how the Government's decision-making process works and how they can best put their case to the Government. Until now, there have been no meaningful employee exchanges between the Public Service of Canada and the Labour movement under the current program. However, I think that with time we can hope to have an admittedly limited but none the less efficient group of public servants and union representatives with the wide knowledge and experience which one can acquire only by working for a while in the other's field of work.

This project will cost $1.9 million over a three-year period, mostly to offset the cost of salaries paid to detached employees. The program will be operational on a limited basis with only five person-years in the first year, fifteen person-years in the second year and twenty person-years in the third year.

The other administrative provisions will be nearly identical to those of the Public Service Commission Interchange Canada Program. Each exchange will flow from an agreement between the originating organization—the host organization—and, of course, the worker who is directly concerned. As in the case of the Canadian Labour Market and Productivity Centre whose establishment I was pleased to announce recently, this new initiative of the Government of Canada shows to what extent we are committed to improving our relations with the labour movement.

In short, Mr. Speaker, as Minister of Labour I fully endorse the remarks of the Minister of Finance that we cannot be satisfied with past performance and past habits if Canadians are to meet the challenge of the future. Nor can we hope to work together towards a more promising future at the expense of another segment of the population. That is why the Government has made a series of proposals to meet the needs of workers and pave the way for more harmonious labour relations in Canada. Mr. Speaker, I think we can say that Canadian workers, wherever they are, can look to this Budget as a guarantee of better and more numerous job opportunities, improved pension plans and more input in decisions which affect their life at work. In addition, the Government's labour program concerning employee detachment will surely have a strong impact on relations between unions and the Government. As for me, I shall continue to be attentive and responsive to the concerns and legitimate needs of labour. In fact, I plan to emphasize consultations with the unions so that they may have a voice in discussions on a national level. I am convinced that some type of social contract must of necessity be entered into with the unions which contract necessarily implies a spirit of co-operation if we want to have a sustained and equitable recovery. Mr. Speaker, working together can be really effective if each and everyone is willing to do his share. The Government believes in this principle and it was in this spirit that the Minister of Finance prepared his budget which I support enthusiastically.

The Acting Speaker (Mr. Herbert): There will now be a 10-minute period for questions, answers and comments.

• (1130)

[*English*]

Mr. Jarvis: Mr. Speaker, I have two questions in two areas with which the Minister dealt. The first question is with respect to the Employee Profit Participation Plan. The Minister indicated that at an early date he would be having consultation with business and union leaders in order to bring in the best and most workable plan. I wonder if the Minister would be good enough to identify what business and union associations he would be consulting with. Could he identify them by name today? If not, I understand that he might want to give me that information at a later date.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I have already had discussions with the representatives of the Canada Labour Congress and we have agreed to meet with officers of the CLC later in March. I have also been in touch with the Chairman of the Canadian Federation of Labour who told me that he would approve of a meeting with his senior assistants before the end of March.

I would also like to consult with other Canadian labour organizations. I have not yet had any conversation or exchanged any correspondence with other national unions, but I plan on doing so within the next few days.

However, I have had a brief discussion with a representative of the Canadian Manufacturers' Association and we hope to be able to sit down with this association later this month to discuss the program more fully. I know that my colleague, the Minister of Finance (Mr. Lalonde), is himself planning to meet with certain management associations and national organizations to discuss the details of this new program.

[*English*]

Mr. Jarvis: Mr. Speaker, I would hope that consultation might take place with associations representing small business, because it seems to me that if this plan is to become successful, one of the targets for the plan would likely be in the small business sector as compared to larger manufacturers and processors.

My principal concern with the Budget dealt with the section in which the Minister dealt with containing inflation. He talked about the potential for strikes in the Public Service and indicated that his Government would be willing to ask Parliament to legislate wage settlements in the face of lengthy strikes. That causes me some concern, and I believe it would likely cause the Minister some concern. He has not direct responsibility but certainly he should be concerned in this area.

We are the least able institution, in my view, to write a collective agreement. That should be the responsibility of union and employer. I am very concerned to see in the Budget that one particular sentence, particularly the words "to legislate a wage settlement", because as the Minister of Labour (Mr. Ouellet) well knows, in Parliament we could end a strike without rewriting a collective agreement.

It seems to me his colleague, the Minister of Finance (Mr. Lalonde), has not looked at that option, and I hate to do it at the best of times, although I know it is essential from time to time. He seems to indicate in his Budget that he would prefer the House to rewrite the collective agreement as compared to going only the half step of ending a labour dispute in order that the parties, under whatever vehicle we may choose to give them, could continue to discharge their responsibility, which is to write the new collective agreement. I would appreciate the Minister's comments on that.

[*Translation*]

Mr. Ouellet: Mr. Speaker, with regard to the Hon. Member's first suggestion to the effect that we should consult with the small business associations, I can assure him that this shall indeed be considered and that such consultations certainly will take place. I think that this is a great idea and that the Minister of Finance (Mr. Lalonde) was also thinking about this when he referred to consultations.

On the other hand, concerning the Hon. Member's comments about the possibility that the Canadian Parliament might legislate a collective agreement, I hope that what the Minister of Finance (Mr. Lalonde) said about this in his budget was hypothetical, and that, in the future, collective bargaining within the Public Service can lead to an agreement signed at the bargaining table by both parties and that what the Minister of Finance was saying will not happen.

• (1140)

[*English*]

Mr. Murphy: Mr. Speaker, my question deals with some of the statements the Minister made. In discussing the Budget, he referred to the Government's six and five program, a program introduced without any consultation with labour groups. That was admitted by the Minister responsible. It seems that when the Government wants to do something which adversely affects labour, such as the six and five program which prevented unions from negotiating protection for part-time workers or negotiating packages to help people at the lower end of the economic scale, the Government acts quickly. The Budget introducing the six and five program was introduced in the House on June 28, I believe, and the legislation was ready as soon as the Budget debate was finished. However, when it comes to proposals which will enhance labour, it is never a program but always a study. It is always something down the road, not something the Government is ready to act upon. Under those circumstances, can you blame organized labour for being skeptical?

While the Minister is at it, perhaps he could explain why it takes so long for the Government to introduce legislation which will change Part IV of the Canada Labour Code to protect workers' safety, indeed their lives, in the workplace?

[*Translation*]

Mr. Ouellet: Mr. Speaker, I can assure the Hon. Member that the government will not be dragging its feet as far as setting up a profit-sharing scheme is concerned. I suggest it would have been improper to announce forthwith such a scheme without first involving both employers and employees in the preparation and development of this profit-sharing scheme. The Hon. Member will certainly agree, therefore, that it was worth seeking the involvement of the interested parties as well as their co-operation in devising methods and mechanisms to operate this scheme. I can assure him that we will make haste and implement this program as soon as our consultations with employers and employees are completed.

As to his remarks concerning amendments to Part IV of the Canada Labour Code, I can assure the Hon. Member that the government has every intention of introducing the relevant bill at the first opportunity in March.

Mr. Lambert: Getting back to the issue raised by my colleague the Hon. Member for Perth (Mr. Jarvis), Mr. Speaker, I should like to ask the minister whether, judging from the few remarks which we have heard so far, the program which the government has announced does not seem to differ much from the programs which have been in existence for a great many years on a voluntary basis. Now, has the government chosen to implement this program to demonstrate its gratitude to his colleague the Hon. Member who has since

been appointed Minister of State and who was heading a sub-commission to deal with this issue? Yet, I think I can say that these programs always meet with difficulties and suffer through lack of interest, for employees, foreign to the very notion of profit, are anxious to sell off their shares for cash. Cash is all that matters to labourers and employees, whether unionized or not. Could the minister indicate to us how the government plans to remedy these shortcomings which have plagued these plans for generations?

The Acting Speaker (Mr. Herbert): The answer by the Minister of Labour should be very short.

Mr. Ouellet: Mr. Speaker, I would like to state that the Government intends to provide both labour and management with another means of coming together. In this country, we have gone through a period of acute confrontation in labour relations. We are aware that during those years of high prosperity, we could live with that kind of environment in labour relations, where each party would aggressively fight for the biggest possible share of the pie. But now that we are going through hard times, there is certainly no collective bargaining possible any more when confrontation is the rule and each side is trying to get the better part of the bargain. Therefore, we must find new ways conductive to agreement, co-operation, understanding and collaboration. And this employee profit participation plan, which the Government has suggested to labour and management, is one method among others to help improve the labour relations environment in Canada.

As far as details are concerned, we will ask labour and management to help us work them out so that the plan is acceptable and beneficial to all parties.

[*English*]

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I want to begin my remarks this morning by quoting the first lines of the Budget Speech delivered in this House on February 15. The Minister of Finance (Mr. Lalonde) said:

> My Budget today is dedicated to building a strong and growing economy—an economy that will generate lasting, meaningful jobs for all Canadians who want to work, an economy that will provide the economic opportunity and security all Canadians seek.
>
> My Budget puts into action the program for growth, opportunity, security and partnership outlined in the Speech from the Throne.

No one in this House, Mr. Speaker, and no one across this country, can argue with those objectives. However, I think it is fair to say, as speaker after speaker on this side particularly have said, that this Budget is simply not going to set the direction for the achievement of those objectives outlined. It is very interesting to note that the Speech went on at great length about reliance on the private sector as being the main engine for economic growth.

There was something in the order of 100 promises in the Speech from the Throne which we know will never be fulfilled by this Government. What is really interesting is that there are roughly 26 commitments to set up new task forces, boards and agencies which essentially postpone any decision-making or any action in terms of dealing with the problems within various regions of the country. One can see that there is quite a collection of these boards. There is a task force on information technology, a task force on private trading houses, a task force on textiles and clothing, a task force on shipbuilding and a deep sea fleet. There is a task force on the service sector and a task force on co-operatives. There is a commission of inquiry into eastern Canadian potatoes and an Asia Pacific foundation. An office is being set up for industrial innovation. There is a new industrial and regional development board. Then there is a parliamentary task force on charities, consultations on the Canada-Japan auto pact, consultations on domestic air fares and consultations on acid rain. I could go on and on, Mr. Speaker. That is certainly not leadership; it is simply a postponement and quite frankly a cop-out.

● (1150)

This Budget, I think it is fair to say, as my colleagues have pointed out, fails to address four basic essentials to economic recovery. As a result of the failure to address those basic economic essentials, I suggest that Canadians will be committed to a dubious, bleak and diminishing economic future.

Let me back that up with some examples. First is the issue of interest rates. Interest rates have continued to soar since the presentation of the Budget. As a matter of fact, I look at *The Edmonton Journal* of Friday, March 2 in which the headline reads "Rising Bank Rate is a Blow to Recovery". It goes on to state:

> If Canadian policymakers maintain current fiscal policies, "the economy is just going to grind to a halt," warned Aron Gampel, economist with the Toronto investment firm Pitfield Mackay Ross Ltd.

He goes on to say:

> The slowdown in economic growth caused by Ottawa's high interest rate policy is alarming, Gampel said.
>
> He described recent GNP figures as a "disaster". Take away exports and the build-up of inventories, and growth actually declined in the final quarter of last year, he said.

We have a situation in which the Minister of Finance quite correctly pointed out at page 2 of the Budget Speech that inflation was brought down to 4.5 per cent at the end of last year, yet we have an interest rate which is up to 10.07 per cent. The spread is simply too great. At the end of 1982 there was a spread of roughly 3.2 per cent between inflation and the bank rate. Today it is approximately 6 per cent and that is simply too high. This problem has not been addressed.

There is nothing in the Budget that will encourage or motivate increased consumer demand. In fact, what is provided in the Budget but does not really address the issue since it is part and parcel of the leftovers from the previous Budget are some very huge, hidden tax increases which take effect in this fiscal year. We can see that approximately six of these tax measures will result in a tremendous amount of money being taken out of the Canadian economy.

For example, over the three-year period from 1984 to 1987, the special recovery tax will take out $2 billion from the Canadian economy. The changes to the federal tax reduction

over the three-year period will result in $4 billion of tax revenue taken out of the economy. The elimination of the standard $100 deduction over a three-year period will result in some $400 million being extracted. The deindexation of the child tax credit income threshold over the three-year period will amount to $700 million. The deindexation of child exemption will result in the removal of $250 million. Making the Canadian Ownership Special Charge permanent will amount to roughly $3 billion over the next three years. This represents an extraction of some $9 billion in order to pay for the Government's make-work programs, the puffery and fluffery and porkbarrelling such as we have seen in the House in the course of the last few weeks. There is nothing in the Budget to increase consumer demand.

Third, there is nothing in the Budget that will stimulate investment in this country by creating a more positive and conducive climate toward investment, both domestic and foreign. As a matter of fact, I think we all recognize that there are some structural problems within our economy. There are some industrial structural problems that will require huge investments of capital. There must be more investment in research and development and an increased percentage of productivity which will require huge expenditures of investment capital. That investment capital will not be realized unless a climate of confidence is created in this country.

It is interesting to note that in the *Daily Commercial News* dated November 8, a New York analyst says that foreign investors await a new government, not a new Liberal government but a brand-new government. The article indicates:

> Foreign investors are waiting for a change in government in Ottawa before returning to Canada in a big way, a New York investment analyst said last week.

He went on to say:

> If Brian Mulroney's Progressive Conservatives take power, 'I think you will see an immediate change in investor attitude,' said Reinhardt.

An Hon. Member: Pick what you want from the newspapers.

Mr. Mazankowski: Some newspapers speak the truth, Mr. Speaker. My hon. friend across the way does not like some of these quotations but the facts must speak for themselves.

That is an attitude which prevails in this country. The fact is that there has been a net outflow of investment capital of roughly $16.7 billion during the last four years, both domestic and foreign. That money should be spent here in Canada to generate jobs, improve our competitive ability and eliminate the structural deficiencies. There is nothing in the Budget which provides any assurance that that can happen.

That fact relates very closely to the fourth point that is not addressed in the Budget. It is mentioned but it is not dealt with in a comprehensive way. It concerns measures to improve competitiveness and productivity. I submit that that is closely tied to the ability to encourage investors, domestic and foreign, to invest in this country.

I suggest there is very little in the Budget for the 1.5 million or probably two million people who are unemployed and have been standing on the sidelines for far too long. In fact, there are 193,000 fewer people employed today than at the start of the recession, in spite of all the Government's make-work programs. There are close to two million people in this country who have been standing on the sidelines and not participating. As a result they are losing any confidence in the system and there is no hope, optimism or promise.

It is more than simply an economic problem. It is a very major social problem, shameful social problem that has not been addressed by this Budget. What promise does the Budget provide? My colleague from St. John's West (Mr. Crosbie) put these figures before the House and I think they should be repeated. The projection is for 1.4 million people unemployed this year, 1.3 million unemployed in 1985, 1.2 million unemployed in 1986 and 1.1 million unemployed in 1987. That certainly does not provide much faith, hope and confidence or do very much to raise the level of pride and dignity of these people who have been unemployed and standing on the sidelines. Those figures are simply not sufficient and one must really question their accuracy. While there was to be a deficit of approximately $11.8 billion in this fiscal year, there is a deficit of $31.5 billion. The Government is out by $20 billion. It is just a small mistake. It shows that we cannot rely upon the projections that are made in this Budget.

What hope does the Budget give to the thousands upon thousands of small businesses that have gone bankrupt over the last four years or to the farmers and fishermen? In 1983, 488 farmers went bankrupt, which is a 400 per cent increase from the year 1979. What hope is there for those people in this budget? Even that does not tell the true story because there is probably another 10 per cent who have voluntarily liquidated or gone out of business. There is nothing in the Budget to inspire confidence, hope and promise for farmers and fishermen.

More than 100,000 Canadians have individually declared bankruptcy since the Government was returned to office four years ago. What hope is there for these poor individuals who have lost their homes, their business, their jobs and all the material goods they have owned? This is a human tragedy. These are not simply human statistics; it is a tragedy.

• (1200)

The Speech from the Throne is really a litany of things that should be done but will not be done. It is an acknowledgment of the fact that this government has been a failure over the last four years. As I said and I repeat, there is nothing in this Budget to restore hope, promise and confidence, or to restore the pride and dignity of the people who have been standing on the sidelines for far too long in this land of ours.

The only positive development that has occurred during that last little while is the announcement of the Prime Minister (Mr. Trudeau) to resign. In my part of the country this day would be referred to as "day five" of recovery because most Canadians in my part of the country are relieved that the Prime Minister has decided to pack it in. Let me read some of the headlines from the western papers. The first one reads: "Happy PET packs it in". The headline in *The Edmonton Sun*

reads, "Bye Bye. End of Trudeau era is greeted with relief". That has inspired some confidence, about the only confidence that has emanated from this Government in the last little while.

Canadians are rejoicing today because they see a new era on the horizon. The landscape has changed somewhat. I think that is all for the good. I should say, however, Mr. Speaker, that one cannot blame the current Prime Minister for all of the difficulties, particularly the derision, contempt and disregard he has held for western Canada. The Prime Minister did not do it alone. We know what the current Minister of Finance and former Minister of Energy did for western Canada when he brought in the odious and pernicious National Energy Program which wiped out hundreds of thousands of jobs and small businesses.

We remember the former finance minister, Mr. Donald Macdonald, when he was Energy Minister and the attacks that he levelled at western Canada. We also know it was Mr. Turner, who is now aspiring to be the new leader, who really set us on this road to huge deficit financing. It is interesting to note that all Liberal Party members across the country are now rallying around Mr. Turner. It is strange to see them rallying around a quitter, but that is the way it is. Say anything, do anything to get into power; that is the most important thing.

The Minister of Energy, Mines and Resources (Mr. Chrétien) came to Edmonton last week and lectured Liberals there. As reported in *The Edmonton Journal*, he said:

—Alberta should welcome the collapse of the boom because the megaprojects were "too big, too difficult to manage, too difficult to finance and too risky".

Implicit in the Minister's statement is the fact that he is suggesting Albertans should be grateful for our 14 per cent unemployment rate, a crashing real estate market, and that we should be grateful for the bankruptcies, the foreclosures and the shattered dreams which have stripped away billions of dollars of revenue. This revenue has been transferred from the west into other areas, particularly into pork barrelling programs. Liberals who attended that meeting cheered him. They should have hissed him out of the room. That NEP constituted the downfall of the only engine of economic growth and development existing in the country at that time.

We must make sure that the current Prime Minister does not take all the blame for the failures of this Government over the last 15 years because Liberals were all by his side cheering him along. Let us take a look at the trial and error policies the Liberals have imposed upon us. It has been a policy of "impose and then back off". What about FIRA? It was heralded as great to have, but when it was obvious that FIRA was destroying investor confidence in this country in undermining the integrity of our economy, the Liberals backed off. What about the National Energy Program? Every time this Minister of Energy announces a change, he is heralded as doing a great thing for the energy sector. But the Liberals destroyed the energy sector in the first place.

The Liberals have a policy of destroy and then restore. The Liberals are doing the same thing with VIA. Look at their defence policy. Look at what they have done to NATO. The Liberals have cut back on NATO expenditures by 50 per cent. Now there is great interest to restore the commitment to NATO. What about the reduction in the defence budget? We did not see anybody in the Liberal Party coming to the defence of the three prairie provinces, which were going to be relegated to second-class status under the original amending formula that was advanced. There is no question that there is more to the Liberal Party than simply the Prime Minister of the day. There have been Ministers, like the former Minister of Multiculturalism, who have suggested there is an attitudinal problem with the Liberal government of manipulation and ballyhoo, and to mention the activists who have said that the Party is governed by non-accountable, non-legitimate, non-elected members of the Party for manipulative electoral shams, and that the polls, propaganda and patronage are orchestrated by a small elite.

That is why we are in trouble today, that is why there is mistrust, and that is why this Government has no credibility. It really does not matter whether you change leaders or not. The problem is so entrenched and the attitudinal problem is so immersed within the Liberal Party that the only thing that can turn the country around is an election and a brand-new government. Canada needs a new government that will create jobs as its number one priority, that will build upon our natural strengths, that will restore the dynamic prospects of the agriculture, the fisheries, the mining, and the energy sector. We need a government that will turn those natural advantages into economic advantages. Until we have a government that is committed to doing that, we will stagnate and falter.

Mr. Ferguson: Mr. Speaker, I was intrigued by the comments of the Hon. Member for Vegreville (Mr. Mazankowski) and his reference to what is happening south of the border. Is the Hon. Member suggesting that we in Canada should go along with policies that leave over 40 per cent of our people living below the poverty line, as is the situation in the United States? Is the Hon. Member suggesting that we should not lower the number of those who are living below the poverty line? We have been trying to assist those people through this Budget.

Is the Hon. Member suggesting we should destroy our social safety net that we have for these people? We want to try to lower the number of people living below the poverty line so that fewer are caught in the transition taking place in the economy. The Hon. Member for Vegreville does not mention that expenditures in relation to GNP are 33 per cent lower than in 1979. I believe it is 9.2 per cent this year compared to 13.9 per cent for 1979.

The Hon. Member makes remarks about the "odious" National Energy Program being responsible for the slow-down. What does the Hon. Member propose we should do with natural gas in the west, where approximately 11,000 wells in Alberta are shut in due to lack of markets? The Canadian government removed the natural gas and gas liquids tax as of February 1, 1984. What has the Alberta Government done in

this regard? Has it lowered its royalties on gas to make it more marketable?

Finally, what has happened with the Ontario Energy Board? Has it approved a lower industrial rate to get this gas moving and to create cash flow for companies? If the National Energy Program is so odious, why in 1983 were over 4,000 oil wells—I am not talking about gas wells—drilled and completed in Canada? That is the highest number ever on record. The previous best year was 1980 when there were 2,600 wells drilled. Can he explain that?

• (1210)

Mr. Mazankowski: Mr. Speaker, the Hon. Member has given me an opportunity to make another speech.

Mr. Axworthy: I hope it is better than the first one.

Mr. Mazankowski: I regret I did not get into transportation issues in my speech. I had fully intended to, but I noticed that the Minister removed himself from the Chamber during the time I was speaking.

I did not set out to compare Canada with the United States. However, the Hon. Member gives me that opportunity. There is certainly much more buoyancy, optimism and confidence in the United States than there is in this country with respect to employment prospects. The fact of the matter is that the United States has turned its economy around. Once again it is becoming a very dynamic and vigorous economy. The U.S. does not find itself in the same situation. Its unemployment rate is roughly around 8 per cent and its inflation rate is down. From the standpoint of providing the kind of stability required for future economic growth, the Americans have certainly carved out a pretty good path on the road to recovery. I sense that the policy of this Government is primarily to rely upon the anticipated recovery in the United States. That certainly does not represent economic leadership.

With respect to the deficit, if we compared the size of the two economies and they were on a comparable basis, we should be looking at a deficit in the vicinity of $18 billion rather than $31 billion with some prospect of it levelling off. We cannot believe those figures because they have been inaccurate over the last few years.

I am surprised the Hon. Member defends blindly the National Energy Program. He has been very closely involved in the agricultural community. He knows what it means to small family businesses and small family farms. The tragedy of the National Energy Program is that it destroyed that sector of the energy enterprise—the small operator, the small Canadian firm and the small family-operated business. I am not referring to those who became involved in the energy business or the surplus-related business as a result of the boom. I am talking about people who have been involved for some 10 years to 15 years. Their hopes and dreams were frittered away.

The energy policy was formulated to get even with the multinational firms. Foreign-owned oil firms are doing very well, but it is the Canadian ones that are suffering. We have organizations such as Sulpetro, Dome and Turbo and all the little guys who are in business serving the oil industry. The Hon. Member should go into Red Deer, Lloydminster, or Drayton Valley to see the impact of the National Energy Program. That is where the difficulty arose.

If the Government would acknowledge the fact that it made a mistake, there would be some satisfaction and some move to restore confidence in that sector; but it simply continues arrogantly and stubbornly in the same direction and says, "It is too bad but we were right", and at the same time corrects its mistakes. It is policy by trial and error which has been devastating, damaging and certainly not in the best interests of individual Canadians or of the Canadian economy in general.

Mr. Keeper: Mr. Speaker, I listened carefully to the speech of the Hon. Member for Vegreville (Mr. Mazankowski). He quite rightly condemned the Government's economic policies, but I did not hear him elaborate on what sort of approach the Conservatives would take to the economy. However, I heard him laud and praise American economic policies and their results. Does this mean that a Conservative government, should there ever be one, would follow Reaganite, neo-conservative economic policies which would involve cuts in social services and continued unemployment?

Mr. Mazankowski: It would take me another 20 minutes to outline all the things we would do. Other speakers have done so, but unfortunately I got caught up in the many things that are bad with this administration and the prospect that things will not get any better.

The fact of the matter is that jobs are a number one priority. Certainly the United States has done a much better job than Canada in terms of job creation. We would do that for starters. Then we would be able to restore the dignity and pride of the two million Canadians who are standing on the sidelines and do not have any opportunity.

Unless we generate some new wealth in the country, we will be unable to provide the necessary funding and resources to maintain the social net about which the NDP and the Liberals talk but are not sure who will pay for it. We will restore some confidence in our basic industries—agriculture, mining, forestry and fisheries, but agriculture particularly.

The Government talks about how we should improve our competitive ability in agriculture, but every time a farmer fuels his tractor or combine, 62 cents of the cost goes into federal coffers. Our fuel prices are higher than those in the United States. Certainly that makes it difficult for producers to compete effectively. Those are the kinds of things which have to be remedied.

We have a $2 billion trade deficit in tourism. Why cannot we do something to reverse that? These are positive things which would stimulate growth and generate new wealth to pay for the programs that are in place. No one is talking about scaling down the social welfare net. However, if we do not generate the wealth we need to sustain those programs, it will have to be one alternative. There is another alternative. A Conservative government would generate the kind of confi-

dence, enthusiasm and enterprising spirit which would allow the country to forge ahead so that it can achieve its great potential.

Mr. Murphy: Mr. Speaker, I have a short question for the Hon. Member for Vegreville (Mr. Mazankowski). In his remarks he talked about returning the industry to private enterprise. Did he mean Petro-Canada, Suncor and those socialistic enterprises under the control of the Government of Canada and the Government of Ontario?

Also he talked about the recovery in the United States. Is he aware of the terrible layoffs which are occurring in the United States steel industry? Because of those layoffs, companies such as Iron Ore of Canada have actually closed down operations and towns in Canada.

Mr. Mazankowski: I would rather talk about the problems, issues and proposed solutions within our own country because we have tremendous opportunities of which we have failed to take advantage. We have some natural strength which we have frittered away. For example, we failed to turn our energy advantage into an economic one and we failed to turn our tourism advantage into an economic one.

Mr. Murphy: What about Suncor?

Mr. Mazankowski: I will get to that. I listened to the Hon. Member when he asked his question, but if he is saying that he wants to continue the Canadian Ownership Special Charge to further socialize industry ad hoc without any controls or accountability, I will meet him in the election campaign on that one. There is $900 million in a slush fund which was to be used to buy out foreign multinational companies. It is now being used as a political patronage porkbarrel. If the Hon. Member is in favour of that, as I suggest he is, I am sure Canadians would have a different view. I would certainly debate that on the hustings with him at any time.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in 20 years the Liberal administration has increased the annual deficit five times the total Budget of 1963. When Walter Gordon became Minister of Finance in 1963, his total Budget, which incidentally provided for a small deficit relative to today, was a mere $6.3 billion. Now we wonder at the equanimity with which this administration since the days of John Turner has piled up deficits so that we have an accumulated deficit of close to $160 billion. That is the problem with which the Budget did not deal.

• (1220)

One can agree with the effect of some things in the Budget. The Minister of Finance (Mr. Lalonde) has at least deigned to look upon certain problems. He has taken certain corrective measures. We do not know how effective they will be.

For example, the Minister boasted about how he was simplifying taxation for small business. He did not do that from any Government initiative. I invite Hon. Members and anyone else who is interested to look at the testimony before the Economy Affairs Committee in the fall of 1982. It dealt with the horrible mess of the proposals in 1980, 1981 and 1982, which had not been passed into law, under the general heading of income tax, as proposed by the Deputy Prime Minister (Mr. MacEachen) when he was Minister of Finance.

There are only two Liberals officially in the Chamber at the present time. I can see others who recall the testimony from organizations representing all parts of Canada, particularly that dealing with the complexity of taxation for small business. The proposals were going to add some hundreds of pages to the income tax text, not only statutory changes but regulations. No one knew what they said.

We have a peculiar system with regard to drafting legislation. A Minister such as the Minister of Finance makes certain proposals and they are put in the Ways and Means Motion, which is the general thrust or intent of the budget for that ministry. The statute changes and the regulations are written in the drafting section of the Department of Justice. There is a certain philosophy that applies there with regard to writing statutes. The net result is, as was admitted before the committee, that not even the tax officials in the Department of Finance really know what is meant by the text that parliamentarians are supposed to consider and pass.

Such is the system here that a tame government majority does as it is told. As George Bain said in *The Globe and Mail* of last Saturday, it almost makes you feel as though parliamentarians are nobodies. They are supposed to consider and pass legislation. We have a Government that presses for closure, allotted time. The past several years have been nothing but a scandal with regard to the allocation of time on income tax legislation. Not 5 per cent of the Government members understand what is being passed, and not many more elsewhere, because the language is so difficult. The Minister says this time he is going to remove a good deal of the verbiage and the requirements of that verbiage with regard to small business. We will see when the legislation is brought forward. It may be that the cure will be worse than the disease.

The Minister takes a bow toward farmers by introducing a very narrow amendment with regard to capital gains on the sale of farm land, allowing up to $240,000 of increase in sale price over purchase and in capital improvements, providing the farmer—not within the farm family group, but the owner—operated the farm for ten years, so that that may be invested in the RRSP. An investment in an RRSP implies that there is a fair amount of cash to be invested in an appropriate plan. The 1971 rule will not apply, but we do not know how far that ceiling will be lifted.

How long are the payments to be allowed? I ask the Parliamentary Secretary because he has some knowledge of farm financing problems. Are the limitations going to be ten years on any mortgage or agreement of sale, or as the previous Budget provided? Thank God that was eliminated. The Department of Finance was wedded to limiting any credit contract, such as an agreement of sale or a mortgage, to five years. Whether the payments had been received or not, whether interest had been received or not, whether capital gains

portions had been received or not, the taxpayer had to pony up in entirety.

There is a philosophy in the Taxation Division of the Department of Finance that as soon as a dollar has been earned, whether it has been paid or not, the Government has a right to a portion of it, and it wants it now. Of course, it is not entitled to it. The taxpayer does not exist for the benefit of the Government. The Government exists for the benefit of the taxpayers and the citizens of this country. That is the difference between the present Government philosophy and the Liberal Party, and the Official Opposition. We do not believe that people exist for the benefit of government. Government exists for the benefit of the people.

• (1230)

The Government must also spend the money that it sees it can get. It organizes programs that are easy to sell to gullible voters and then turns around and taxes those programs like it is doing with the petroleum acquisition tax. That is a plain grab. That petroleum capital assets acquisition levy has produced far more than what was required even though those assets were acquired at a scandalously high price.

The same goes for PetroCan, the so-called ideal of the Government and of the people who think that PetroCan is good for Canada. It is paying rates for drill ships and supply ships and for acquisition that is far in excess of the market and it is paying daily rates that are far in excess of the current market. However, because PetroCan is a Crown corporation, it does not have to worry about who will foot the bill. The gullible taxpayer will offer his or her wallet when supporting such programs.

The policy of the Government and the policy of PetroCan *vis-à-vis* the Canadian public is dishonest. PetroCan behaves in the crassest of manners. The public press alleges, that the standard of behaviour of PetroCan is similar to the behaviour of some foreign corporations like Imperial Oil and Exxon which have been in the country for 50 years or more drilling for oil. As well, there are the opportunists who want to cash in on the hard work and blood, sweat and tears of the thousands of people in the petroleum industry who are trying to make a go of things.

In one fell stroke, this administration, in 1980 and 1981, put an end to a good industry. This industry was working throughout the four western provinces. The administration did not realize it but at the same time, of course, it sure put an end to a lot of the Ontario and Quebec industries which supplied goods to the petroleum industry. Ask automobile workers how many fewer vehicles were sold annually as a result of this administration. I see an Hon. Member over there who is shaking his head. We know this for a fact. I am talking about trucks, automobiles, bulldozers, front-end loaders and the like. The market from western Manitoba all the way to the Pacific coast went straight downhill.

An Hon. Member: American automobiles.

Mr. Lambert: No. When the Hon. Member says American automobiles, he does not know what he is talking about. However, we do know what the decline in sales was and we know the number of automobile agencies that went broke and the number of auction sales of surplus equipment that went on. This all came about as a result of the National Energy Program.

The last point I wish to return to and really dwell upon, Mr. Speaker, is the question of capital gains on farm lands. It is now almost impossible for the owner of farm lands who faces a disposition either by will or by sale to determine whether capital gains taxes are to be paid or whether those taxes can be postponed. Those taxes can never be escaped because of every relieving provision implemented since the first one which was introduced by John Turner back in 1973 or 1974 after the imposition of capital gains on farm lands came about in 1971. That happened in spite of our express vote. I put forward an amendment which would eliminate any question of capital gains on the sale of farm lands for farming purposes.

Mr. Mazankowski: How did the NDP vote?

Mr. Lambert: They came along with us on that one, as I recall. We had tax department interpretations which were just as ruthless as those of today. If a wheat farm were to be changed into a beef farm or if a farm were to be changed from one on which poultry was the principal occupation to one on which the production of honey was to be the principal occupation, it would not be deemed to be a similar purpose and would therefore be subject to full capital gains tax.

We now have all sorts of farming corporations which have been encouraged by the Department of Agriculture but are taxed by the Department of National Revenue. In the past there could not be devolution by will from a father to a son, a married daughter or a widow without attracting capital gains. Now those capital gains taxes are deferred one generation. At this time, this relief provides that if a farmer wills his property to his son and the son should die without leaving any direct heirs, the land, under the usual succession, could revert back to the mother and still be allowed as one of the deferrals.

Frankly, this situation is so expensive to the farming industry of the country. Hundreds of millions of dollars have been siphoned off from the capital that is required to own a farm in this country. No wonder we are having difficulties setting up young farmers who want to buy land. One of the reasons for this, Mr. Speaker, is that the sale price of a farm is always inflated by the amount of the expected capital gains tax. The vendor naturally tries to protect himself or herself and so the price goes up.

The Government has sucked those hundreds of millions of dollars which would have served as capital within the industry out of the industry. This capital could have been used to buy machinery, to build more buildings on the property, to acquire more land or to put more land into production. No, the ever-hungry, blood sucking operation that is conducted by the Government in order to finance plans that it announces or wants to announce without any idea of where the money will

come from is one of the reasons we have this tax. It would be far better, Mr. Speaker, to scrap the capital gains tax on lands used for farming purposes and give some priority to supporting the agriculture industry in the country, an industry which is facing such a tough time today and will as well in the years to come.

• (1240)

Mr. Ferguson: Mr. Speaker, I noted the comments of the Hon. Member and would remind him that prior to the imposition of the capital gains tax, representations were made by many farm organizations for the removal of the previous level of estate tax. As an alternative to that, they suggested a high capital gains tax. Little did they guess that we were heading into the high inflationary spiral of the 1970s.

The Hon. Member referred to Petro-Canada paying rates in excess of current market rates for supplies for drill ships, et cetera. Could he tell me if these are for exploration taking place in Canadian offshore regions or are they being paid by Petro-Canada International, which has formed a joint venture with British Petroleum to develp huge resources in the China Sea? It has contracts for Canadian technology and will use smaller Canadian companies, some from Alberta. This will provide jobs for Canadians. Do these rates reflect a higher level of risk in exploration work due to Canadian climatic conditions if they are in the Canadian offshore regions, or a higher level of risk in internationl waters as they work toward the development of these resources with British Petroleum in the contract with China?

Mr. Lambert: Mr. Speaker, I wonder where the Hon. Member got the kind of misinformation which would lead him to ask such questions. I am talking about the cost of ships PetroCan is using off the coast of Newfoundland. Newfoundland is no different from the North Sea as far as danger is concerned. Drill ships have been lost over there due to storms as well. I will find the article from which I got the information and let the Hon. Member have it. It refers to the rates being paid to Wolff, for instance, who is the darling friend of the Prime Minister (Mr. Trudeau), for the use of ships off the East Coast.

As far as what the Hon. Member has said about working with British Petroleum, I would remind him that this is a contract for work in the future off the coast of Nigeria and at some time, perhaps, off the coast of China. The Hon. Parliamentary Secretary cannot tell me that there is one piece of equipment belonging to PetroCan at work in those two fields. I seem to remember that PetroCan was going to develop Canadian resources, for the benefit of Canadians. If the Parliamentary Secretary can tell me what is the benefit to Canadians of a Canadian Crown corporation working at very high rates in Nigeria and China, I should like to know. We will not sell one barrel of oil to them at any time. How is that deemed to be within the purposes of that great God-saving operation known as PetroCan, the thing that the Liberal Party used to steal the 1980 election?

Mr. Ferguson: Mr. Speaker, with all due respect, I should like to suggest to the hon. gentleman that the Canadian operations being carried out in Senegal and Gambia reflect the high-risk international situation in those areas. The risk is due to international uncertainty. I would also suggest to him that if we look at the geographical location of PetroCan operations in the offshore of eastern Canada, we will find that there are areas with a higher degree of risk than others. For example, the area of Hibernia where the ice packs sometimes come down involves a higher cost than in other areas.

I would be delighted to receive the article to which the Hon. Member referred. I will follow the matter up and get all the information required to identify where this is taking place.

Mr. Keeper: Mr. Speaker, the Hon. Member speaks very critically of Petro-Canada. It is difficult for us to get any reading on the policies of the Conservative Party and what it would do if it gained office. I wonder if the Hon. Member is saying that if his Party got into office it would privatize Petro-Canada. Would it sell it off? Would this apply also to Suncor, which belongs to the Ontario Conservative Government? Would the same policy apply to other public corporations, whether they be CBC or any other? What is the Hon. Member's attitude toward Petro-Canada? Does he mean that a Conservative government formed by his Party would sell it off?

Mr. Lambert: Mr. Speaker, this question is merely a reflection of the oversimplification of particular questions by the NDP. Petro-Canada is here with us. We cannot tear it down, there are no two ways about that, any more than we can tear down that 54-storey white elephant in Calgary which serves as the central palace for PetroCan. It was built with the Hon. Member's dollars but there is no need for it in Calgary.

Be that as it may, at the present time Petro-Canada is not operating a well-run, competitive, private enterprise. It can afford a lot of excesses by reason of some of the concessions it obtains from government. Incidentally, the Hon. Member is way off base regarding Suncor. The Ontario Government owns only a piece of Suncor, which was entirely privately owned previously. It should be remembered that Suncor is a different oil company from Syncrude, but perhaps the Hon. Member is confused in that regard.

I am not the Conservative Party, Mr. Speaker, but I have my choices. It would be a good thing for the Canadian public if we axed many of these Crown corporations on the head; on the other hand, there are some that are useful. While I am critical of part of the operations of the CBC, for instance, I find that the level of programming, particularly in radio, is something in which I can take pleasure. But I am not going to be held responsible by my answers in this type of debate for the total policies of this Party, any more than I can hold the Hon. Member accountable for the policies of the New Democratic Party.

The Acting Speaker (Mr. Herbert): Debate.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have a few words to say about the subject under debate today, the Budget presented recently by the Minister of Finance (Mr. Lalonde). It is basically a good Budget, from three standpoints. First, there were no new tax increases; second, it contained additional benefits for those Canadians who need them most, namely, our elderly; third, and perhaps most important, it retains a Liberal attitude of not bowing to Conservative pressures to cut existing programs.

• (1250)

Let me deal briefly, Mr. Speaker, with a couple of major areas of conflict, general misunderstanding and, I believe, political confusion as far as my part of this country is concerned. The first fallacy, pontificated daily over and over by certain provincial governments and certain Members opposite, is that the federal Government has and is still cutting back on cost-share programs and direct transfers to provinces like Newfoundland. That is the first fallacy.

Let me take an appropriate example of the province with the highest unemployment, Newfoundland. This year, 1984, we will see the largest amount of federal transfers to the Government of Newfoundland. Transfer payments to the Government of Newfoundland will increase this year by some $100 million, as was the case last year. Equalization payments and transfer payments have been growing by leaps and bounds. It becomes an interesting formula and somewhat of an enigma if you listen to the provincial politicians who claim that just the opposite is true. For example, each time the price of oil went up over the last few years, provinces like Newfoundland received increased equalization payments. One dollar a barrel amounted to something like $20 million added in equalization at the end of the year.

As far as I am concerned, Mr. Speaker, upon examining this entire formula on equalization, I believe it can be termed logically to a certain degree as taxation by the back door. One never hears the Newfoundland Government, or any other government of what we would call an economically depressed province, criticize the increases in the price of oil and gas for that very simple reason. There seems to be a social pact between all governments on this issue which I, personally, Mr. Speaker, strongly disagree with.

If we look at the established programs funding, or the formula of general increases under the Canada Assistance Plan, the same steady increase has been seen over the years. But how disguised and politically shifty that formula has become. For example, Mr. Speaker, the great debate in Newfoundland today concerns the cost of operating hospitals and homes for the elderly. A commission studying the question of homes for the elderly has just presented a report. I witnessed recently the presentation of a brief to a standing committee in Ottawa by the provincial minister of health for the Newfoundland Government. The brief said that the federal transfers for hospitals and homes for the elderly had decreased to 37 per cent of the total provincial budget in those areas. However, as was pointed out in the committee, the actual figures showed that 53 per cent of the entire hospital budget of the Newfoundland Government, and a full 60 per cent of the operating costs of senior citizens' homes, nursing homes and homes for chronic care, came from the federal Government.

The question I asked at the time, Mr. Speaker, was why the confusion? It was discovered that these transfers were made directly to the provincial Department of Finance and went into the consolidated revenue fund. The provincial minister of health could therefore say he did not see the money for hospital costs and the provincial minister of social services, who runs senior citizen and nursing homes, could say he did not see 60 per cent of his budget coming from the federal Government.

The fact is, Mr. Speaker, that the most regressive piece of legislation ever passed in this House was when we decided to give each provincial government block funding; in other words, one big cheque to cover all matters involving cash transfers to provincial governments. The provincial governments receive the money and spend it as general revenue. The big lie comes in, Mr. Speaker, when they say, as the provincial minister of social services said recently: "The Government of Newfoundland has to totally finance the operation of senior citizens' homes". These transfers to the provincial treasury are for specific purposes and to make up for revenues which a poor province cannot receive. However, it is downright dishonest not to recognize that these cash transfers are being made and obviously are not being spent in the intended areas.

The provincial governments want to protect this block funding principle because it leaves them with more manoeuvrability. However, in my opinion, Mr. Speaker, that federal money, making up over half of the costs of running hospitals in Newfoundland, should be transferred directly to the provincial department of health, not to the provincial finance department, and federal funds earmarked specifically for the operation of homes for senior citizens, nursing homes and chronic care homes should go directly to the provincial department of social services and not to the provincial department of finance.

I would like to say a few words now, Mr. Speaker, about jobs and direct job creation as it relates to the federal Government, this Budget and unemployment. The Province of Newfoundland which I represent is going through the worst economic time in our history. Nothing is opening. Everything is closing down.

Mr. Dionne (Northumberland-Miramichi): Except Mr. Peckford's mouth.

Mr. Baker: My hon. friend says except the Premier's mouth. I must admit it would be some source of revenue if we were to tax each speech he makes.

Our three major industries in the Province of Newfoundland, forestry, mining and the fisheries, are in desperate straits. Paper mills are closing down. Mines are closing down. Fish plants are going bankrupt all over the province. That is the scene in Newfoundland today. What does the provincial government do in this state of desperation? It throws up its hands and says: "There is nothing we can do". But there is

something it can do, Mr. Speaker. There is something it could have done over the years but did not. I suppose, Mr. Speaker, we could say that basically the situation in Newfoundland is the fault of our political system which we cannot do anything about. It cannot be corrected. It is still probably the best system in the world. But an extremely political government always looks to the short term, to the next election. It gives people a dream, and in this case it is an offshore hope, and then lets the people wither in despair onshore. There is no planning, no long-term employment measures, and no immediate solutions to anything.

Should I call it one o'clock, Mr. Speaker?

The Acting Speaker (Mr. Herbert): I regret to interrupt the Hon. Member, but it being one o'clock, I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INDIAN AFFAIRS

CONSTITUTIONALITY OF LIQUOR SECTION IN INDIAN ACT

Hon. John M. Reid (Kenora-Rainy River): Mr. Speaker, I have just returned from a visit to the Indian reserves in the far northern part of the Kenora-Rainy River constituency. One of the items raised with me by individuals and band Councils was the status of Section 97 of the Indian Act. This matter was raised particularly by the North Cariboo Lake Band at Round Lake. This Section has permitted the bands to hold votes to determine whether or not a reserve would be wet or dry. It permitted the Minister of Indian Affairs to have the final say in the matter.

A year ago a Manitoba court struck down Section 97, claiming it violated the Charter of Rights and Freedoms. Since that time havoc has reigned in northern Ontario reserves with some areas continuing to enforce Section 97, others not, and others laying charges under the Ontario Liquor Licensing Act.

Alcoholism in northern Ontario reserves has been called an epidemic. This was said by the Deputy Minister, Doctor Lyle Black, who is in charge of the Medical Services Branch of the Department of National Health and Welfare. That Branch is responsible for providing medical health services directly or indirectly to Indian bands. Of all the diseases which the Indian people are subject to, alcoholism is probably the worst. One of the weapons against this disease has been struck down by the courts.

In the name of those people who—

Mr. Speaker: I regret to interrupt the Hon. Member, but the time allocated to him has expired.

* * *

TOURISM

IMBALANCE IN TOURIST INDUSTRY

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, one industry which received little attention in the Budget was tourism. The current figures on the travel deficit give very little encouragement. Canadians travelling outside the country spent a record $2.087 billion more last year than foreign visitors spent here. This deficit, which will worsen the country's balance of payments position, is up from the previous record of $1.2 billion posted in 1982.

This country earned $3.8 billion from international travel in 1983, up 3.5 per cent from 1982. During the same period, Canadians travelling abroad increased their payments by 18.6 per cent to $5.9 billion. Canadians are consistently lured out of the country by cheap gasoline prices in the U.S., and a favourable exchange rate in other countries. This loss also costs Canada an estimated 100,000 jobs and, Mr. Speaker, that hurts. When will the Government give tourism the breaks it needs to improve its position?

* * *

THE PRIME MINISTER

ANNOUNCEMENT OF IMPENDING RESIGNATION OF RIGHT HON. P. E. TRUDEAU

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, in my remarks today on the Prime Minister's (Mr. Trudeau) retirement I shall be prudent.

Mr. Chrétien: It is snowing outside.

Mr. Mulroney: I am mindful that there is blizzard going on in Ottawa.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Last time this happened, Mr. Speaker, the eulogy proved to be somewhat premature. Accordingly, I would like to congratulate the Prime Minister and wish him well, but I propose to do so on the instalment plan. As the weeks unfold, and if the Prime Minister has not unretired, I will become progressively fulsome and complimentary. Should the situation change, all bets are off.

The campaign for the Liberal leadership and the Prime Minister's worthy succession is already giving signs of being very close and exciting. It looks as if it will be a nip and tuck battle right up until the bitter end—on March 16.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Because of the Prime Minister's deep concern for policy and wanting to know where people stand on issues, a very appropriate concern because he has always wanted to know where people stand on issues, I know he must be comforted by the clear-cut positions some leading candidates have adopted over the years. Because of the Prime Minister's determination to avoid any right wing bias affecting his Party, he must be consoled to learn that policy making will now be removed from the back rooms of the Liberal Party and brought right up front, over smoked salmon and caviare at one of Toronto's best restaurants.

Some Hon. Members: Oh, oh!

Mr. Mulroney: On September 12, Mr. Speaker, in my first remarks to this House I said that the Prime Minister was, in my judgment, an individual of accomplishment and class. I have had no reason over the past six months to change my view. I would never have voted for the Prime Minister, but neither would I have remonstrated vigorously with anyone who did.

As I am in the process of learning, the leadership of a national political Party is no small task. I have not yet had the experience, and the trials and tribulations, of doing so for 16 months. That the Prime Minister has done so on behalf of his Party for 16 years is a remarkable tribute to his talents and his unquestioned love of Canada.

Some Hon. Members: Hear, hear!

Mr. Mulroney: All the more so, Mr. Speaker, because the Prime Minister for 16 years has led a Party which Lord Birkenhead once described as akin to Noah's ark, "filled with all manner of strange beasts and wandering aimlessly all over the face of the earth".

[*Translation*]

Mr. Speaker, to those of us from Quebec, this is an important moment. There is no doubt about the sincerity of the Prime Minister in insisting on increasing the number of Francophones involved in Canada's decision-making apparatus.

No one can deny the energy and feeling with which he has always defined and defended his vision of a more bilingual Canada, more tolerant in its attitudes to minorities, either linguistic or otherwise.

This noble legacy will be defended with enthusiasm by his successors, in the interests of a united Canada.

From the outset I took part in regrouping the "No" forces in Quebec at the time of the Referendum, and I shall never forget the role played by the Prime Minister at that historic moment. The Referendum night was a great moment in the history of Quebec and Canada. In the future, anyone looking back on these events through the perspective of history must recognize the vital role played by the Prime Minister of Canada in the final outcome.

It was the challenge of his career, and he met this challenge with courage and dignity.

[*English*]

One is always uncertain as to the ultimate judgment of history. Irrespective of that view, I am confident there will be little disagreement, Mr. Speaker—at least I hope—with the following personal assessment. He was a strong leader and an honourable man who cared for his country, saw its future threatened, and sought to make it right. When he leaves this Chamber he will do so with the scars of vigorous, democratic debate, and the memories of hopes dashed, and dreams fulfilled. He will leave with honour unsullied, and with the warmest good wishes of all to enjoy the pleasures of a family he loves so very much.

• (1410)

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I speak today on behalf of the New Democratic Party and on behalf of our Leader, the Hon. Member for Oshawa (Mr. Broadbent). Unfortunately our Leader is in British Columbia and unable to return in time, because he would have wanted to speak.

I reread with interest the last goodbye statements that were made, and I could not help but think to myself: "I hope I don't say anything here today that will prompt you to reconsider." I must say that 16 years of leadership are a very long time. In those 16 years the United States has seen five Presidents, and other countries have had many leaders. It is an accomplishment that the Prime Minister (Mr. Trudeau) can look back on with pride.

We are much too close to the scene here in the House of Commons, in Ottawa, to be able to understand either the importance or the significance of the contribution that the Prime Minister has made. I will, as I must, leave that to the historians to decide.

I look back though, to 1968 and the years that followed, and I think of the varied presentations of self that we saw from the Prime Minister—the flower child of the 1960s, complete with rose and sandals, and the vision of a just society. It is a vision that I think we all subscribe to, and a vision that we all hoped would come to pass but, I might say, eluded us somewhat. However, it is still valid and still must be pursued. From there he went to the gunslinger, thumbs tucked in belt, threatening and challenging the country to rise to aspirations that the Prime Minister himself had set; and on to the new Father of Confederation seeking that compromise, that common ground, that would make Canada a viable entity as it entered into the new world politics.

I wonder how the Prime Minister will be remembered. I was thinking this morning, as I trudged through the snow—

Some Hon. Members: Oh, oh!

Mr. Deans: I want to say that when I was told our Leader would not be here I had a sauna, looked up, and said: "Oh God, why me?"

Some Hon. Members: Oh, oh!

Mr. Deans: However, I think the Prime Minister will be remembered for his burning commitment to a Quebec within Canada, a Quebec which was understood by the rest of Canada, and a Quebec which understood the aspirations of the rest of Canada. I think he will be remembered for the fact that he was prepared to fight to achieve that vision by going into Quebec and to the rest of Canada to place, quite clearly and unequivocally, his views before the people who must, out of necessity, make the decisions on what this country is going to be. To this point, the measure of success of that goal is still difficult to be judged but, if one can judge it, it can be done on the basis that Canada is still together. Given the events of the recent past, that in itself is an accomplishment.

I think the Prime Minister would agree with us that the issue of federalism remains. Perhaps the focus has changed somewhat from the time when he first established where the country was going, but maybe he leaves us all a challenge, not only those of us in politics but those of us outside of politics, with regard to what our country will be a year or two from now. Will we be able to meet the aspirations of the various regions of the country? Will we be able to come to grips with the challenges and the solutions to the challenges of those who reside in the West who feel that they are not understood, of those who reside in the Maritimes who feel they are not understood, or of the native peoples of Canada who struggle continually for a place constitutionally guaranteed? Will we be able to establish a place within our country for the northerners of Canada who want to participate fully? That is the challenge that we must take up, along with the ongoing challenge of how Quebec and francophone or anglophone Quebecers fit within the greater future of the country.

It is always difficult to find appropriate words, but, as an aside, I may say I looked through the newspapers, and there are a couple of jobs available. I noticed them and I thought they were appropriate. There is one job advertisement here with the title "Super Salesperson". It states that a national manufacturer of established automotive and industrial product lines requires a sales person with five years' minimum experience. This is the interesting point, "travel 60 per cent of the time—

Some Hon. Members: Oh, oh!

Mr. Deans: —all expenses paid. Bilingualism an asset". The one problem may be the Toronto headquarters, but we may be able to work that out. With the pension, I think the $65,000 might be suitable.

There is another job that I thought looked appealing, perhaps, and had a similar resumé requirement. It is at the King Saud University in Saudi Arabia. It provides free return air tickets annually. There is furnished accommodation. When you leave public housing, you will be able to go there. There is a monthly transport allowance, a relocation allowance, and then an end of service gratuity so that, 16 years from now, perhaps you can retire again.

We wish the Prime Minister well. We hope that his retirement is all that he would want it to be, and that he looks back with a sense of accomplishment and pride to the things he was able to do for the country that I undoubtedly know he loves. Bon voyage!

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, as I was saying on November 27, 1979, before I was so rudely interrupted—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —I rise very briefly to salute the Prime Minister (Mr. Trudeau) as a formidable adversary, and as a man of extraordinary personal force, whose mark upon the country will exceed that of most of the great leaders of the nation.

He and I have disagreed—indeed we have disagreed more vigorously since I last bade him farewell than we had before that—but despite those disagreements I cannot overlook, as can no one in the House or the country, the extraordinary personal qualities of the man.

I do not want to go on at great length, but I admire particularly that he is a man who, despite the natural constraints of leadership and public life, was prepared to take great risks on behalf of views he held deeply, and was able to use his remarkable talents to enlist so many others in his cause.

I have never pretended to agree with his fundamental vision of the country, but I certainly have admired his ability not only to pursue that vision but to persuade so many that he was correct, and to enlist so many in his cause. The Right Hon. Member for Mount Royal has had an extraordinary and distinguished career in this country and in the House.

• (1420)

I am pleased to see him gone or going again, and I wish him most sincerely—

[*Translation*]

And I must do so in the second official language, since I believe that without him, without Pierre Elliott Trudeau, the status of French-speaking Canadians would not be what it is today. In this respect at least, he has changed our country.

[*English*]

It is a much better country for his Prime Ministry, in that regard at least and I salute him for it. I wish him success and satisfaction in whatever career he chooses ahead.

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I thought it might be appropriate to say a few words on this historic occasion, a momentous occasion certainly for the Liberal Party and for those of us who have worked so closely

with the Prime Minister (Mr. Trudeau) over his 16 years as Leader of our Party and as Prime Minister of Canada.

The Prime Minister was good enough to call me before he made his decision public last Wednesday. I was in my constituency office in Port Hawkesbury where there were many people in to see me. I interrupted my work to take the call from the Prime Minister. I assure you, Mr. Speaker, that even though I continued to see the rest of my constituents for several hours, my mind was constantly on the implications of the decision that had been conveyed to me by the Prime Minister. I could only reflect at that time what a formidable political leader he is, and what a brilliant Prime Minister he is.

Some Hon. Members: Hear, hear!

Mr. MacEachen: The Hon. Member from Hamilton asked how the Prime Minister will be remembered. He will be remembered for many things, and it is not for me to detail all those controversial, difficult, and profound issues with which he has successfully grappled during his period as Prime Minister. But I know he will be remembered as a political leader who dominated the public life of Canada all during his public career. He will be remembered as a leader who dominated the House of Commons and during that period had no peer in the ability to carry an argument. That is an admirable quality for those of us who appreciate the value of Parliament.

The Prime Minister worked in caucus. Over all those years he held the support and affection of members of that caucus. As well he held the support and affection of his colleagues in the Cabinet.

I believe the Prime Minister did make a good decision for himself and for the Liberal Party which he has served so effectively, but I cannot help but have a deep feeling of sadness at the decision, and I cannot help but have a very deep pride in having been associated with him all during those 16 years and having lived through the ups and downs of political life.

The Prime Minister's career, I think, can be a model for anyone, a career of dedication, personal tranquility and integrity. I think Canadians have every reason to be proud of him, as I am and certainly as every Liberal member is on this side of the House.

I spoke on November 21, 1979, also. I want to read a sentence I uttered on that occasion.

Some Hon. Members: Oh, oh!

Mr. MacEachen: I said:

> It has been my view since the last election that the Right Hon. Member for Mount Royal (Mr. Trudeau) could continue to lead our party and could succeed in returning this party to office in the future.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. MacEachen: Not bad, Mr. Speaker, for in a sense predicting what happened subsequent to November 21, 1979.

I did speak in 1979, and I am speaking today. I did not keep the notes I used in 1979. The notes I use today I will keep against possible future use in the House of Commons.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, like others who have spoken, I had the privilege on November 21, 1979, of saying a word in favour of the present Prime Minister (Mr. Trudeau) because of his intention at that time to resign. He gave us that indication on November 21, 1979, but on February 18 of the next year, there he was again, re-elected Prime Minister.

In that process, as one who has been here for quite a while and who has known quite a number of Prime Ministers, I think it is a credit for the Prime Minister to have taken enough years so that, even if he leaves this job as Prime Minister in June of this year, he will become a gentleman who will have served 15 years and five months as Prime Minister which, of course, is longer than Wilfrid Laurier served. He was Prime Minister for 15 years and three months. That means, therefore, of the 16 persons who have been Prime Minister of Canada there was only one in our time who served for a longer time, Mackenzie King. But the one next to him will be the present Prime Minister. We congratulate him very, very much on that achievement.

Some Hon. Members: Hear, hear!

Mr. Knowles: I must say as one who has been here, I have known personally six of those who served as Prime Minister. We have had 16 Prime Ministers in the history of our country. Indeed, I met two out of two of the longest serving Prime Ministers. Of the six who were here I knew Mackenzie King, Louis St. Laurent, John Diefenbaker, Lester Pearson, Pierre Trudeau, and Joe Clark.

I suppose it is a natural thing for one who has been here to form an opinion of them. I was beginning to do that at the time of Mackenzie King, St. Laurent, and Pearson. But after that I certainly formed a very definite and strong opinion that the best of the Prime Ministers I have seen in those 40 years of mine were Louis St. Laurent and Lester Pearson.

Now, what am I going to say about the other one, the present Prime Minister? Well, we will just wait until he leaves and we start to assess him. But my opinion is that the present Prime Minister's 15 years make a total longer than the other two, who had 14 years between them, and I think he has had to face more severe and more difficult problems than previous Prime Ministers I have known. I think that applies to Governments and Parties as well. The problems facing Canada today are greater than they were before. During the time of the present Prime Minister they were greater for him than they were in the past. However, he has done a good job. He has worked hard. He has done his best to make this an effective country.

● (1430)

When my day comes to sit back and reflect upon all those who have been Prime Minister, I shall be including his name along with St. Laurent and Pearson as persons who have done a tremendous job for the country. I am most grateful for what they have done for us through the years, and I am happy to pay tribute to the present Prime Minister today.

I have talked about our country having had 16 Prime Ministers over the years. Several had very short terms. Some made history, but not the typical ones. The atypical ones in this century about whom we all know are the two I have named already and the one we are naming now. If Parliament concentrates on trying to solve some of the problems facing us, we may do something about them. We will attempt to solve our problems, and this Prime Minister has prompted us to do so.

I made a statement about a week or so ago guessing when the election would take place. I even joined in the guess that maybe he would keep us around a bit longer. Of course we know what happened in November, 1979. We accepted that resignation, but he came back. What will happen this time, we do not know, but the general opinion is that he is making a contribution of which we are appreciative. Some of us have known him for a long time. I hope I do not spoil his story if I say that we had the experience of knowing him when he had some connections with members of our Party. I remember him being at some of our meetings.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Knowles: I even recall an occasion in Montreal when I presented a book that I had written about our Party. The present Prime Minister was there. He read it in both English and in French. He somewhat criticized the speech I made at the time. His main criticism was that it was not strong enough; that we were socialists and we should be stronger. I was delighted that he had that conviction and that he had an interest in some of us, such as Tommy Douglas who liked him so well, and others of the New Democratic Party. Because of that I dared to hope that the future years for that man would be tremendous ones for us. In the meantime along came Lester Pearson who brought some of the people close to us into here, into this Chamber, as Liberals. However, it is important to place an emphasis upon social problems, and he has done that. He has also done it as well on questions of world problems among other nations. He has worked very hard on that.

I have one main reason for being disappointed that he is leaving. It is because we should have a person who will continually work toward peace. As I say, I have known some of the Prime Ministers over many years. I have given my opinion of two of them who were very important in the past. I will put the present Prime Minister very high on the list I expect to draw later.

On behalf of my Leader, my colleagues, and my friends across the country, we are glad to join in this response. I appreciate what he has done for us. We hope things will be better for him. We think our country will gain from the kind of government and concern for our problems which were delivered to us by the present Prime Minister. We thank him and we wish him the very best.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, for nearly five years I have had the honour and the privilege of sitting in the House with the Right Hon. Prime Minister. I have listened to him daily during Question Period and at our Liberal Caucus meetings. I have always been impressed by his great intellect, his grasp of a host of subjects, his way of conciliating divergent views, of putting things in perspective and simplifying the complex. My only regret, Mr. Speaker, is that all Canadians did not have the same opportunity to see him at work.

[*English*]

Most Canadians credit him for his contributions to Canadian unity and to the development of our country with the patriation of our Constitution and the Charter of Rights and Freedoms. He is well regarded for his views on social justice and international aid. It is my firm belief that many areas for which he is criticized will be recognized as problems that cannot be attributed to any one person.

[*Translation*]

In recent months he approached the disarmament issue by trying to promote a dialogue between East and West. Many people tried to accuse him of ulterior political motives. Personally, I prefer to quote the late Governor General Vanier, whose words define the Prime Minister's actions better than any other comment could do. The Prime Minister recalled these words when he spoke in the Debate on the Constitution on March 23, 1981, and I would like to quote what Georges Vanier said in 1967, three days before his death:

> The best time is always the present time, because it alone offers the opportunity for action, because it is ours, because on God's scale it is apocalyptyic, a time when the lines between good and evil are clearly drawn, and each one of us must chose his side, a time when there is no longer room for either the coward or the uncommitted.

Mr. Speaker, this is counsel all members of this House would be well advised to follow.

[*English*]

I would like to say on behalf of a new generation of Liberal Members of Parliament that we intend to carry on his work and the great traditions of the Liberal Party. We will be counting on his advice, support, and active involvement.

Some Hon. Members: Hear, hear!

Mr. Bill Yurko (Edmonton East): Mr. Speaker, speaking with independent authority, I would like to state that, after almost 16 years of riding tall in the saddle, our Prime Minister (Mr. Trudeau) has decided to hang up his spurs.

Mr. Crosbie: We think.

Mr. Yurko: He leaves his hoofprints all over the nation, and indeed throughout the world.

Some Hon. Members: Oh, oh!

Mr. Crosbie: That is not all.

Mr. Yurko: This was one tough cowboy, unique in his time. He lassoed the strays, kept the nation whole, and prevented the herd from stampeding all over the place. He burned his bilingual brand upon the hide of the nation—an E/F brand with a multicultural bar.

On one of his most famous rides to the old country, he brought back in his saddlebags our individual and collective conscience. In his time he rode many horses—some ornery, some wild, some nags, some thoroughbreds, and only once did he get bucked off. But he did not quit for long. He dusted himself off and rode again. Now he rides slowly into the sunset. As a westerner I say: "Adios," "Drum Bun"—I know he does not know that "Drum Bun" means—good journey—and "Bon chance". Mr. Prime Minister, we respect you for what you have done. Thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Right Hon. Prime Minister.

Some Hon. Members: Hear, hear!

• (1440)

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I suppose it must be the grace of my new status, but so many kind words and cordial reminiscences seem to have brought on one of my rare moments of humility.

I would like to thank all those who spoke on their own behalf, and on behalf of their party, for their kind and gracious words. Above all, I want to thank the Members of my Caucus for their support, and I would like to thank especially my constituents in the riding of Mount Royal for their infinite patience and trust. I am always moved when I realize that it is thanks to our democratic system that we represent the Canadian people in Parliament, following a secret and written ballot, and when I realize that all the Members of this House are here thanks to this process. I think we all feel very honoured, as I do myself, at having been elected, in confidence, by a large section of the Canadian people.

[*English*]

Looking at the clock, I think that it will become apparent to you, Mr. Speaker, and to many of us who have been sitting through these statements, that I meant well by retiring on a day when Parliament was not sitting. I think that that in itself is one of the reasons why it took me so long to retire, because it did mean sitting with as much humility as I could muster—and that I can only do once in a while—listening to the very generous and friendly statements that have been made by the Leader of the Opposition (Mr. Mulroney), the former Prime Minister, the Right Hon. Member for Yellowhead (Mr. Clark), the Hon. Member for Winnipeg North Centre (Mr. Knowles), the longest sitting Member in this House, who was good enough to show that his memory was still as keen as his mind, the Hon. Member for Hamilton Mountain (Mr. Deans), who spoke on behalf of his Party and offered some help as to my future career, and the independent Member for Edmonton East (Mr. Yurko) who seemed to have stated all the images that, as a younger man, I fancied myself living out, riding into the West. It happened in a different sense, but I was happy to be reminded of all these metaphors.

Of course, my deep thanks go to the Deputy Prime Minister (Mr. MacEachen), who has been exemplary in his loyalty, his support, his hard work, and the devotion with which he filled his task.

It is a rare occasion when one can be judged by one's peers, and perhaps a few of my peers also, and be judged as generously as I was today. I can only express my deep gratitude for the thoughts expressed. Some may serve some day in my obituary, but I can undertake that they will not serve in any resurrection.

Some Hon. Members: Hear, hear!

Mr. Speaker: Is it the disposition of the House to proceed to Question Period?

Mr. Nielsen: Mr. Speaker, if it is the disposition of the House to proceed to Question Period, may I suggest that Question Period continue until 3.30?

Mr. Pinard: We agree to that, Mr. Speaker.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

GOVERNMENT POLICY INQUIRY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in the absence of the Minister of Finance I would normally ask this question of the Prime Minister, but I do not want to shatter any illusions today. I just say to him: "Git along little doggie". My question is directed to the Minister of State for Finance. I will come back to the Prime Minister later in this last roundup. Oh, he is gone. He is spared being lassoed.

The Budget was brought down on February 15. Since then we have had several pieces of bad news about our economic prospects. Final domestic demand declined in the last three months of 1983, for the first time since the middle of 1982 when the recession was at its deepest. Business investment plunged 12.2 per cent in 1983, worse even than in 1982. StatsCan says that weak business investment will or may continue this year. Real personal disposal income declined in

1983 again. It is now slightly below the level of 1981. The Minister of Finance admitted that this new Budget will have no effect on the economy, as is the analysis of most economists.

Having brought in this Budget, which is a failure and which will have no effect, what steps does the Government plan to take to overcome this bad economic news and start us on the track of a proper economic recovery which will put people back to work? What is the Government going to do, or is there going to be a three-month hiatus while the Liberal leadership business goes forward?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member should recognize that the growth rates in Canada today are at the sustainable levels which we forecast and which the Hon. Member must know follow naturally from the initial impetus in the economic recovery that constantly occurs in the cyclical nature of our economy. The first surge of re-investment and the first surge of growth come from consumer spending. It is typically followed by a period of some retrenchment when the investment rates gradually pick up. That is what we are seeing today.

The Member speaks of business investment being at a lower level. If he will look at total capital spending he will see that in fact it is up. There is a percentage increase in total capital spending. He will know that part of it is from Special Recovery Projects which the Government put in place in the April Budget. We did so knowing full well that, in the first period of our economic recovery, inventories would be run down, that there would be a period when productive capacity would be more utilized and that the Government, in that initial period, needed to provide a capital impetus in the economy. That is what has happened. We are confident that the private investment will follow in 1984.

• (1450)

Mr. Crosbie: Mr. Speaker, no one will swallow this jabberwocky and gobbledegook.

REPORT ON ECONOMY'S PERFORMANCE—IMPOSITION OF TAX INCREASES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I show the Minister the Statistics Canada daily report for Thursday, March 1. Statistics Canada, the Minister's own agency, says this:

> The slowing of the recovery in Canada in the fourth quarter was largely attributable to weak final domestic demand. Residential construction and business investment in plant and equipment declined at accelerated rates in the fourth quarter, and the recovery of consumer expenditure slowed.

Everything which has to do with promoting a recovery has slowed. In view of the fact that this domestic demand has weakened and is declining and slowing the recovery, can the Minister explain to the House why he is imposing $6.1 billion in additional taxes on the Canadian consumer this year, and in the next two years, including the sales tax increase of 1 per cent this coming October, or will the Government consider doing away with these increases in view of this weakness in domestic demand?

Hon. Roy MacLaren (Minister of State ((Finance)): Mr. Speaker, I do not know where the Hon. Member has been recently. Any economic forecast in Canada has made it perfectly clear, as did the Government, that after an initial period of strong recovery growth there would be a more sustainable level of growth stretching through late 1983 and into 1984. The Bank of Montreal, for example, in its recent forecast, welcomed such a sustainable rate rather than the rampant impetus that marked the first months of economic recovery.

With regard to the increased taxation that was forecast in the April Budget, it is our policy to continue that increase. The Bill with regard to the sales tax increase is before the House, and I trust that it will be adopted shortly. We will see the payment for the recovery programs met in part from the increased taxation that will be sustainable and will be affordable by the economy as the recovery goes forward. The Hon. Member knows that as well as I do.

Mr. Crosbie: Mr. Speaker, the Hon. Minister wonders where I have been. I have been out where the unemployed public, the people who are suffering from the lack of jobs and lack of recovery in this economy, are. That is where I have been. They want answers and action, not jabberwocky.

Some Hon. Members: Hear, hear!

MINISTER'S BUDGET STATEMENT

Hon. John C. Crosbie (St. John's West): Mr. Speaker, could the Minister tell us how the Minister of Finance was able to say in the Budget of February 15 that his goal was to secure the recovery, and that that goal has also been met, when all of these figures that I have mentioned here today, including those for domestic demand, business investment and real disposable personal income, are all down, but all need to be up and growing stronger in order for us to have any kind of recovery? How could that deceitful and fraudulent statement be made by him and by the Minister?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the forecast that the Minister made, and with which I fully associate myself, is accurate. We have seen rapid growth in Canada during 1983. We see continuing growth through 1984. The forecasts are there, and the evidence is there.

The statistics which the Hon. Member opposite cites are for short term, and refer to the current recent quarter. They are not trends and are not of a nature that indicates where the economy is going. The economic recovery is taking place in Canada. Exports and total domestic sales are up. Investment is recovering. Inflation is down, and interest rates are down. The conditions now exist for full economic recovery and a restoration of growth in our economy.

If the Hon. Member opposite wishes to engage in his usual doom and gloom, and his distortions of statistics to substantiate his doom and gloom, and to speak of being tough and

nasty, that is up to him. That is not our policy on this side of the House. The statistics are evident. Recovery is here and is well under way.

REQUEST FOR SYSTEM OF TAX CREDITS TO COMBAT YOUTH UNEMPLOYMENT

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is also directed to the Minister of State for Finance. The Bank of Nova Scotia has charged that the economic outlook for Canada accompanying the Budget is too optimistic. That will mean an even higher unemployment rate than the Finance Minister has anticipated and predicted. Under those circumstances, will the Government consider a crash program designed to reduce unemployment? Specifically, will the Government consider introducing a system of tax credits designed to help young people obtain their first steady jobs?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member opposite selects one forecast to substantiate his gloomy view of the Canadian economy. If he will look at any number of indicators, he will find that in fact there is every expectation for further growth during 1984.

With regard to his suggestion that the Government should somehow offer tax incentives to reduce youth unemployment, he will be aware of the range of programs that the Government has already put in place with regard to employment and training for young people.

I do not know whether the Member opposite is advocating higher deficit spending on the part of the Government. We on this side of the House believe that we have achieved a real balance between direct spending in the public sector to reduce youth unemployment and help retraining, and spending in the private sector. Equally, we have put in place a number of tax incentives and other measures to assist the private sector to create the jobs for young people where the jobs really can be created, which is in the private sector.

Mr. Lewis: Mr. Speaker, I would remind the Minister that the Government has achieved an unemployment rate of 11 per cent, and that is unacceptable.

STATEMENT ATTRIBUTED TO FORMER ADVISER TO PRIME MINISTER

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I would like to refer the Minister to another expert. In an article written after the Budget, Jim Coutts, a former adviser to the Prime Minister, argued for a fundamental change in our approach to job creation, not just an incremental increase in our programs. He calls the Finance Minister's unemployment projections of over 10 per cent unacceptable. I would ask the Minister what his reaction to that criticism would be, and if the Minister does agree that we need a fundamental change in our approach to job creation.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I do not agree that we need a fundamental change in our approach to job creation. Last April, we did put in place major programs to reduce youth unemployment, including a massive retraining program. We have also offered incentives to the private sector which, as I say, we are convinced will sustain and enhance the economic recovery and from which real jobs will come.

As for the views of Mr. Coutts, the Hon. Member no doubt would want to address himself directly to Mr. Coutts, but I am sure that he equally would want to recognize the programs this Government has put in place which account in part for the high level of deficit financing and which we on this side of the House have recognized as essential during this period of economic recovery. We are confident that those dual programs of public and private sector incentives will bring down the rate of unemployment, as they have already in the past months, in Canada.

* * *

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—CANCELLATION REQUEST

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in the absence of the Prime Minister I will direct my question to the Deputy Prime Minister. As the Deputy Prime Minister knows, women have been and are today in the forefront of the disarmament and peace movement in Canada and elsewhere. He will recall that it was Sweden's Alva Myrdal who won the Nobel peace prize in 1982, and that it has been women in Canada, led over the decades by the Voice of Women, who have been in the forefront of the struggle to end the nuclear arms race. As a tribute to Canadian women, and women everywhere, will the Deputy Prime Minister, on this first day of International Women's Week, announce on behalf of the Prime Minister the one thing we all want to hear—no Cruise missile testing tomorrow?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I think that the Hon. Member is asking for a very tall order by requesting that we abrogate a formal agreement we have made with the United States on 24 hours' notice. We have already made that decision and I do not think that her request at this stage is one that even she would think reasonable.

Ms. Jewett: Mr. Speaker, I guess the Deputy Prime Minister does not know that it is International Women's Week. I thought that he at least might make some reference to that. Perhaps he will do better in his answer to my supplementary question.

• (1500)

REQUEST FOR POSTPONEMENT PENDING COURT DECISION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in view of the fact that the question of testing the Cruise is before the courts and that a decision still has to be rendered on the constitutionality of the testing, would the

Minister not agree that the Government has every reason, and has had for the last several months, to say to the United States that we will not be able to go ahead with the Cruise testing? Why has the Government not done that when the issue has been and is before the courts and, indeed, there is an application for an injunction before the courts today? Why has the Government not said there will be no Cruise testing until the matter has been determined in the courts?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is framing her question as if the Government were seeking a way out of carrying out its obligation to test the Cruise. We are not seeking a way out; we think that is an important contribution that we are undertaking, and to which we have agreed. I do not believe that the Hon. Member has provided me with any substantial reason why we should change course at this particular time.

The Minister of National Defence has already made clear that it is the intention of the Government to continue its co-operation with the United States. As I understand it, the fact that the matter is before the court in a particular way is no justification to suspend arrangements that have already been put in place.

Ms. Jewett: Mr. Speaker, I wonder if the Deputy Prime Minister even knew about the testing. We only learned about it from Washington.

WOMEN'S CONCERN

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, may I go back to the earlier point I was making about the importance of women in the peace movement and in disarmament. He saw that himself at Stockholm. They were outside the conference hall; only men were inside.

Given the interest and concern of the women of this country in this issue, not only Cruise missile testing but the whole issue, will the Minister give serious consideration to having at least one woman involved in the arms control and disarmament division of his Department, and will he suggest to the Prime Minister that he do the same with his task force? Above all, will the Minister fill the position of ambassador for disarmament which has been vacant for many months, with a prominent woman who is concerned about the issues that that ambassador is supposed to be concerned about, namely, disarmament and peace? Will he put a woman in that position?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I think the ideas which the Hon. Member has put forward are worth considering. I understand the concerns which women have about the basic question of the nuclear arms race. It is a concern that is deeply felt by women and, I believe, by all persons who are watching what is happening in the world. I am quite favourably disposed toward doing what is possible to reflect the particular point of view of women in the Department where that is possible. The Hon. Member has suggested that we consider an ambassador for disarmament. I would do that, and if she has any candidates she would like to propose, I would be happy to receive the names from her.

Ms. Jewett: Don't you know any?

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—SULPHUR DIOXIDE EMISSION TARGETS

Hon. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of the Environment and concerns acid rain and the meeting the Minister is to have tomorrow with provincial ministers.

In 1982 the Minister's predecessor, now the Minister of Employment and Immigration, said that over all we are committed to cutting sulphur dioxide emissions east of the Saskatchewan-Manitoba border 25 per cent by the end of this decade, and that if we have parallel action from the United States we will commit ourselves to a reduction of 50 per cent. May I ask the Minister if he is now prepared to change that official position?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, the purpose of the meeting tomorrow is to examine our over-all policy between provincial and federal Governments. I would not want to negotiate on the floor of the House what the outcome of tomorrow's conference will be. I would therefore ask the Hon. Member to be patient. The purpose of the meeting tomorrow is to re-evaluate our policy, keeping in mind the fact that, even if we were to go all the way by ourselves, we would still be damaged, and considerably so, in some parts of Canada by acid rain emissions coming from south of the border.

Mr. Fraser: Mr. Speaker, as the Minister well knows, many Members of the House believe that his reasoning does not help, because we shall have to go to a 50 per cent reduction in any event.

FEDERAL-PROVINCIAL MEETING

Hon. John A. Fraser (Vancouver South): Mr. Speaker, may I ask the Minister if he is prepared to go before his provincial counterparts tomorrow with a strategic plan for a 50 per cent reduction in Canada now, unilaterally, so that that position can be given to the many allies we have on the United States side of the line who are working with us to end the scourge of acid rain?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, the purpose of the meeting is to develop a strategic plan with our provincial counterparts. I think that is the proper approach to follow, rather than announcing it on the floor of the House of Commons. I want to hear the input of my provincial colleagues, and to develop the plan with them.

STATUS OF WOMEN

DISCRIMINATION AGAINST INDIAN WOMEN—INTRODUCTION OF LEGISLATION

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Deputy Prime Minister and Secretary of State for External Affairs. It is some three months since the Prime Minister promised that removal of discrimination against Indian women would be a matter of urgent legislative priority.

Since three months have gone by and we have seen no sign of such a Bill I want to ask, first, when such a Bill will be tabled and second, is the matter of equality of Indian women on the agenda of the conference later this week between First Ministers and native leaders.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I can tell the Hon. Member that the question of the legislation which she has mentioned is very much on the mind of the Government. It is a matter that undoubtedly will be related to the conference held later this week, following which we might be in a better position to indicate the progress or timing of that legislation.

REQUEST THAT GOVERNMENT ACT WITH URGENCY

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, in recent days this House has been seized, and rightly so, with inequities that exist in other parts of the country but this inequity, discrimination against Indian women, was created by an Act of this Parliament. If we have a right to speak to other Legislatures about what they should do, we should be getting on with cleaning up our own act. We have the right and the responsibility to do so. I should like to ask the Deputy Prime Minister why there is not more urgency attached to this drastic situation by the Government of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, there is urgency attached to this matter. The Hon. Member is not raising a matter that is not well known to the Government. It is true that the situation arises from legislative action previously taken by the Parliament of Canada and that that has to be corrected in order to reach the objective which she and we espouse. I want to tell her that there is urgency. She knows that there are quite a number of other Bills that have to be dealt with in the House, but that is not the reason why this matter is not going forward at the present time.

* * *

AGRICULTURE

FARM FUEL SALES TAX

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my question is addressed to the Minister of National Revenue. As he would be aware, farm women have not received the financial recognition that is due to them. Farm incomes have been so low that it is almost impossible to take advantage or recent changes to allow a salary for spouses on the farm and their opportunity to contribute to the Canada Pension Plan. If there were some attempt to increase the over-all farm income, however, such as taking off the sales tax on farm fuels, that would help considerably to increase small farm income. Would the Minister be prepared to support a rebate in the federal government sales tax so that farmers could have an increased income at this time?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, this is a matter of tax policy and the question should be directed to the Minister of Finance or the Minister of State (Finance). I am not responsible for amendments to the Excise Tax Act or the Income Tax Act. That comes under the Minister of Finance.

[*English*]

Mr. Lewycky: Mr. Speaker, I was not really talking about the excise tax; I was talking about the sales tax.

THRONE SPEECH PROPOSAL TO HELP FARMERS

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, my supplementary question is addressed to the Minister of Agriculture. I am sure he is aware that many farmers are on the verge of bankruptcy. Meanwhile, however, they have been contributing to the Western Grain Stabilization Plan. Just when the payments are most needed, the five-year pay out formula has triggered absolutely nothing. When can we expect to see the legislation which was promised in the Speech from the Throne? And will the Minister agree to make these changes retroactive to the calendar year 1983 in order to assist many farmers who are on the verge of bankruptcy at this particular time?

• (1510)

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I would just like to say that the Hon. Member uses very loose terminology when he says there are many farmers facing bankruptcy. Does he mean 100? Does he mean 50? Does he mean thousands? Our figures show there are some farmers, but even we do not have accurate figures. However, we do have figures which show the farming industry in Canada, when compared to any other industry, is probably the best off of all. When the Hon. Member talks about the Western Grain Stabilization Act, he knows, and we have stated, that it is under review. The report is just about completed on how they can use the five commodities, how they can base the price so that perhaps there would be pay out on the individual commodities to those farmers. That report is not finalized at the present time.

Oral Questions

NATIONAL REVENUE

EXAMINATION OF INCOME TAX FILES BY ROYAL CANADIAN MOUNTED POLICE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the Minister of National Revenue. Last week, or the week before, I asked the Minister about the existence of an agreement between the RCMP and the Minister of National Revenue concerning the examination of income tax files. Can he bring the House up to date, as he promised at that time? And could he tell us in what other kinds of instances is the agreement used?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the agreement to which the Hon. Member is referring has to do with RCMP officers investigating criminal cases such as organized crimes or other aspects of criminal activities. I should like to point out to Hon. Members that the confidentiality of tax files is paramount in such investigations; we ask for RCMP support when criminal activities are uncovered in the course of the investigation.

[*English*]

PROVISIONS IN AGREEMENT

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, would the Minister agree that the agreement is only in connection with files dealing with the Income Tax Act, and that there is no suggestion whatsoever in the agreement that there is power to show the files to the RCMP in the investigation of crimes other than investigations under the Income Tax Act?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would like to look into that particular aspect in order to give a better answer to the Hon. Member.

* * *

[*English*]

CANADA POST CORPORATION

INVOLVEMENT WITH COMMERCIAL ENTERPRISES

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Mr. Michael Warren recently announced that Canada Post intends to get involved in various commercial enterprises. Does the Postmaster General really think that this should be allowed, at least until Canada Post becomes capable of delivering the mail, something it is certainly not doing very well yet?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I think that the question of the Hon. Member is quite hypothetical since the suggestions made by the President of Canada Post do not entail activities which would have priority over the Corporation's first responsibility, which is to deliver mail. There can be no doubt that mail delivery comes first, and I do not think that the President gave the impression that the Corporation is seeking other duties which would prevent it from continuing to provide all Canadians throughout the country with postal services which compare favourably with those of any other country in the world.

[*English*]

LIABILITY TO PAY CORPORATE TAXES

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, my supplementary question is directed to the same Minister. Certainly the press made it sound as though the Director General of Canada Post was serious. If Canada Post is to be allowed to intrude on private enterprise, will it use its extensive government subsidies to help one or two companies compete with the rest of the business community? Will it then pay business tax in the communities where this takes place? And will it then pay corporate taxes, as any other corporation must do?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I think that the Hon. Member ought to read again the Post Office Act where the duties and responsibilities of Canada Post are clearly set out. Members on both sides of the House voted unanimously for this legislative measure and I have the impression that the Hon. Member would be well advised to read the Act over again.

* * *

[*English*]

CANADA LABOUR CODE

APPLICATION TO PUBLIC SERVANTS

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a couple of questions on the role of women within the Public Service of Canada. My first question is directed to the Minister of Labour and it is in respect of his role as the Minister responsible for occupational health of workers in Canada. As the Minister is aware, there are proposals from his Department which we hope to have in front of the House, which would give workers in the Public Service, many of whom are women, the right to come under the Canada Labour Code in matters of occupational health and safety. I wonder if the Minister can tell us whether or not the Government is willing to give the same protection under the same legislation to those workers who work for the federal Government as it gives to workers who work for the private sector under the federal regime?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, my colleague the President of the Treasury Board (Mr. Gray) answered a similar question in the House about three weeks ago. As I recall, in his answer he referred to a sentence in the Speech from the Throne which clearly indicates that, in that

field, the Government of Canada has every intention of dealing with its employees just as it does with all other workers governed by the Canada Labour Code.

[*English*]

PROTECTION OF WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is obviously the same question to the same Minister. Hon. Members of the Conservative Party do not seem to be very concerned about occupational safety in the Public Service. Will the same legislation provide protection for federal Government workers as it does for other workers who come under federal labour legislation? Will those workers have the same legislative protection?

[*Translation*]

Hon. André Ouellet (Minister of Labour): Mr. Speaker, I would urge the Hon. Member to be patient, for he will have an answer to his question as soon as we introduce amendments to Part IV of the Labour Code.

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AIR TRANSPORT

AGREEMENT WITH QUEBEC GOVERNMENT ON TRAINING AIR TRAFFIC CONTROLLERS

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of Transport.

Six weeks ago, I think, I sent a letter to the Minister of Transport stating the concerns of a Quebec CEGEP after a representative of the Department of Transport in Quebec had announced the department's plan to cancel training courses for air traffic controllers in the Province. Since the Chouinard inquiry has stressed the need for such courses to train bilingual controllers, can the Minister assure us today that these courses which were to be given under an agreement entered into with the Quebec Government and valid for the next three years will be maintained? Will the agreement be respected? Can the Minister tell us whether he really intends to cancel this training course for air traffic controllers in Quebec?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, all the students enrolled in the programs at this time have agreed to complete their air traffic controller training at the Cornwall College. We have discussed the possibility of maintaining the air traffic controller courses with various CEGEP representatives and with the Quebec Departments of Transport and Education. I shall be meeting Mr. Clair Thursday of this week to discuss this matter.

Mr. La Salle: I have a supplementary, Mr. Speaker.

I do believe that all my colleagues from Quebec and all the Members of this House are interested in this matter. Am I to understand that the Minister is willing to recommend that these courses be continued in Quebec since, according to the Chouinard report, nearly 300 air traffic controllers had to be trained there? As only 75 have now been trained, I would think the Minister will be able to tell us today whether he intends to maintain this training course in Quebec without reducing the importance of the course also being given in Cornwall.

Mr. Axworthy: Mr. Speaker, I have received several representations from the Hon. Member for Saint-Jean about this matter, but we must look at the applications for air traffic controller courses, and after having done so and having discussed the issue with Mr. Clair, we shall decide on the future of these programs.

* * *

• (1520)

[*English*]

EXTERNAL AFFAIRS

SYRIA—TREATMENT OF JEWISH POPULATION

Mr. Jack Murta (Lisgar): Mr. Speaker, I would like to direct my question to the Secretary of State for External Affairs. No doubt he has seen correspondence directed to him or his Department from various Jewish groups throughout Canada, as well as from Members of Parliament on this side, concerning a Mrs. Lillian Abadi and her two children, who were brutally murdered in Syria in December. These Jewish groups have indicated their concern and fear for the 4,500 Jews now in Syria. Has the Government made any representations to Syria, admittedly on humanitarian grounds, to see whether or not it would be willing to allow Jews to move if they wish, presumably to Israel, possibly Canada, or the United States?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, we are aware of the concern which exists and which has been expressed by the Hon. Member and others. We take whatever steps we think will be effective in dealing with the Syrian situation. It is not a question which can be the subject of repeated or forceful representations because at times we have to guarantee the steps we take will be helpful rather than hurtful. However, within that framework we do our very best to assist cases such as he mentioned.

REQUEST THAT GOVERNMENT MAKE REPRESENTATIONS

Mr. Jack Murta (Lisgar): Mr. Speaker, the Minister would admit that he was pretty vague and general in his answer to me. Perhaps he could be a little more explicit. What steps is the Minister taking in this particular case? Is he using Canada's good will, for example, with the Government of Syria? Have we put forward the case for allowing Jews in Syria to

emigrate if they so wish? Have we done that? What diplomatic channels are we using? Could he be more specific?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): I will be as specific as I can, Mr. Speaker. The Hon. Member knows these matters are within the internal management and prerogative of the government concerned, in this case the Government of Syria. It would be easy enough for us to make either public or private representations which might have a short-term effect in meeting the Hon. Member's request but not be very helpful in getting the job done in Syria. That is what we have to keep in mind.

I know we have had this particular matter under consideration. I will inform myself as to whether there have been any recent representations on this particular case, and I will be glad to advise the Hon. Member.

* * *

EMERGENCY MEASURES

MINISTERIAL POWER TO ESTABLISH CIVILIAN INTERNMENT CAMPS

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is directed to the Minister of Justice. The Emergency Planning Order of 1981 has a provision which empowers the Solicitor General of Canada to establish, administer, and operate civilian internment camps, facilitate the selective reduction and transfer of prison populations, and to provide for the establishment of civilian internment camps. That has the effect of freeing people who have been convicted of a criminal offence in order to make room for people who have not been convicted. I would like to ask the Minister, who is charged with the protection of our civil rights, if he agrees with that provision?

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I am responsible for Emergency Planning Canada and I suggest the Hon. Member read the Order in Council carefully. He will realize that, with a minimum of understanding, he cannot come to that conclusion.

POSITION OF MINISTER OF JUSTICE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I would like to put my question to the Minister of Justice and have him answer it, not the President of the Privy Council. I want to know from the man who is supposed to be protecting our civil rights whether he agrees with that provision?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, it is a question of interpreting the clause to which my hon. friend refers. Every proposal put forward by the Government in statutory form or for regulation is vetted by officials of the Department of Justice precisely for that kind of criteria.

RAILWAYS

TRANSPORTATION OF DANGEROUS GOODS

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I would like to direct my question to the Minister of Transport who, earlier this winter, in a speech to the Council of Transport Ministers, expressed his firm resolve to reduce the risk involved in the movement of dangerous goods by rail. Specifically he talked about reducing the speed of trains in densely populated areas, and about measures to deal with empty cars which carry hazardous products. What action has been taken in that regard? Can he give the House any indication which might demonstrate his firm resolve to deal with these very important and crucial issues?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I think we can satisfy the Hon. Member because we have taken two very specific steps since that declaration. First, I met with the country's major railroads to talk about the issues brought forward. We agreed at that time that we would call together an advisory group of railroad and industry people, particularly the petrochemical industry, to talk about how further standards or measures might be developed and whether the existing requirements and standards are in fact satisfactory. We are now in the midst of drafting the terms of reference which would be agreeable to the parties involved.

Secondly, we have the new office of Inspector General of Safety in Transport, and I have given to him prime responsibility to begin examining the entire area of the movement of dangerous goods. He is now engaged in that and will be meeting tomorrow morning with a major group from Toronto to hear the representations on that issue. I have asked him to do an overview and report back to me on whether supplementary or ancilliary action should be taken.

DISTRIBUTION OF DEPARTMENTAL DOCUMENT

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I am advised the Minister has had a briefing document commissioned by his Department in response to the recommendations of M-Trac, the citizens' group from Toronto. I also understand this report has been made available only to Liberal Members of Parliament for the Toronto area. Will the Minister not make that information available to all Members of the House so that we can see precisely what he has in mind? Also, as I understand it, there are some very basic differences of opinion between the Minister office, the CRTC, and the railroads, about speed reduction and the issue of harmonic oscillation. Could the Minister tell the House whether he has had any discussions with the CTC over resolving these different points of view, and can he report to the House on the success or failure of those discussions?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I have had several rounds of discussions, and one was with the Railway Transport Committee where they brought forward the kind of action in which they are presently engaged. As I said, I have met with railroads to discuss their activities,

and with other interested parties. I will be meeting with M-Trac itself tomorrow morning.

As far as the report from the Department is concerned, I will ckeck and see. I do not know what the distribution has been. If it has been distributed to Members, I will make sure the Hon. Member receives one, because I think it is a useful document or evidence to put forward. I am trying to achieve, particularly by using the offices of the inspector general, a more independent point of view because each of the major groups involved has its own special interest and perspective. I want to make sure we get one which covers everything and comes out with a series of recommendations on which I can act. Therefore, I will keep the Hon. Member informed.

● (1530)

ROUTINE PROCEEDINGS

[*English*]

SUPPLEMENTARY ESTIMATES (C), 1983-84

REFERENCE TO STANDING COMMITTEES

A message from His Excellency the Governor General transmitting Supplementary Estimates (C) of sums required for the service of Canada for the fiscal year ending March 31, 1984, and in accordance with the provisions of the Constitution Acts 1867 to 1982, was presented by Hon. André Ouellet (Minister of Labour) and read by Mr. Speaker to the House.

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Mr. Speaker, Pursuant to the provisions of Standing Order 62(15) and Standing Order 63, I move:

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, tabled earlier this day, be referred to the several standing committees of the House as follows:

Mr. Speaker, since the list is rather long and there is a detailed allocation of the Estimates to the committee, if it is agreeable to the House, I ask that the list be printed in *Hansard* as if it had been read.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Agriculture
- Agriculture Votes 5c, 15c and 50c
- External Affairs Vote 15c

To the Standing Committee on Communications and Culture
- Communications Votes 2c, 50c, 80c and 90c
- Secretary of State Votes 1c, 10c, 15c and 25c

To the Standing Committee on External Affairs and National Defence
- External Affairs Votes 10c, L11c, L12c, 25c, 30c and L38c
- National Defence Votes 1c, 5c, 10c and L16c

To the Standing Committee on Finance, Trade and Economic Affairs
- External Affairs Vote 17c
- Finance Vote 1c
- National Revenue Votes 1c and 10c
- Regional Industrial Expansion Vote 1c

To the Standing Committee on Fisheries and Forestry
- Environment Votes 1c, 5c, 10c, 15c and 20c
- Fisheries and Oceans Votes 1c and 10c

To the Standing Committee on Health, Welfare and Social Affairs
- Consumer and Corporate Affairs Votes 1c and 5c
- National Health and Welfare Votes 1c, 10c, 25c, 40c, 46c and 47c
- Social Development Vote 1c

To the Standing Committee on Indian Affairs and Northern Development
- Indian Affairs and Northern Development Votes 15c, 20c, 30c, 35c, 40c, 45c and L60c

To the Standing Committee on Justice and Legal Affairs
- Justice Votes 1c, 5c, 20c and 45c
- Solicitor General Votes 1c, 5c, 10c and 15c

To the Standing Committee on Labour, Manpower and Immigration
- Employment and Immigration Votes 1c, 5c, 15c and 20c
- Labour Votes 1c, 5 c and 10c

To the Standing Committee on Miscellaneous Estimates
- Governor General Vote 1c
- Labour Votes 6c and 7c
- Privy Council votes 1c and 3c
- Science and Technology Vote 30c
- Supply and Services Vote 1c

To the Standing Committee on National Resources and Public Works
- Energy, Mines and Resources Votes 1c, 10c, 20c, 40c and 77c
- Public Works Votes 5c, 10c, 11c, 35c, 40c, 50c, 55c and 60c

To the Standing Committee on Regional Development
- Economic and Regional Development Vote 1c

To the Standing Committee on Transport
- Social Development Votes 2c and 3c
- Transport Votes 6c, 33c, 37c, 38c, 39c, 55c, 60c, 65c and 100c

Motion agreed to.

* * *

PETITION

MR. KEEPER—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I have a petition today from Stella Mission in Winnipeg which is the place in which J. S. Woodsworth started his work. As such, it should serve as a reminder to the House that Canadians expect political decisions to be based upon moral principles.

To the Honourable the House of Commons in Parliament assembled, the petition of the undersigned board of directors and staff of North End Community Ministry, more commonly known as Stella Mission, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that the petitioners formally object to the testing of the Cruise missile over Canadian territory.

Wherefore the signatories, your petitioners, humbly pray and call upon Parliament to withdraw Canada totally from the nuclear armament's race between American and the East Bloc

countries of which the Cruise missile is but one part. And is in duty bound your petitioners will ever pray.

MOTION TO ADJOURN UNDER S.O. 30

[*English*]

NUCLEAR ARMAMENTS

TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I ask leave, seconded by the Hon. Member for Hamilton Mountain (Mr. Deans), that the house do now adjourn. I am moving the adjournment of the House under Standing Order 30 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the testing tomorrow of the U.S. air-launched Cruise missile over Canadian soil.

As I have indicated in my notice to you, Mr. Speaker, this is an urgent matter because Members of the House learned only on Friday last from a source in Washington, D.C., that the test will take place tomorrow. Canadians have again been kept in the dark.

It is an urgent matter too because an application has now gone before the Supreme Court of Canada to suspend any Cruise missile test until the constitutionality of those tests can be considered. A Supreme Court ruling on the suspension of the tests is pending.

Finally, it is urgent that the Prime Minister's recent peace efforts not be undermined or contradicted and that the widespread desire of Canadians to halt Cruise missile testing be fully debated in the House.

Mr. Speaker: The Hon. Member gave the Chair the required notice of her intention to seek leave to move a motion under Standing Order 30. As Hon. Members know, the Chair, in considering a request for an emergency debate, must "have regard to the probability of the matter being brought before the House within reasonable time by other means".

This matter has regularly been raised during Question Period, even today, and the Government's intention to go ahead with the testing of the Cruise missile has been no secret. No doubt, the intention of the mover of the motion is to try to prevent the test which is to take place tomorrow. However, this issue hardly qualifies as a sudden emergency and there have been and will be various opportunities to debate it in a broader context without setting aside the normal business of the House. Three allotted days remain during the present period. The Estimates have been tabled and have been referred to various committees just this afternoon, and of course Question Period takes place every day.

I also refer the Hon. Member to Citation 288 of Beauchesne's Fifth Edition which clearly states that the subjects excluded by the established rules of debate relating to Standing Order 30 include matters under adjudication by a court of law. The Hon. Member knows, as she states in her notice, that the Supreme Court of Canada has yet to render a decision on an application to suspend the proposed test.

I must therefore rule that the Hon. Member's request does not satisfy the criteria of the Standing Order.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 57, 355, 434, 504, 510, 520, 521, 528, 587 and 595.

[*Text*]

AGRICULTURE CANADA—PERSONS ENGAGED IN PUBLIC RELATIONS

Question No. 57—**Mr. Howie:**

How many persons engaged in public relations, media relations or publicity are employed by the Department of Agriculture?

Hon. E. F. Whelan (Minister of Agriculture): Thirty-six.

ENTERPRISE DEVELOPMENT PROGRAM

Question No. 355—**Mr. St. Germain:**

Since January 1, 1981, for each province, what expenditures were made under the Enterprise Development Program by grants (a) to develop proposals for projects eligible for assistance (b) to identify new products (c) for product development (d) for product design (e) to study productivity improvement projects (f) to encourage restructuring of firms in manufacturing industries (g) to facilitate mergers and acquisition of manufacturing and processing firms?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Expenditures from January 1, 1981 to December 31, 1983, by province, under the Enterprise Development Program (EDP) are detailed below.

Type of Assistance	Yukon/N.W.T.	B.C.	Alta.	Sask.	Man.	Ont.	Que.	N.B.	N.S.	P.E.I.	Nfld.
(a) Develop proposals	—	69,812	7,350	23,866	94,311	84,208	—	—	36,189	—	16,493
(b) Identify new products	—	—	—	—	2,506	—	34,844	—	—	—	—
(c) Product development	—	6,317,850	3,716,202	1,462,984	4,695,751	38,638,997	19,503,180	345,669	853,490	574,008	511,660
(d) Product design	—	23,721	—	238,430	177,638	450,235	3,095,413	15,632	—	15,525	—
(e) Productivity improvement	—	101,510	210,423	—	54,387	461,508	6,364,139	38,392	48,105	35,024	15,750
(f) Restructuring	—	—	—	—	61,520	24,400	327,147	—	—	—	—
(g) Mergers and acquisitions	—	—	—	—	—	—	—	—	—	—	—

IMPORT CONTROL LIST

Question No. 434—**Mr. St. Germain:**

1. Are any products listed on the Import Control List and, if so, how many?

2. In (a) 1982 (b) 1983, how many import permits were issued in Canada?

3. How many people are employed in the Office of Special Trade Relations and what was its annual budget in (a) 1982 (b) 1983?

Hon. Gerald Regan (Minister for International Trade): 1. Yes, 54 products are listed on the Import Control List.

2. (a) In 1982, 126,184 import permits were issued. (b) In 1983, 179,129 import permits were issued.

3. (a) An average of 53 people were employed in the Office of Special Trade Relations in 1982. The 1982/83 fiscal year budget was $1,806,000. (b) An average of 52 people were employed in the Special Trade Relations Bureau in 1983. The 1983/84 fiscal year budget was $2,335,000.

EXEMPT STAFF IN REVENUE CANADA

Question No. 504—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Department of National Revenue and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Pierre Bussières (Minister of National Revenue): The Minister of National Revenue employs the following staff under Section 37 of the Public Service employment Act.

Permanent Employees

1. Louis Alberti	Executive Assistant
Georges Chouinard	Special Assistant
Madeleine Gagnon	Special Assistant
Janine Harris	Special Assistant
Monique Parr	Private Secretary

Term Employees

Marie-France Jacques	Micom Operator
René Côté	Researcher

Part-Time Employees

Daniel Mercier	Researcher
Alain Denis	Researcher

2. No.

PUBLIC ACCOUNTS AND NATIONAL ACCOUNTS

Question No. 510—**Mr. Howie:**

For each fiscal year since 1980-81, based on the accounting practices currently used by the Government on each of a public accounts and a national accounts basis what was the government's (a) spending (b) revenue (c) interest cost and what was its gross debt and its net debt?

Hon. Roy MacLaren (Minister of State (Finance)):

		1980-81	1981-82	1982-83
		($ Million)		
Public Accounts Basis				
1.	Spending (total outlays)	58,589	68,913	79,797
2.	Revenue (budgetary revenue)	45,398	54,068	55,123
3.	Interest cost (interest on the public debt)	10,501	14,948	16,756
4.	Gross debt	118,461	134,107	159,470
5.	Net debt	81,263	94,869	119,522
National Accounts Basis				
1.	Spending (total expenditures)	62,903	75,762	89,586
2.	Revenue (total revenues)	53,909	66,388	66,746
3.	Interest cost (interest on the public debt)	10,544	14,855	16,821
4.	Gross debt	95,857	108,153	132,919
5.	Net debt	51,956	62,260	85,907

ASSISTANCE TO CHATHAM-NEWCASTLE AREA IN NEW BRUNSWICK

Question No. 520—**Mr. Howie:**

Since January 1, 1983, did the Department of Regional Industrial Expansion announce any grants, contributions or assistance for the Chatham-Newcastle area in New Brunswick and, if so, what grants, contributions or assistance was announced?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Yes.

1. Under the Industrial and Regional Development Program (IRDP):

Client	Location	Amount of DRIE Assistance
Town of Chatham	Chatham	$ 10,000

2. Under the Regional Development Incentives Act (RDIA):

Gulf Peat	Hardwicke	$104,938

3. Under the Sulphation Roast Leach (SRL) Pilot Plant Subsidiary Agreement:

Client	Location	Amount of DRIE Assistance
SRL Pilot Plant	Chatham	$15 million Special Capital Recovery Project

4. Under the Developing Regions Subsidiary Agreement:

Project	$ Total Cost	$ Federal Share
Dry Kiln Acadia Forest Products Ltd.	175,000	114,000
Nelson-Miramichi Water and Sewer	3,435,959	1,030,788
Loggieville Water and Sewer	1,794,111	538,233
Doaktown Water & Sewer	2,250,000	675,000

Order Paper Questions

WOMEN WORKING FOR AGRICULTURE CANADA

Question No. 521—**Mr. Howie:**

As of the last date for which information was available, what proportion of the employees of the Department of Agriculture were women?

Hon. E. F. Whelan (Minister of Agriculture): As of January 7, 1984, there were 2,851 women employed in Agriculture Canada as compared to 7,712 men.

WESTERN GRAIN STABILIZATION FUND

Question No. 528—**Mr. Mayer:**

1. What was the total amount of money in the Western Grain Stabilization Fund on December 31, 1983 and what amount was contributed by the (a) Government (b) producers during the calendar year 1983?

2. How much did the accumulated surplus earn in interest in 1983?

Hon. E. F. Whelan (Minister of Agriculture):

1. Fund Balance (December 31, 1983)	$825,536,733.94
October-December federal contribution*	$ 21,034,889.28
October-December interest	$ 17,520,295.52
Total	$864,091,918.74
*Credited to the fund in January, 1984	
(a) Federal contribution (1983)	$125,634,624.76
(b) Producer contribution (1983)	$ 63,189,365.85
2. Interest earned (1983)	$ 60,496,476.28

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

Question No. 587—**Mr. Howie:**

Are any persons employed by the Canadian Radio-television and Telecommunications Commission and, if so, how many and what is the estimated salary expenditure in the current fiscal year and, in each of the two preceding fiscal years, what was the salary expenditure?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Radio-television and Telecommunications Commission as follows: Yes, 421.

In current fiscal year—$15,173,000; $14,371,00—1982-83 fiscal year; $12,501,000—1981-82 fiscal year.

NATIONAL RESEARCH COUNCIL

Question No. 595—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the National Research Council of Canada and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): In so far as the National Research Council is concerned the answer is as follows:

1. Pursuant to the National Research Council Act (Section 5(1)) the Council consists of a President and not more than 21 other members to be appointed by the Governor in Council.

Members of the National Research Council of Canada March 31, 1984

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President
National Research Council of Canada
Ottawa, Ontario. K1A 0R6

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Mr. M. P. Smith
Regional Vice-President and General Manager
The Bank of Nova Scotia
Saskatchewan Region
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2. Chairperson: The President is the Chairperson for the Council and does not receive compensation or benefits for this role.

Directors: Section 12 of the National Research Council states:

"12. (1) The members of the Council, other than the President, shall serve without remuneration, but each such member is entitled to be paid reasonable travelling and other expenses incurred by him while absent from his ordinary place of residence in the course of his duties under this Act.

(2) Notwithstanding subsection (1), a member of the Council other than the President may, for any period during which he performs with the approval of the Council any duties on behalf of the Council in addition to his ordinary duties as a member thereof, be paid such remuneration therefor as may be authorized by the Council. R.S., c. N-14, s. 12; 1976-77, c. 24, s. 58."

The current rate of remuneration under this clause is $200 per day.

President: Order in Council appointee in a salary range equivalent to DM-1, effective July 1, 1982—$75,360 to $88,610.

Vice-Presidents: Salary range July 1, 1982—$58,724 to $74,200.

[*English*]

Mr. Evans: Mr. Speaker, I ask that the remaining questiuons be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, before being interrupted at one o'clock, I was outlining the basic economic situation in Newfoundland. I was referring to the way the Newfoundland Government was not attending to the affairs of state in that province.

As I was saying, it gave people a dream—in this case an offshore hope—and it let the people wither in despair on shore. There was no long-term planning, no long-term employment measures and no immediate solutions.

What great mind ever thought of the principle that one can always and forever export raw material? What great Rhodes Scholar decided that processor licenses can be granted to every Tom, Dick and Harry, so long as it is some corporate conglomerate, so that he can continue to export fish in a raw state to a foreign country so that our people can buy it back later as a finished product? What an economy we have in that province! What foresight! What economic genius! The great crisis, in the fishing industry—and this House should realize it—was really limited in Canada to fish plants that concentrated mainly on frozen cod blocks to be exported to the United States, giving employment to thousands of people there.

• (1540)

I suppose it takes some thinking, some planning, some philosophy, some feeling for people to do something about it. I would venture to say that there is not another provincial

government here that could dish out these so-called processor licences as the Newfoundland Government does, not to process one single thing with it. That same philosophy, or lack of philosophy, has permeated the Newfoundland government in every other natural resource in the province.

I should like to say a few words now about a specific section in the Budget that deals with job creation. Unfortunately, there appears to be in this Chamber an attitude held by a small "c" conservative community, pontificated by the Progressive Conservative Party of this country, that direct job creation should be done away with, in other words, outlawed. I could never understand that rationale. I could never understand how people can be so isolated, so parochial, so unknowing or uncaring as to advocate such a drastic action. The P.C. Party has that philosophy. In its last government the Progressive Conservatives wiped that out, hook, line and sinker. It went straight out of the window. It was said of the infamous P.C. Minister of Finance who wiped out direct job creation that if brains were dynamite, he could not blow his own hat off. There is a reality in non-industrialized areas in the poor provinces, in rural areas, that private enterprise cannot provide jobs. There is no private enterprise, so how can it provide jobs?

There is also very little provincial government money spent. There is no program, no source of funding available to small rural areas that have a right to exist. They have a right to the basic services that people have in other areas of Canada. They have a right to a community building. Take, for example, high unemployment areas where work is seasonal. That is a great section of our country, particularly as it affects the fisheries. Suppose the fishery has been a failure, as it was this past year in Newfoundland? Even if it were not a failure, the philosophy of doing away with direct job creation programs says there will be no jobs in these areas, none at all. It means that no community will get a wharf, a community hall, a community stage, or a basic water system. What kind of a creature in politics today would be so cruel and so uncaring as to advocate the discontinuance of these funding mechanisms? Yet we see this opinion present in this Chamber continually. It is also present in certain sections of our society. What about the armchair experts sitting back in their comfortable surroundings? They have convinced the P.C. armchair experts that these programs must be discontinued. Lucky for the poor in our rural areas that this Liberal Government held the line on direct job creation.

Instead of holding the line, I believe this Government should embark on a completely new initiative and pump hundreds of millions of dollars more into summer student employment programs and Canada Works Programs. Never mind talking about national recovery programs. A national recovery program for a slipway in a community like Dark Hole would cost $14,000. What about a national recovery program for a water line in Herring Neck in my riding? It would cost $89,000. What about a national recovery program for a water line in Whale's Gulch? It would cost $100,000 so that children can drink non-polluted water for once.

For those who are cruel enough, crude enough, and unchristian enough to advocate an end to direct job creation, let me ask them if they would like to change places with any number of men today who kneel by their beds every night and pray for a job on a Canada Works Program that pays $180 a week so that they can feed their children? Let me ask that same armchair expert if he would like to live off welfare payments in the Province of Newfoundland, the lowest welfare payments in all of Canada. If you have five children over 18 years of age and not working, not one penny goes into the household for them. What about living in the widow's shoes at $278 a month? The same type of armchair expert who advocates the end to these direct job-creation programs which go into the rural and the high unemployment areas where there is normally no employment, that same type of armchair expert also advocates among other things that Newfoundlanders should not be allowed to kill seals! Again, you could put yourself in the position of dozens of my constituents this week who are walking or crawling over the ice with a white sheet, or white underwear, over their heads trying to kill a seal to feed their hungry children. Some of these fellows are making less than $100 a week on unemployment insurance. On and on it goes.

I think we should be charitable enough to repeat the prayer of the Sioux Indians, which goes:

> Oh Great Spirit, keep me from ever judging and criticizing a man until I have walked in his moccasins for two weeks.

When we pass judgement on direct job-creation programs, let us remember that.

Let me say in conclusion that when the off-shore Newfoundland government members have some free time from taking trips down south, I wish they would put themselves in the moccasins of the unemployed on the northeast coast of Newfoundland.

The Acting Speaker (Mr. Herbert): We have a ten-minute period for questions and comments.

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I am pleased to have this opportunity to enter into the debate on the Budget of the Minister of Finance (Mr. Lalonde) of February 15, 1984. I am pleased to represent the views of my constituents of Simcoe North. During the course of my remarks I shall bring to the attention of the Chair those parts of the Budget which address the concerns of my constituents, those parts which missed the mark, and I hope I can make some positive suggestions.

The interesting thing about the economy of Simcoe North at the present time is the sense of confidence which I feel in the small business community. The Canadian resilience is evident. The small business community has bounced back and it is cautiously optimistic. Small business in Simcoe North weathered the Liberal recession, which brought high interest rates, bankruptcies in the farming and small-business communities and record high unemployment. Self-confidence is returning, but I suggest to government Members that the self-confidence of which I speak is internal to the small-business community. It does not translate into any sense of confidence in the

Government. Universally in Simcoe North I am asked when the federal election will be called, when they can throw out the Liberals and get on with building Canada. Unfortunately, I would also point out that the payrolls of the larger employers in Simcoe North are not rebounding to pre-Liberal recession levels. That will only come when the energy, forest and other manufacturing industries recover from the Liberal recession and consumer confidence in the Canadian economy is restored.

• (1550)

The Budget is annually the most important address of the Minister of Finance to the House of Commons. It should review the country's economic position, state what steps the Government intends to take to improve the economy and make improvements in the taxation system. In this Budget the Minister of Finance has reviewed the Canadian economy with his usual honesty, that is to say, he took credit for the positive actions of others and ignored the disastrous policies of the Liberal Government. However, I am quick to say that the Budget has some admirable qualities which I applaud. First, it does not seek radical change in the taxation system. In the past four years the Liberal Party has brought forward the national energy policy in the guise of a budget. That Budget resulted in the rape of the energy industry in Canada for the sake of confiscation and higher energy taxes. As a result, the Canadian energy industry has collapsed, leaving a Liberal legacy of unemployment and bankruptcy in Simcoe North as well as across the country. Also I would like to refer to the disaster Budget of November 1981 introduced by the late departed, but not lamented, Minister of Finance, the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen). That was the Liberal Budget which caused a greater recession in Canada than anywhere else in the industrialized world. Coupled with the Liberal high interest rate policy, the insular attitude of the bureaucracy in Ottawa and an arrogance beyond belief in today's democracy, Canada catapulted into the great Liberal recession.

The second admirable quality of the Budget is that it comes in the first quarter of the year. Frankly I am tired of the "here a budget, there a budget, everywhere a disastrous budget" policy which has characterized the Liberal Government. I suggest that we should adopt the policy that the Budget be brought forward by March 31 each year, that it be debated and voted upon through six days of nearly continuous debate, that the Budget legislation be introduced and passed by June 30 every year, and that any Budget measures which are not introduced or passed by June 30 lapse. In other words, if the Government and the bureaucracy cannot get their act together, introduce legislation and pass it forthwith, then tough luck, do not confuse taxpayers any longer.

Also I point out that the Minister of Finance and the Liberal Party appear to have discovered what the rest of us have known all along, that the private sector must be the main creator of jobs. After decades of grinding the private sector, shackling its efforts to create, the bureaucrats and the Liberal Party admit the unthinkable, that is, that the private sector must be the main creator of jobs. We are fortunate to have a strong private sector in Canada. It had to be strong or it would not have withstood the assaults of the Liberal Party over the years. I find those things to be commendable about the Budget, and I would like to deal now with specifics.

The glaring omission in the Budget is the lack of a comprehensive plan to reduce unemployment to a level acceptable to Canadians. Under the Liberal Government, unemployment has reached heights which it has not seen since the great Great Depression. Young and old are crying out for jobs, yet the Liberal Government, with all the research and consultants at its disposal, does nothing to tackle realistically high unemployment today. Unemployment in January 1984 was at 11.2 per cent. The predictions indicate that it will remain in double digits for two years or three years to come.

While denying responsibility for the highest unemployment figure since the Great Depression, the Finance Minister is attempting to take credit for bringing down inflation. He does not seem to realize that it is difficult for people to bid up the costs of goods and services, which are after all the cause of inflation, if they do not have jobs. Canadians know who let inflation get out of hand and did nothing about it—the Liberal Party. Canadians know who tackled and beat inflation with precious little help from the federal Government—the Canadian people.

I am amused at the declaration of four principles under which the Government will now bargain. On page 4 of the "Budget in brief", it reads:

> The government will bargain according to four principles:
>
> —settlements should contribute to reducing inflation and be fiscally responsible
>
> —compensation should be comparable to the private sector, on the basis of total working conditions and benefits, not just wages
>
> —compensation should not exceed that in the private sector
>
> —settlements should encourage increased productivity and improved performance and recognize relative job responsibilities.

Why has the Liberal Party and the Liberal Government not been bargaining on that basis all along? Why are they stating to Canadians that they have not been doing it until now? Why in fact did they allow things to get out of control?

I will leave the area of inflation with one comment. I note with amusement that Mr. Ian Sinclair, that great independent capitalist, has proven, like many other Liberal Senators, that he can be bought. He trumpeted across the land for a year or more preaching six and five while his companies gave out 22 per cent. He then went to his just reward—a seat in the Senate, an appointment for services rendered. He takes his rightful place with Senators Cools, Barrow and Giguère. It looks good on him!

During the past four years Canadian home owners have been brought under severe pressure by the Liberal high interest rate policy. Homes were lost, families broken up and dreams gone forever as Canadian home owners were forced to

renew mortgages at crippling interest rates. While the Government played at protecting Canadians from the spectre of foreclosure as set forth in the 1980 Speech from the Throne, the very real threat, not of foreclosure but of power of sale proceedings, was forced upon thousands of Canadian families. The Liberal Party and the Liberal Government did nothing to help. The housing industry, a major employer in Canada, went into a slump throwing thousands of Canadians out of work. That is a very bipartisan introduction to some non-partisan remarks.

In reviewing this section of the Budget, I would like to do it on a non-partisan basis and draw upon my experience as a real estate lawyer. I suggest very sincerely that I am not trying to score political points but rather to examine the Government's three suggestions on a practical basis. The Government proposed a Mortgage Rate Protection Program designed to enable home owners to insure themselves against sharp increases in mortgage rates. I have examined the proposal. While I see at what the Government is aiming, I am not sure it will work either mathematically or practically. For example, the plan will only be economical to the home owner if mortgage rates increase 3.75 percentage points from the time the mortgage is taken out until its renewal five years later.

● (1600)

Second, home owners will have to find that premium up front when closing the real estate purchase. I know from my experience that this can be a real crunch for home buyers. I wonder whether it will place an unreasonable burden on them at the time of purchase.

Third, I suggest that mathematically they may be better off to borrow less and thus pay less interest during the term of the mortgage rather than insuring against an eventuality which will not take place.

Fourth, the plan lacks portability. It may not be possible to put portability into this plan. When a purchaser buys a house and assumes an existing mortage, the protection is only there if the vendor also took out this mortgage insurance. This is nevertheless a start. I hope there will be extensive consultation with the various sectors of the housing industry before the legislation is brought in so that the proposal can be properly studied and improved.

The second proposal is that the Government amend the Interest Act so that borrowers can prepay their mortgage at any time with a penalty equal to the loss which the lenders would suffer as a result of that prepayment. I suggest that is a fair proposal for both the borrower and the lender and that that legislation should be brought in quickly.

The third proposal that the Government makes is to take measures to encourage the return of the long-term mortgage market. What has bothered me the most over the past four years is not so much the instability of mortgage interest rates but the instability of the mortgage market. In the 1950s and 1960s, life insurance companies loaned on a 25-year basis. In the 1970s, the term came down to five years and the life insurance companies got out of the business. In the 1980s we have one and two-year mortgages and even six-month mortgages. I suggest that that alone has created a social stress for Canadians. They are not only worried about mortgage payments, but they are worried about whether or not a mortgage will in fact renew even if they keep up the payments. I suggest that the Government give immediate attention to this initiative which will provide real security for the average Canadian home owner.

With respect to the sales tax changes, my constituents in Simcoe North welcome the changes in the sales tax system which shifts the manufacturers' sales tax on imported motor vehicles to the wholesale level. In Simcoe North we supply the Canadian automotive industry. Workers at industries such as Decor Metal Products have wondered for a long time why the Liberal Government has allowed foreign auto workers an unfair advantage.

One section of the Budget which was forced upon the Liberal Party and an unwilling bureaucracy was the section which is entitled "Improving the fairness of tax administration". For the past four months, the Progressive Conservative Party has exposed the scandalous manner in which officials of National Revenue, acting with the encouragement and blessing of the Liberal Party, have been harassing the Canadian taxpayer. Daily the Minister of National Revenue (Mr. Bussières) has denied it, only to be refuted by his own officials. One day there was no bonus system. The next day the bonus system was only in Kitchener. The day after offices across Canada had been advised to discontinue the bonus system. Surely no Minister in any Government has been made to look as foolish by his bureaucrats as has the present Minister of National Revenue.

In any event, we now have the Minister of Finance riding to the rescue. What is he going to do? Let us examine some of the proposals. Interest will be paid on overdue sales tax refunds. Big deal! What the Minister of Finance should do is to arrange to have the refunds processed faster.

The next item is that tax paid on sales that become bad debts will be refunded. That corrects an inequity that has been in the tax system since time immemorial. For decades the Government said: "You levy the sales tax, you pay it to us and we run for cover if the sale goes bad."

I pose the question that every sales tax collector will be asking: "Does the Minister mean that the tax collector will be able to deduct the sales tax previously paid on a sale that went bad, or does the Minister mean the collector must apply for a refund? The business community would much prefer to apply legitimate bad-debt losses of sales tax against current taxes collected. I suggest that would eliminate administrative costs. The Tax Court of Canada will be allowed to order Revenue Canada to pay up to $1,000 of the costs of a taxpayer's successful appeal. That begs the question, why just up to $1,000? If a taxpayer is challenged by the Department, goes to the expense of proving his or her case, why does he not get all of his costs?

Revenue Canada will do a lot of things for these taxpayers. It is going to refund an overpayment of income tax to a

Canadian resident resulting from a successful appeal to the Tax Court of Canada or the Federal Court, even if the Minister decides to appeal that decision. That oozes with sincerity. Let us examine it closely. What is left unsaid is that when the Department issues a notice of assessment, the amount demanded must be either paid or secured. The Liberal Party still considers the taxpayer guilty until proven innocent. The Minister of Finance does not realize the real cause of the problem. It used to be that tax assessors tried to settle a problem with the taxpayer in an honourable way. Assessment notices were only issued when an impasse was reached, or a legitimate issue had to be tried. Now, driven by the requirement to meet inequitable and unrealistic bonuses, assessors are forced to reassess in favour of the Department with little or no attempt to settle legitimate disagreements. That is why the system has broken down.

In conclusion I want to say a little bit about trust. I suggest that the Minister of Finance and the Liberal Party have completely lost the trust of the Canadian people. A trust is the same as a reputation. A reputation takes years to build, but it can be lost in minutes. Trust takes years to build, and it too can be lost quickly. The Liberal Party has spent the last four years losing the trust of the Canadian people.

That is not to say that the Liberal Party will not win the final vote in the Budget as it did the vote on the subamendment and the amendment. Liberal back-benchers, anxious to protect their jobs, will file in like the nobodies the Prime Minister (Mr. Trudeau) has called them and dutifully support the Government. The Government will have the numbers, but it governs by numbers alone; it does not govern by trust. The entire Liberal Party has lost the trust of the Canadian people.

The change of leadership will mean nothing. It is amusing to note that the leading contender for the Liberal leadership is a Bay Street lawyer who quit nine years ago. It is a sad commentary on a political Party when the best it has is someone who quit. Those of us who have watched this motley crew operate for the past four years are not surprised. Many of them should have quit a long time ago.

In closing my remarks on the Budget I would like to say that when the vote comes tomorrow, we will vote against the Budget.

The Acting Speaker (Mr. Herbert): There is a ten-minute period of questions, comments and commentaries. There is no one wishing to put questions.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Victoria (Mr. McKinnon)—Veterans Affairs—Rejection of exceptional incapacity allowance applications. *b*) Delay in processing pension applications; the Hon. Member for Mississauga South (Mr. Blenkarn)—Canada Post Corporation—Delivery testing systems; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—National Defence—Inquest into deaths of militia members—Request for transcript. *b*) Driver's licence.

• (1610)

GOVERNMENT ORDERS

[*Translation*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Mr. André Maltais (Manicouagan): Mr. Speaker, I am pleased to be taking part in this Debate on the Budget brought down by the Canadian Government. Earlier, I was surprised to hear that the Progressive Conservative Party would once again be voting against the Budget. I was surprised, since about two weeks ago there was a debate on the Special Recovery Projects and the Progressive Conservative Party was very upset at the thought that many Government members had taken advantage of special funds to create jobs in their own ridings.

As soon as the Minister of Finance (Mr. Lalonde) brought down the Budget a few weeks ago, the financial critic got up to condemn the Budget. The Minister of Finance had hardly finished reading the measures he was proposing! What really surprises me in all this, is that every time a Budget is brought down by a Minister, according to custom, that same Budget is condemned before anyone has had time to examine the exact contents of the measures being proposed. On the Government side, however, as soon as the Budget is brought down, we ask the Minister and officials of the Department of Finance to explain the workings of the Budget to us, so that we can be sure of getting maximum benefits for Canadians out of the Budget proposals. Mr. Speaker, it is easy to follow tradition, to be against something, to be constantly negative, but if we take

the time to examine these Budget proposals, we would find things that are positive.

I am saying this, Mr. Speaker, because that is our custom. I have been a Member of this House for five years, and the custom has not changed. As soon as one side of the House says something, the other side immediately retorts that we should have done the opposite. I agree with Hon. Members and the public that the measures being proposed may not necessarily be the only possible solution, but they deserve to be assessed on their merits, without being dismissed out of hand.

What did the Minister of Finance announce in his last Budget? He simply announced measures, in addition to those proposed in the February 1983 Budget, aimed at balancing the budgets of Canadians, of small and medium-sized businesses, and of retired Canadians, with particular emphasis on the latter. Furthermore, among the benefits provided for Canadians, the Minister of Finance has once again made funds available for creating jobs for young people. Mr. Speaker, coming as I do from an economically depressed area, I always tend to agree when I hear Hon. Members opposite say that the deficit is too high. I always feel that governments can spend too much. However, if the Hon. Members would come to the North Shore once in a while, they would realize that some regions, and not only on the North Shore but also in Northern Quebec, in Northern Ontario, as well as in the Maritimes and especially in Newfoundland, have some catching up to do, considering that before the recession hit, other areas such as big cities were given many advantages. In our sparsely populated areas, there is a serious lack of infrastructure. There is a serious shortage of office space where officials can provide essential services and that is why members both on this side and on the other side of the House are constantly asking the Minister of Finance for improvements in our well-being and economic conditions. And if the Minister of Finance really wants to meet the needs of the various areas, of economic and political interests either at the provincial, municipal or other levels, he has to provide more money in his Budget.

Mr. Speaker, it is so easy to criticize a budget especially when it shows a deficit. However if the Hon. Members opposite would consider how those funds are directly earmarked as far as the various departments and regions are concerned, they would find, much to their surprise, what can be done in the short term and the long term with the funds provided in the budget. Mr. Speaker, as the Member for Manicouagan, I have asked for a lot of money and I have also suggested many medium and long-term projects for the economic development of my region. Even in my own constituency, some people were skeptical at first about the undertakings of the National Harbours Board at the cost of some $42 or $43 million. Nevertheless, such major infrastructure, which I suppose will contribute to the deficit, will enable the Sept-Îles and Port Cartier area to attract other economic projects. Such facilities should normally be used for a 25, 30, or 40-year period. That is called "borrowing against the future", Mr. Speaker, to make sure that the present is economically viable and that future generations may use such facilities for regional development.

It might be suggested to the Minister of Finance not to invest in similar projects which, seen from metropolitan areas, may not appear to generate all the anticipated economic activity. But, back home, we call this "fighting an economic catching-up battle", for our area needs diversification as well as facilities to compete with other areas both in Quebec and the rest of Canada.

As far as air transportation is concerned, Mr. Speaker, the same phenomenon exists throughout Eastern Quebec. I have indicated to the House on many occasions how expensive it is to travel by air on the North Shore. I should like to remind the House that a return ticket, second class, between Blanc Sablon and Montreal costs $695. Clearly, a return ticket between Montreal and Paris casts a lot less. The trip between Blanc Sablon-Montreal, depending on weather conditions, may take an average of two days. And what do Hon. Members from Eastern Quebec want, whether it is the Hon. Member for Bonaventure-Îles-de-la-Madeleine (Mr. Bujold), the Hon. Member for Gaspé (Mr. Cyr) or the Hon. Member for Rimouski-Témiscouata (Mrs. Côté)? We want the Government to subsidize air transportation so that the people living in isolated areas in Eastern Quebec or the Maritimes may leave their homes out of necessity to visit health care specialists in metropolitan areas, so that our young people may pursue their education elsewhere. But travelling by air in these areas costs a lot of money. We urge, therefore, the Minister of Finance to grant us money as well as cost equality per 1,000 seats—this is the way we assess transportation costs back home. Mr. Speaker, we request for our areas the same facilities as those which exist already in more-centrally located areas. But this costs money, and money comes from the Ministry of Finance. We, on this side of the House, are aware that this has been a difficult period economically, not only in Canada but throughout the industrialized world. It is important to point out that fact to the people, because it is so easy for the Opposition to blame the Government for mismanagement or lopsided priorities. It is so easy, for those who are not responsible for managing the economy to suggest that if they had been in charge they would have done better.

I would also like to remind the House that I am negotiating with the Schefferville and Sept-Îles reclassification committee, and maybe soon with the people in Gagnon.

• (1620)

Not that I want to cast a stone at anyone. We all know that the global market for iron ore is depressed. However we need government money to get people out of these remote areas without too much hardship. It would be very easy for me to start blaming corporate management of mining operations in my area and score political points, but as a responsible

Member of Parliament, Mr. Speaker, I prefer to look for short term ways of helping people out of the dire straits they are in, through no fault of their own, rather than blaming the various mining companies in my area. But what answer do I get? Each time I call for extra funds to help people, either through additional mobility grants, mortgage compensation for house depreciation or total loss in real estate value, what answer do I get from officials, and often from ministers? That there is a financial problem, that there is not enough money. Mr. Speaker, the member for Manicouagan has a duty to press the ministers to find funds, even if it means increasing the deficit, to help people out of their trouble. But it is very easy for the other side to suggest that money is wasted. I believe the Leader of the Opposition is very well aware, since we worked together for solutions to help workers, that the government has a responsibility to the people who are hurting in those areas. What I often dislike in the speeches of Official Opposition members is that they always go along these lines: any operation showing a deficit must be left to the government and all profitable concerns are for the private sector only. That is just not good enough, Mr. Speaker! It is ironic that businessmen we meet have the tendency to continually ask for help from the government when the going gets rough; they keep asking for all sorts of grants. However, as soon as the situation improves, they readily claim they are overburdened with taxes. Mr. Speaker, one must face the facts, and take good care of the various elements in the Canadian society. The government's role is to ensure that the private sector can function within a free market ruled by the supply and demand law. But the government has also a responsibility to distribute the wealth amongst citizens of this country. The role of the State is not to substitute for private business, but to create a favourable climate for trade and business. That is the role of government: to create a healthy state of affairs in the economy, in order to generate wealth and, in turn, to ensure a wise distribution of this wealth amongst all citizens. And the budget brought forward by the Minister of Finance exactly meets these expectations, Mr. Speaker. One must have daily contacts with citizens to understand what individual needs really are. Mr. Speaker, senior citizens have also been adversely hit by the economic crisis, and they need support from the government; and moneys provided in this regard through all kinds of indexed benefits within the pension system are certainly not excessive, considering the hard work these people have invested over the years to build this country.

Mr. Speaker, one cannot deny that it is important and indeed essential to address the problems of youth, to provide jobs to our young. However, it is equally important to provide for the well being of our elders who have enabled us to enjoy the standard of living we have achieved. It is normal to have special consideration for those people and to take specific measures in favour of that group of citizens.

Mr. Speaker, a visit to any home for the elderly is all one needs to realize just how important an additional $10, $15 or $25 a week can be to enable them to make ends meet, particularly keeping in mind the extent of rising costs in the past three of five years.

In my opinion, Mr. Speaker, we are not motivated only by compassion when we adjust old age pensions, we are simply assuming our social responsibilities and ensuring that those people get a fair share of our wealth.

Mr. Speaker, I represent a remote area and we could use additional airports. For five years now, I have been trying to bring English television service to a small village such as Tékaska, and invariably I have been met with near indifference, allegedly because there are not even 500 residents in that small village. CRTC regulations deny cable television to those people, so that a typically English-speaking community is serviced only by French television. That is an injustice! Yes, an injustice!

Mr. Speaker, I think that I will have to bring more pressure to bear on the Minister of Communications to have the Department of Communications or the CRTC change those regulations, so that the small community of Tékaska can have English television.

Between Sept-Îles and Blanc-Sablon, Mr. Speaker, there are about fifteen small communities which are anxiously awaiting development, and young people return to their place of origin in increasing numbers to regain control over the administration and the economy of those communities. I think that, in all fairness, we must support and help them become the economic fulcrum of the Middle and Lower North Shore. There are not only empty words, Mr. Speaker. I have been their Member for four or five years and I know that over $30 million have been spent in that region which perhaps are not producing quite as much as they can. However, I am convinced that it will be a resource-producing region for Quebec and the rest of Canada within a few years. That is why I have accepted the Canadian Challenge, I want to help those people. The same thing can be said about other cities in the North, Mr. Speaker, their outlook is promising indeed!

We could have accomplished a lot more had we been more logical in the past by carrying out worthwhile research projects and processing programs, and if mining companies, governments and universities had combined their efforts.

Before my allotted time expires, Mr. Speaker, I would like to say simply that I will vote in favour of this Budget. There are still many things that I would have liked to say about Manicouagan, which I regard as a Canadian microcosm on account of its ethnic and economic make-up. However, in spite of all our present economic woes, I believe that we must not entertain a negative attitude vis-à-vis the budgetary proposals but rather that it is time to be positive and ensure a true economic recovery in such areas. Here, in Toronto and in Montreal, an economic recovery is certainly underway. We are

still waiting for it in my area, but, thanks to Government support, we shall now be able to achieve our purposes.

The Acting Speaker (Mr. Herbert): There will now be a 10 minute period for questions, answers and comments.

• (1630)

[*English*]

Mr. Blenkarn: Mr. Speaker, the fact is that on the basis of the Bank of Canada rates, interest rates are higher now than at any time since December, 1982 and are rising. There is every indication that, with the squeeze on the availability of money, interest rates will rise dramatically for the balance of this year and into next year.

Could the Hon. Member tell me how he thinks that deficit financing, which will have to be financed by borrowing at higher and higher rates, will be helpful? How was that helpful to his constituents who perhaps want to finance a home or a business? Does he not perhaps believe, when he talks of the free enterprise mode, that if Government got out of some of the things it is doing, perhaps there might be more money so that his constituents can expand and do things on their own?

[*Translation*]

Mr. Maltais: Mr. Speaker, first of all, I believe that this is hypothetical since interest rates could go back to what they were in 1981-82. On the other hand, I want to point out to the Hon. Member that, concerning mortgage rates, in Mr. Lalonde's Budget a ceiling is proposed that will give us a mortgage guarantee, which means that we shall not be faced in the future with the same mortgage rates as were experienced during the last two or three years. That is my first point.

Second, when the Hon. Member asks which Government programs we could scrap in order to support smaller busineses, I would like him to tell me which program he would personally like to see removed. Would it be the Federal Business Development Bank? Many businesses regularly use the services of the FBDB because, while it admittedly has a relatively high lending rate, that is somewhat higher than the average rate of other banks, it may be the bank which incurs the largest risks. It should be said that when the FBDB loans money to a small business, it is because most of the time such a business was refused a loan by regular banking institutions. Then there are other programs. Does the Hon. Member mean the programs administered by the Department of Industry, Trade and Commerce?

Mr. Speaker, Quebec and also Ontario have greatly benefited from these programs these last few years. To my knowledge, very few small businesses have asked us to scrap DREE programs, now called IRDP's or Industrial Regional Development Programs. These programs should perhaps be strengthened, but more importantly, Mr. Speaker, we should perhaps have a single dispensing agency. I would be in favour of having a single service through which businessmen could deal directly with the various Government programs. This is a first point.

Secondly, Mr. Speaker, if the Hon. Member wants to suggest that certain programs should be abolished, he can say so and perhaps make the suggestion to the appropriate committees of the House.

[*English*]

Mr. Blenkarn: Mr. Speaker, the Hon. Member is clearly familiar with the Budget and the spending Estimates of the Government and will appreciate that as a result of Supplementary Estimates (C) the Government will be putting $550 million into Canadair in this fiscal year alone and $300 million de Havilland in this fiscal year alone, to build airplanes. There is no provision in this Budget for money to these corporations for next year. I was wondering if the Hon. Member feels then that the Budget was a fair presentation of what is anticipated as being the costs of running the Government when this year it is necessary to put into those two rather defunct corporations over $850 million, yet no provision is made for them in this Budget? On that basis, how can the Hon. Member support this Budget as it does not clearly indicate all the liabilities of the Government?

[*Translation*]

Mr. Maltais: Mr. Speaker, the Hon. Member can certainly refer to de Havilland or Canadair when he speaks about deficits. However, I would like to remind him that the difference between the Canadian Government and the American Government in the area of research is that we often act through Crown corporations while, in the United States, research is carried out through the Defence Department. If the Hon. Member is well informed, he will know that, in Canada, we have often used Crown corporations to carry out technological research. Certainly, Canadair is having problems and so is de Havilland. However, how many people work for these companies? Second, the research activities they carry out will be used to reinvest in products which could become profitable in years to come. Every company will experience problems sooner or later, Mr. Speaker. The Hon. Member has referred to de Havilland and Canadair. In my area, I could mention mining companies which are exclusively of the private sector. The difference is that, when they have a deficit, they lay off workers. This may be one way of solving many problems, but the role of Government is two-fold: first, it must make sure that private companies, and yes, I did say private companies can operate in Canada within the free market system, and, second, it must allow Crown corporations to be set up to carry out research. We are now facing hard economic times and the Hon. Member will have to admit that. Even during the nine months when the Progressive Conservatives were in power, abolishing these corporations was out of the question. And even during the Progressive Conservative Party Leadership Campaign, the most serious candidates had to agree that selling or closing down these corporations was out of the question. I suggest that this is like saying that de Havilland and Canadair do not have the means to operate and that the budget does not provide anything in this respect . . . That is not

the whole truth, for in the budget tabled in 1983 as well as in the budget tabled in 1984, the Minister of Finance had allocated funds, so that de Havilland and Canadair have sufficient funding to operate. And if they are ever faced with financial problems, they know they can come to the Government or Parliament for additional funding.

[*English*]

Mr. Blenkarn: I am happy to hear, Mr. Speaker, that the Hon. Member thinks they might come to the Government for funding, but he will appreciate that the contingency allowance set out in the Budget is only $800 million, having been reduced from $1.1 billion to only $800 million. With respect to de Havilland and Canadair alone, the amount of money spent this year on those corporations is $850 million—that is on those two expenditure items alone—and there is no provision in the Budget for those expenditures which are undoubtedly going to take place with those corporations, as they both, as the Hon. Member knows, have funded debt well in excess of $1.8 billion, and they are both losing money at the rate of $20 million, $30 million and $40 million a month.

Surely the Hon. Member must understand that there has to be an allowance somewhere in the Budget for this contingency expense, but the contingency expense is only $800 million. How does the Hon. Member then wish to support a budget which does not have a proper contingency allowance, clearly does not foresee expenditures which he knows, and I know, will have to be met? What does he propose to do, sell Canadair, close it down, fire the workers? Is that the Hon. Member's proposal? Is that why there is no contingency allowance for Canadair and de Havilland?

[*Translation*]

Mr. Maltais: Mr. Speaker, I am always amazed when I hear remarks such as those the Hon. Member has just made, blaming the government on the one hand because the deficit is supposedly too high, and blaming it on the other hand because the contingency allowance for Canadair and de Havilland is supposedly not high enough. This is definitely a contradictory statement. The second point, Mr. Speaker, is that both de Havilland and Canadair have the funds they need for the time being. So far, these corporations have not come directly to Parliament for more funding, but if they ever do, I would simply ask the Hon. Member opposite and his colleagues to grant these corporations additional funds. I think, however, that the minister responsible for Crown corporations sought budgetary adjustments a few months ago. Some changes have even taken place within the various Crown corporations to improve administrative performance as well as to recoup our losses, while maintaining the greatest number of people on the work force and making de Havilland and Canadair products more cost efficient and exportable. I think we should be reasonable, and should, at some point in time de Havilland request more funds, I would mention to the Hon. Member that we might have to vote supplementary estimates.

[*English*]

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, before commencing with my remarks on the Budget today, I would first of all like to add a few words to some of the exchanges which went on earlier regarding the retirement of our Prime Minister (Mr. Trudeau). Many Hon. Members will recall that some time ago he suggested to some of us in western Canada that we should climb our own mountains. Coming from the constituency of Kootenay West, which has some of the most spectacular mountains and mountain scenery in the country, I had already done so. However, since his remark I have done so again and what I have seen from the tops of mountains in my own constituency and what can be seen from mountain tops in many areas of Canada is not particularly attractive as regards the state of our forest industry. That is the subject which I would like to discuss today.

• (1640)

If you stand on a mountain top, fly by helicopter or light plane, particularly over many of the once forested areas of Canada, you will see many areas which have been cut and laid to waste and not replanted. They have been ignored both by federal Government and by provincial Governments across this land for generations. It is, Sir, a national scandal.

It is sometimes difficult for people in metropolitan areas to appreciate that we are facing large-scale shortages of commercially viable forests in Canada. It has been a deliberate policy of many of our Governments to keep green belts around the highways and keep the scarred areas out of sight beyond the mountain tops. The public generally has thus not been aware of the lasting devastation created. And we have done virtually nothing to redeem it.

In my own province, the unsatisfactorily restocked areas make up some 640,000 hectares. They have been ignored and not replanted. Above and beyond that we have huge areas which have not been effectively managed. We do not thin or fertilize. Any farmer would be absolutely insane to farm in the same way that we handle our forestry resource.

I would just like to run down a short list of headlines which we have seen lately. Some people in Canada have begun to wake up. People in the forest industry, whether they be loggers, mill workers, company spokesmen or foresters, have begun to speak up. Indeed, the public has begun to speak up more and more in the last few years, and the media and some politicians are finally catching on. None of us are without sin in this matter because the claims to priority by many segments of the public often get more attention from many of us than do the long-term demands of our nation and its number one industry—having regard to its contribution to the Canadian economy. There was a headline in the Toronto *Globe and Mail* on February 11, 1984, which said "Massive lay-offs seen in B.C. forestry study", and "B.C. lay-offs foreseen". *The Vancouver Sun* of February 11, 1984 carried the headline, "Forests being written off". The article said:

Ottawa and Victoria have "written off" B.C.s forests jeopardizing more than 60,000 jobs—

Again from *The Vancouver Sun* of February 10, 1984, we have "Ottawa predicts disaster in woods", and "Tree planting cuts can mean disaster". *The Vancouver Sun* of November 19, 1983, carried the headline, "Forest renewal aid called abysmal". The suggestion here is that Canada spends more abroad assisting other countries with reforestation than we spend on our own resources. The January 1984 newsletter of the Western Sylvicultural Contractors Association headlined, "Federal forest funds fade". The article said:

For all intents and purposes B.C. has lost out on a $60 million cost sharing program with the federal Government. The money would have been spent on backlog reforestation—rehabilitating and planting 600,000 hectares of the Province's better N.S.R. sites.

The Vancouver Sun of February 18 this year said, "B.C. forests being raped, prof charges". Again *The Vancouver Sun* of February 8, 1984, said, "Forest renewal plan put on hold for a year". This delay is absolutely devastating for employment and the viability of that province and its people. Another headline, from the Trail *Times*, reads, "Forestry aid is less likely to continue". In *The Vancouver Sun* of February 9, 1984, the headline reads, "Government is gambling with the future of B.C. forests". The government referred to is both the Government in Ottawa and the provincial Government in Victoria. In *The Vancouver Sun* of February 4, 1984, an article headlined "Axe-wielding Waterland attacked for cutting 500 jobs" says:

Professional foresters and B.C.s biggest forest union laced into Forests Minister Tom Waterland on Friday for axing more than 500 jobs in his ministry.

To quote from the February 3 Canadian Press statement on which this story was based, Mr. Speaker, it said:

The provincial Forests Ministry will cut 506 positions April 1 to reach its target of reducing its work force by 25 per cent to 4,145, Forests Minister Tom Waterland said Friday.

Waterland said employees have been given the options of taking earlier retirement, voluntary retirement and collection of severence benefits or moving to another position in the Forests Ministry or another ministry if jobs are available.

Waterland said 316 jobs will be eliminated in 46 regional offices, 100 positions in the six district offices and 90 positions in the Department's headquarters.

The cutback should not affect any specific branch of the Ministry, Waterland said, because it is a uniform cutback throughout the Department.

That Ministry, which has been criticized continuously for having too few skilled people to do the minimum job of overseeing forest management in my province, not to mention their failure to begin the process of catching up on backlog reforestation, says that a 25 per cent cut across the board in services, including their total destruction of the B.C. forestry school, is not going to have any impact. The Minister has the nerve to suggest that people can move to jobs elsewhere in the Department. It is a tragic picture, Mr. Speaker, absolutely tragic, and the policies of this Government in Ottawa are not helping.

I can understand the frustration of some of the federal Ministers who I believe have had a legitimate and sincere interest in trying to promote the welfare of that industry and the people who depend upon it. But whether they be Ministers in this Liberal Government or Ministers in the former Clark Conservative Government, they are of no help when they cut programs just because we have an irresponsible Government in British Columbia which is destroying its forest industry. For the federal Government to join in this attack on our forest industry does not help anyone at all.

Another headline from the Nelson *Daily News* says, "Forests Ministry lay-offs hit city". Some 50 people in my home town of only 9,000 people have just been laid off. This does not simply mean that those 50 families are going to be in trouble, or that this community, Nelson, which already has an unemployment rate of some 30 per cent to 40 per cent, is going to be in trouble; it means that we are not going to take any concrete steps to renew and revitalize one of the most decadent timber areas in British Columbia. We have been logged and logged for almost a century, and virtually nothing has been put back. Then we get complaints from both the federal and provincial Governments that they do not have enough money to do the job that is required. Well, there is more news in the headlines.

● (1650)

This headline, from the *Trail Daily Times* of February 17, 1984, again from Canada Press, reads, "Taxpayers Cheated. Sloppy Work Costs-Ombudsman". The article says:

British Columbia Forest Products Ltd. has been getting millions of dollars of timber tax free because of sloppy work by the provincial forests Ministry, Ombudsman Karl Freidmann said Thursday.

And slipshod measuring by ministry scalers had cost six small independent firms $4.5 million to $6.3 million, and forced them to the 'brink of financial disaster,'—

Provincial ombudsman Karl Friedmann went on to say:

'Since the timber was not scaled, the company benefiting from the use of Crown timber had never been billed, and millions of dollars have gone uncollected.'

Friedmann said it appears the ministry will not bill the company because B.C. Forest Products had made it clear it does not want to get a bill, and this was contrary to the spirit and intent of the Forests Act.

To quote from him again, he said:

'This position contradicts any proposition that the ministry might be managing the province's forests in the public interest.'

That is from the provincial ombudsman of British Columbia after an extensive investigation.

The headline from *The Vancouver Sun* of February 29, 1984, reads, "$750 million in fees unpaid over the period of the last five years". That charge, made in the legislature, reported in *The Vancouver Sun*, is well substantiated. We have seen drastic declines in revenue, not just because of recession but because nobody has been collecting the money that part of the forest industry in that province has been making even in good times. Talk about horses on the payroll!

For governments, whether federal or provincial, to suggest that they do not now have the money and therefore we will have to bail out eventually the entire Province of British Columbia, which produces the lion's share of forest products in this country and the lion's share of employment—the federal Government's own report suggests that—is absolutely scandalous.

Here is an editorial from *The Vancouver Sun* dated February 16, entitled, "The Free Log Scandal". It reads:

> Is it true that the government has allowed Crown timber to be delivered to B.C. Forest Products or other large forest companies free of charge? If so, how did it happen? Was there incompetence? Was there criminal activity?

There is one front page headline after another, from Toronto to Vancouver. The same scandalous situations exist in Atlantic Canada. While the stories may not be as nauseating as some of those from British Columbia, equally serious charges have been levied about ignoring the welfare of our forest industry in Atlantic Canada. Finally, an editorial headline from the *Globe and Mail* of February 21, 1984, reads, "Running out of Trees". That is exactly what we are faced with.

The federal Government's own report entitled, "The need for forest renewal and management in British Columbia", recently issued by the Pacific Forest Research Centre of the federal Department of the Environment, outlines a scenario that ought to alarm every Canadian whether or not he lives in one of the 300 communities dependent upon the forest industry. This report says that British Columbia faces massive unemployment in nearly every major city and town unless a strong push is made to reforest large tracts of land logged during the past few decades. It states that more than 30,000 jobs will disappear in the forest products industry alone and another 30,000 will vanish in related servicing industries. The federal Government's own report added that the impact would be so severe that the provincial Government would be unable to handle the resultant financial crisis and the federal Government will have to intervene.

I ask the federal Government why it must wait until it needs to embark on a massive emergency bailout of one of the so-called have provinces of Canada? The federal Government is now cutting back, and it should not do so.

The Leader of my Party, the Member for Oshawa (Mr. Broadbent), asked the Minister of the Environment (Mr. Caccia) responsible for the Canadian Forestry Service on February 13, 1984, as reported at page 1315 of *Hansard*:

> Before the weekend his Department released a report which predicted that we will lose 30,000 jobs . . . Would he confirm to the House if these alarming figures are accurate and, if so, what does his Government plan to do about this fundamentally important part of the Canadian economy?

The Minister of the Environment went on with some irrelevancy about a commitment to FORINTEK, and then said:

> We have renewed this commitment, and the Hon. Member knows very well that we are very concerned with maintaining the viability of this sector of our economy.

He then went on to say:

> In 1983-84 we have done everything possible to maintain jobs in this particular sector, particularly through unemployment insurance funding of jobs, despite lack of co-operation from one province.

There has been a little more than lack of co-operation from one province. However, the Minister was suggesting how much the Government has done to save the industry through employment creation programs. This year alone, the forecasted expenditures of 1983-84 compared to the Estimates for 1984-85 show that for 1983-84 they were $115 million and for 1984-85 they were $45 million. That is a 61 per cent cut in forestry expenditures under the Department of the Environment. Employment programs went down from $21.5 million to less than $60,000. That is a 99.998 per cent cut in forestry-based employment programs. Is that their measure of concern? It is absolute, asinine stupidity by a Government which says that it is looking after employment programs in the forest industry. It is using band-aids instead of major surgery, and even that commitment is collapsing.

We know that the Government of British Columbia and some other provinces are destroying our forest industry through neglect, but the federal Government should not get even by joining them in that destruction. It does not help, and eventually someone will have to pay.

We are talking about an emergency arising from a scandal on a scale which this country has never seen. At some point the federal Government must take hold of this problem and give serious attention to the needs for a solution.

Finally, let me make some proposals. We must deal with the problems of reforestation, research and development, new market developments, product diversification and new technology before it is too late.

I and my Party, the NDP, make the following suggestions: One, to create a separate federal Ministry of forests. Under the current Government, forestry is primarily handled by the Canadian Forestry Service which operates under the Department of the Environment. But there are some 19 separate branches and departments responsible for forestry. Thus, there is no co-ordination or strong voice that is able to speak in Cabinet. While there is now a Minister responsible, he has a multitude of other responsibilities, some of which are in conflict. Surely an industry which contributes more to the Canadian economy in terms of balance of payments than fishing, mining, energy and a number of other areas put together deserves more responsibility.

Two, to establish a committee to coordinate job training programs as technology changes the nature of employment in the industry.

Three, to increase expenditures on research and development to a level comparable to that in the United States and Scandinavia. If one wants a comparison, the track record of the Government of Sweden is one that simply cries out for some emulation. I plead with the Minister of the Environment and other Members who may be interested in the future of their constituents who depend on this industry to compare that country with Canada. Sweden has insignificant forest resources compared with Canada but is actually increasing its acreage every year as well as its capacity to produce every year. The Swedish industry is also much more modernized than Canada's because it paid attention to the future. That is the kind of action our industry requires.

Four, to tie corporate tax incentives to performance and forest renewal, research and development and resource processing. To establish a fund to help one-industry towns find

other industries. We are running out of time. Even if the Government addresses the emergency now and begins to grapple with the problem, many communities will still go under because they will have to pay the price of our neglect in the past.

I urge all Members of Parliament to consider places that have done a better job and not just pass the buck. The buck stops here.

Mr. Ferguson: The Hon. Member suggested that a Ministry of Forestry be established at the Canadian Government level. Recognizing the fact that the forest industry is a provincial jurisdiction, does he feel that the provinces would hand over this jurisdiction to the Government of Canada in view of the fact that they have not done a very good job of handling the forests themselves?

● (1700)

Mr. Kristiansen: Mr. Speaker, I am not suggesting the federal Government ought to take over total jurisdiction from the provinces. If the Hon. Member recollects, during the constitutional debate in which we were engaged, my own Party was instrumental in strengthening that section which dealt with the prerogatives and jurisdiction of the provinces, especially with regard to renewable resources. Forestry was one of those areas most on our minds.

The problem is that this crisis will be dropped in our lap unless we begin to take some initiatives. I do not think many of the provinces will object to most. In the proposals I mentioned, however, there is one area that may cause some difficulty. It is to tie corporate tax incentives to performance in forest renewal, research and development and resource processing. I can see some provincial objections to that. But as the federal Department of the Environment's own report said, unless we act now we will have to bail out the entire Province of British Columbia a few years down the road. It becomes a matter of choice.

I know that the Minister of the Environment in his negotiations on the renewal of the forestry subsidiary agreement with British Columbia took the position, and I understand it, that federal spending would only be incremental to provincial spending. But, we simply do not have the time to wait. We are falling further and further behind. We must spend additional moneys now. We must use some leverage, use some push, use bait, or even threaten in such a way that provincial Governments may take us to court for interfering with their jurisdiction. This will at least make it a higher profile political issue. Maybe we will gain more allies and smarten up some of those provincial Governments into doing their share. If that is not done, we will get stuck with the bill in time anyway. This is the Hon. Member's own Government's report that says what will happen to us just a few years down the road.

I know the difficulties, Mr. Speaker. I appreciate the questions which the Hon. Member posed. I think the emergency is just too great to waste any more time.

Mr. Jim Peterson (Willowdale): Mr. Speaker, I am pleased to rise and participate in this debate on the Budget. I am pleased because, having had the opportunity to listen to what has come from the other side, one can only be more convinced that this Budget is adopting the right course and the right perspective. What have we heard from the other side? We have heard the most irresponsible mixture of criticisms and commentaries that it has been my privilege in the four years I have been in this House to hear. What do we hear? First, that the Government has not dealt with the deficit.

Mr. Clarke: Right.

Mr. Blenkarn: Right.

Mr. Peterson: Right, as Hon. Members opposite say. But in the next breath we hear them say that we have not dealt with unemployment.

Mr. Blenkarn: Right, again.

Mr. Peterson: But you are not going to deal compatibly with those two issues at the same time, Mr. Speaker.

Mr. Blenkarn: Why not?

Mr. Peterson: Pick your priority, I say to Hon. Members over there. There is no way that we can go about in the Reaganist way which the Tories suggest—

Mr. Blenkarn: It is not bad. Americans have growth and more employment.

Mr. Peterson: —of reducing our deficit and increasing our military expenditures while at the same time creating more jobs for Canadians. Canadians are not so stupid that they will buy that type of Mickey Mouse economics.

Mr. Blenkarn: They won't buy you much longer. Let us go to the country and find out.

Mr. Peterson: Unemployment is a critical issue facing all of us. What are the Tories' solutions for dealing with it? It is to cut the deficit.

I am concerned about the size of our deficit, I must confess. If the Opposition had wanted to argue credibly that perhaps in the halcyon days of the 1970s, when we had real growth in the order of 4 per cent, 5 per cent, 6 per cent to 7 per cent, we should have been setting aside some of our surplus funds and creating some budget surpluses, putting them away for a rainy day, then I might find some credibility in what they are saying today.

Mr. Blenkarn: You were in power then.

Mr. Peterson: When we are in the midst of the worst recession since the Dirty Thirties, and when unemployment is at excessive levels, intolerable levels, to try to cut back on that deficit is absolutely irresponsible.

Let us look at our record in job creation. In spite of these totally unacceptable levels of unemployment, we have not done

badly. During the previous 12-month period we have created in Canada more than 400,000 new jobs. Since 1970, our record has been the best of all the industrialized nations. We have created in Canada more than a 50 per cent increase in new jobs. Compare that with the so-called dynamic economy like that of—

Mr. Blenkarn: The United States.

Mr. Peterson: —West Germany, in which case it has had a 2 per cent decline in the number of actual jobs.

Mr. Blenkarn: How about the United States?

Mr. Peterson: If all Members feel that the way we are going to cut the deficit is by cutting back on social spending, I would like to hear them rise and with a unanimous voice tell us which of those programs they would cut back.

Mr. Blenkarn: How about Canadair and de Havilland?

Mr. Peterson: The Hon. Member for St. John's West (Mr. Crosbie), the clown prince of the Official Opposition, has said that when the Tories are in power they are going to get tough. On whom are they going to get tough? We have listened to them throughout the debates over the past six months on Canada's economic future. When you go through the the debates, Mr. Speaker, and look at what the Official Opposition is proposing, you will come up with more than 150 new expenditure programs. Almost nowhere are the Tories prepared to say, "Let us cut back there". Tories are political opportunists and hypocrites of the worst order. If they feel they merit the confidence of the people of Canada, then it is up to them to come forward with comprehensive, constructive alternatives. But what have they told us they are going to do? Very simply, they have told us that they have no policy. The Hon. Member for St. John's West has said, "Well, I agree with what the Finance Minister has proposed". Or we hear, "Yes, we have policies, but we are afraid that if we tell you what they are, you might implement them for the benefit of Canadians. Therefore, we are going to hold them back". They feel we will pinch these wonderful policies which could be helping the Canadian people at this time—if they have them. Tories are pretending they have them, but they are going to hold them back to try to make political hay with them when it comes to election time. I was not elected to this House to think only of the next election. If the Tories have concrete alternatives to help the unemployed, I say, bring them forward.

Before I leave this point, it is important to mention some figures that were contained in the *Globe and Mail* of this morning. The article pointed out social spending as a percentage of gross domestic product in seven of our major countries. West Germany spends 31.5 per cent of its gross domestic product on social spending. Canada spends only 21.7 per cent. This is only a percentage point more than the United States spends. At the bottom is Japan which spends 17.5 per cent. The international comparisons with comparable countries do not indicate that we are overspending on our social programs. When I see the unemployed people out there, I am not prepared to advocate that we cut back on our social spending in order to try to come to some Holy Grail, whereas the Tory solution will be increased expenditures, decreased deficits and more jobs than we are presently creating. Canadian people will not buy that.

• (1710)

Let us look at some of the measures in the Budget. I commend what the Minister of Finance (Mr. Lalonde) has done here for small business, particularly in cutting back on the limits where small business tax is available to our small businesses. Small businesses have demonstrated their capacity to create new jobs in Canada. We are putting money into the hands of small business people who have the track record at creating jobs. We will see those efforts come to fruition. They will bear fruit. I also like the thrust of encouraging more worker participation in both stock ownership and profit sharing. Those two measures are an integral part of the measures dealing with business.

Pensioners have been dealt with in a way that is responsible. The most crying and pressing need of any group of Canadians today has been that of senior citizens, particularly single ones, most of whom are women living below the poverty level. By increasing the guaranteed income supplement by $50, we are addressing that group directly in the most concrete way possible. If there is to be any criticism from the Opposition, let that criticism be on the basis that perhaps we have not gone far enough in bringing the incomes of seniors closer to the poverty line. The poverty line should be the minimum target when we are a country of such great resources and means. It is a travesty that persons reach their retirement years, having made their contribution, with their only aspiration being to live below the poverty line.

I appreciate what the Minister has done in trying to bring private pension plans and the Canada Pension Plan more into line with the needs of meeting the vast financial commitments which will exist as our population ages. It is a tough issue with which to deal, but I believe excellent steps have been taken. I commend the task force chaired by the Hon. Member for Sudbury (Mr. Frith) for its recommendations which found their way into the Budget. I am particularly pleased that those provisions will create greater equality of opportunity for women, particularly single women, with survivor benefits and compulsory splitting of pension plans on separation. In the past we have seen in areas such as these that injustice has reigned. I am particularly pleased that we will see a two-year vesting instead of a ten-year vesting. Private pension plans have to become portable. The test will be whether the private sector will grasp the opportunity made available to it in this Budget. If private sector businesses and the insurance industry do not take up those plans and increase the role of private pension plans in our society beyond the paltry 10 per cent they now enjoy, the only alternative for governments in this land will be to increase the size of the public pension sector. We are awaiting anxiously what the private sector will do with this opportunity made available in the Budget.

There are many other areas about which I would like to talk. I look forward to the consultative process of the Minister of Finance with respect to part-time farmers and Section 31 of the Income Tax Act. Those consultations will be very, very important. We have to ensure that part-time farmers are not penalized just because they have to work in town to supplement their poor earning capacity on marginal farms. We want to ensure that people who work in towns and are trying to buy into new farming situations can keep their jobs in town and not suffer. We want to see the people in marginal farming areas, which have suffered enormously over the past few years because commodity prices have not kept pace, being given an opportunity through hard work and initiative to stand on their feet, not be besieged by artificial limits imposed in the income tax or by rapacious tax investigators.

I have watched Budgets closely since 1970. I have followed them in great detail. It is my considered opinion that the Budget of April 19, 1983 and the one of February 15, 1984 are the two very best Budgets. They respond to the needs of our nation, our economic needs, the needs of taxpayers and the need for investment better than any other Budget over that period of time.

One area about which I want to talk is unique and provides a new opportunity over the long term to create a better economic future in Canada. I am referring to the provision dealing with aid-trade. The Aid-Trade Fund was announced in the Budget, but first I would like to back up somewhat to look at our position with respect to foreign aid. Hon. Members will recall that back in the early 1960s we set global targets for development assistance to developing countries, to less developed countries, to the Third World. We set a target among rich western nations of about 1 per cent of the Gross National Product. We felt that out of every dollar each of our economies produced, we could devote one cent to developing countries. Then we found that we were falling short of that target. Canada had a sorry record. Our aid amounted to less than .4 per cent, even though we are one of the wealthiest countries. Prime Minister Pearson headed a commission in the late sixties which set a new target of .75 per cent. It cut our overall target for development assistance by 25 per cent. Major western countries fell short of that target. In 1980, the Prime Minister (Mr. Trudeau) appointed a task force of the House of Commons headed by the Hon. Member for Gloucester (Mr. Breau). It did an excellent job in its report. It set a target of .7 per cent of GNP. We have not yet come close to that target. Where are we?

In 1981, of the 17 development assistance committee members of the Organization for Economic Co-operation and Development, of the 17 wealthiest industrialized countries in the world, Canada ranked eighth in terms of the proportion of its resources it was prepared to commit to development assitance—.54 per cent. At the top was The Netherlands with 1.1 per cent. At the bottom or seventeenth was the United States of America with .24 per cent. It is a great regret that the United States, the economic leader in the western world, has cut back on its once very proud figures exceeding 1 per cent of GNP. That was in the 1960s. This is a shortsighted policy. It is selfish. It will lead to a worsening of the world economic order, situation and structure over the decades ahead. As Jean-Jacques Servan-Schreiber has written in his book *The World Challenge*, *Le Défi Mondial*, the rich western nations are going to be able to compete among one another over the years ahead, perhaps the decades ahead. In one year we will be up in one product and another nation will be up in another. Basically he said that we are not going to have tremendous leaps forward in the quantitative growth of our economies in the West. We will only gain marginal advantages over one another from time to time. He said that our solution for growth lies in the 160 developing countries in this world, and that there is a necessity for us to work in a co-operative way.

● (1720)

This is what the Aid-Trade Fund is doing. As we increase our expenditure on foreign aid, it will go to helping Canadian exporters. I do not object at all to tying our Third World aid to Canadian exporters. This is good for Canadians. It means that we will be able to spend more. Let us not continue with parsimonious levels of even .7 per cent of gross national product when it comes to building the type of world which will benefit the Third World, when we will have incredible opportunities to benefit and to grow along with them. This is a farsighted policy. This is typical of many of the measures in this Budget. I am proud to speak today in favour of the Budget of February 15, 1984.

Mr. Blenkarn: Mr. Speaker, would the Chairman of the Finance Committee comment on a statement made before the Senate Budget Committee in the United States by Paul Volker on February 29 last when he said:

> The adverse effect of the imbalance of domestic savings and investment on credit markets has become more apparent as the U.S. economy has grown and those imbalances can only worsen if deficits of the magnitude projected by the Congressional budget office and others, deficits without precedent during a period of economic expansion, are permitted to materialize in coming years.

In view of the fact that our deficit in terms of borrowing requirements will be 92 per cent of domestic savings, in view of the fact that our deficit on a per capita basis is one and a half times greater than the United States and in view of the fact that our deficit is nearly three times as large as that of the Americans on a comparison of gross national product to gross national product, how can the Chairman of the Finance Committee of this House conceivably approve this Budget?

Mr. Peterson: Mr. Speaker, this question is obviously rhetorical. If the Hon. Member for Mississauga South (Mr. Blenkarn) had the slightest suggestion as to where we were going to be able to cut expenditures in order to give Canadians better value for their tax dollars, I believe he would have come forward with that. The simple fact is that that question is typical of what the Opposition Members have been doing throughout this debate. They are not prepared to say on what they were prepared to cut back in terms of expenditures. Is it going to be the senior citizens? Is it going to be transfers to the

provinces? Transfer payments are approximately 85 per cent of federal Government expenditures.

The other day in the Finance Committee the Hon. Member voted along with the New Democrats to increase our expenditures to the provinces for post-secondary education. They are not going to cut back on transfers for post-secondary education. The Leader of the Opposition (Mr. Mulroney) said: "We would not cut back on payments for health care. We would give more money to the provinces for health care". Are they a good advocate of cutting back on payments to senior citizens? No. Where are they going to save the billions of dollars that they want? That is the first part of my response to what was an obviously politically rhetorical question.

On the second aspect, quite frankly I am not prepared to agree with the Hon. Member that at this time, as we are rebuilding a new type of economy, a new base using the new technologies, we can afford to pull back. I am not afraid of a deficit of $31.5 billion in the last Budget. Would the Hon. Member like to put his own figure on what he thinks that deficit should be?

The only honest approach they can take is that in previous years, perhaps during the 1970s, we overspent. We had real growth and at the same time we were running deficits. If that is their approach and if they can honestly say that during those times they were advocating cutting back on expenditures, that they were against indexing personal income taxes in the mid-seventies and all of those things, then perhaps they would have some credibility when they speak on the issue of deficits today.

I do not apologize for the deficit of $31.5 billion contained in the Budget of February 15, 1984. Anybody who does so has the obligation to come forth and show us where they would make the specific cuts and who would suffer from those cuts.

Miss MacDonald: Mr. Speaker, I listened to what the Hon. Member for Willowdale (Mr. Petersen) had to say with regard to pensions. It is an issue in which I happen to have a particular and ongoing interest. I heard his eloquent remarks about the needs of the elderly, particularly elderly single Canadians. I am in agreement with him, except that he also made some complementary remarks about the parliamentary task force on pension reform which recommended an increase of $102 a month to these people who exist on nothing but the GIS and OAS. The Government did not choose to go that route. I want to ask him for his personal opinion. I have had the reaction of the Government. Those people over the age of 65 today, the 600,000 who are living below the poverty line, are primarily women. Most of them are there because most of their lives they have spent working full-time in the home and there was no provision for them in any kind of pension plan. The parliamentary task force came up with a self-financing proposal by which homemakers could be brought into the Canada Pension Plan in their own right so that if they are divorced or separated or if the husband dies, they can carry on as beneficiaries of the Canada Pension Plan. I am looking for recruits, for supporters of that proposal. I say to the Hon. Member that I know the Government does not support it, but does he as an individual who seems to be concerned about that issue realize that if we do not correct the inequities that presently exist for people who work full-time in the home, there will be even more than 600,000 people in that desperate category who will be over the age of 65 very soon?

• (1730)

Mr. Peterson: Mr. Speaker, I have two comments to make in response to the Hon. Member for Kingston and the Islands (Miss MacDonald). I support enthusiastically the concept and the recommendation of the task force with respect to homemakers' pensions. As the Hon. Member points out, the situation is, I think, absolutely unconscionable. There are so many people who have made their contributions. No one can tell me that being a homemaker is not an important, critical and valuable contribution in terms of social values and in terms of the economic possibilities it often gives the other members of the family. No one may denigrate that contribution, particularly when it comes to the retirement income of these single women who are below the poverty line. It is a national disgrace that so many single women are living below the poverty line.

I would like to know what the position of her Party is on this matter. I support that recommendation completely. Let us all work in a constructive way toward seeing that it is achieved.

My second comment is that the Budget Speech made by the Minister did indicate that discussions are being undertaken and will be undertaken quickly with the provinces in order to obtain provincial support and co-operation in this endeavour. I do not think we can wait very long for those discussions to start and for us to come up with some very practical solutions to the very real problem that the Hon. Member has articulated.

Mr. Kristiansen: Mr. Speaker, I would like to ask the Hon. Member for Willowdale (Mr. Peterson) a couple of questions. He dwelled for a long time on the question of debts and deficits, and I was wondering if he had seen a recent column in *The Financial Post* of February 18, 1984, written by an economics professor from the University of Manitoba, Mr. Ruben Bellan. The column points out that instead of pursuing in Canada an approach to deficit and debt similar to that pursued by the Government of Japan, we have, because of the policy of the Liberal Government, which is urged on even more strongly by the Progressive Conservative Party, been pursuing a policy of borrowing abroad and forcing our municipalities and corporations, etc., to borrow abroad because the Government does not borrow at a low cost.

The Acting Speaker (Mr. Guilbault): The question period is terminated. We will return to debate.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, in starting off I would like to congratulate you on your new position and I wish you well. Before I begin to state my thoughts and comments on the Government's February 15 Budget, may I take this opportunity to congratulate the Prime Minister (Mr. Trudeau) on his retirement plans. As a Conservative and a Member who sits on the opposite side from the Prime Minister, I can honestly say that I have not always seen

eye to eye on all matters with him, but I certainly have a great deal of respect for him and I believe his retirement is well earned.

I might also take this opportunity to wish the potential successors to his job the best of luck. I was pleased to see that both the CBC and the CTV networks were able to arrange to have an audience with the Liberal leadership frontrunner who is now in sunny Jamaica. I was also pleased to hear that he agrees with the Tory Party in claiming that unemployment is the most serious problem facing the nation. I can tell the House that I can think of approximately 1.5 million reasons why this Party has always considered unemployment to be the most pressing problem to date.

Twenty-one days ago, 1.5 million unemployed Canadians were anxiously awaiting the release of the Minister of Finance's 1984 Budget. A great many of these men and women were waiting to hear some good news about the action the Government was going to take to help find jobs for young people who had just graduated from high school, college or even university. These young people who are coming on to the job scene for the first time are obviously disadvantaged because they lack the experience that potential employers are looking for. In other words, they have been caught in the standard trap of not having enough experience for a job because they have never been given the opportunity to work and gain that experience.

After listening to the Minister of Finance (Mr. Lalonde) 20 days ago, the 1.5 million unemployed in this nation have once again been disappointed by a Government that does not seem to care about the citizens who cannot find work. As a Member who represents northern Ontario, I can tell you and the House that thousands of unemployed in my riding and all ridings in northern Ontario and across the region are extremely disappointed with the Finance Minister's efforts at job creation. Members opposite who represent northern Ontario together with the rest of the Liberal caucus have proven once again that government priorities are not reflective of the needs of the people of the country.

In April 1983, the Finance Minister proudly boasted that his Budget was a recovery Budget. He did not mention the fact that Canadians were recovering from the Government's mismanagement of the Canadian economy. He boldly told the House the following:

> I am proud to be associated with this Government that has not, despite intense fiscal pressures, forsaken its compassion or its obligation to support those Canadians who most need help. The Government has taken significant actions in the past ten months to contain the rise in unemployment.

He earlier stated:

> Madam Speaker, my dominant concern in preparing this Budget has been to help the more than one and a half million Canadians who want to work but cannot find jobs.

Like the repeat performance of a bad film, we have seen what effect the Minister's recovery Budget has had on the Canadian economy.

Ten months ago, the Minister told us that 1.5 million Canadians could not find work. Today, after 10 months of Liberal recovery, there are still 1.5 million people unemployed. Ten months of recovery—

The Acting Speaker (Mr. Guilbault): I am sorry to interrupt the Hon. Member but the Chair is trying to find out whether the Hon. Member will get to his speech. He has been reading remarks from the outset. While the quoting of documents is allowed in the House, speeches should be made orally.

Mr. MacDougall: Thank you very much, Mr. Speaker. I certainly will be coming to the points in my speech. I must apologize to you, Mr. Speaker. I did get carried away.

Several weeks ago, I received a disturbing letter from a constituent of mine from the mining industry, an industry in northern Ontario in which problems are certainly not uncommon. I am sorry, Mr. Speaker. Perhaps I should not quote from the letter, but I must say to you that there are 1.5 million people unemployed in Canada including people in northern Ontario. I must refer to some of these letters because they are very sincere and relate to the problems in northern Ontario and, of course, in my riding. The letter from my constituent indicated that her husband has been out of work for a year now. He has filled out applications, answered advertisements and checked the UIC boards across northern Ontario. His UIC runs out on February 13. What should he do? I was trying to refer to that type of question, Mr. Speaker. That is what I was referring to in regard to the Minister and his Budget. In his Budget, the Minister did not relate to the problems that existed 10 months ago. The Budget we are discussing today is the same Budget as before and there are still 1.5 million people unemployed.

I tried to find work for that constituent, but unfortunately I was not successful and was unable to find work for this person because I was here the night the Budget Speech was made looking for what I thought would be the answers that would help these people who are unemployed.

Perhaps what is even more frustrating to a new Member of Parliament like myself or to my constituents is the fact that when the Government does in fact produce funds for job creation, the money is not evenly distributed across the country. What we have seen happen in the House in the last few weeks is very, very upsetting to myself and to my colleagues on this side. It is upsetting to see public funds distributed unequally across this land. By using public funds to prop up the Government's sagging popularity, the Liberals have created two classes of unemployed citizens.

● (1740)

On November 29, 1983, I informed the House that Canada Works money was distributed unfairly. In the Liberal held riding on Nickel Belt, the average allocation for an unemployed person was $168 per week, while in the riding of Timiskaming the average amount was $97 per week. That is not fair, Mr. Speaker. The people being hurt are those who are unemployed, those who are looking for jobs, those who have lost their unemployment benefits and who have to live on social benefits. That is what I mean when I say that the

concerns should be equal for job-creation programs throughout this land.

When I think of societies where different classes of citizens live, I can think of the cast society in India or the suppressed people within the communist bloc. That should not happen in Canada. There should not be two classes of people here, one that happens to live in a Conservative or NDP riding and the other that happens to live in a Liberal riding.

To play politics with the unemployed is the sign of a very desperate government that would consider bribing the Canadian people with their own money instead of using the money in a fair and honest fashion. The only money that the Minister of Employment and Immigration (Mr. Roberts) could find for this Budget was $150 million, but just ten months ago when the Minister of Finance was playing the clown in front of the TV cameras, he was able to come up with $200 million to cover his foolish error. When it comes to helping the unemployed, however, all he could come up with was $150 million.

I should like to take this opportunity to quote again a famous Canadian and his opinion of the unemployed. As he entered the 1980 election he said:

> As we enter the 1980s, we have to remind ourselves that there's no greater challenge facing this country than that fundamental requirement of creating jobs, especially for Canada's young people.

The famous Canadian was the Right Hon. Prime Minister, and his remark was addressed to the University of New Brunswick on January 10, 1980. Clearly the words and the deeds of the Prime Minister and the Minister of Finance are two drastically separate things.

This country needs a government that can control its spending and once and for all send a signal to private enterprise that it is serious about restraint and recovery.

Last year the Minister of Finance informed us that the deficit would reach $31.5 billion; today, for every $3 that the Government spends, $1 must be borrowed. Year after year the federal auditor tells the House of Commons that government spending is leading us down the road to disaster. I believe the Government has reached that destination, Mr. Speaker. It is clear that not only is the Government morally bankrupt but it is playing politics with the unemployed. The Government is also financially bankrupt because it does not seem capable of controlling its own spending.

I have discussed the plight of the unemployed and I have touched briefly on the subject of the nation's sagging federal deficit. Next I should like to address something that is completely ignored by the Minister of Finance in the Budget. The mining industry in this country is in serious trouble and its problems have not been addressed in the Government's blueprint.

From January, 1982, until November, 1983, over 25,774 miners were laid off either on a permanent or a temporary basis in Canada. On top of that, close to 100 mining operations or projects were suspended on a temporary basis. In the midst of the mining crisis, what did the Government do? In one word—nothing. The word mining or mine is not even mentioned in the 20-page Budget Speech that the Minister of Finance read to the House last month.

Mining plays a crucial role in every community in nothern Ontario. I expect to see Members from ridings in that part of the country stand in the House during this debate and voice an objection to the Budget. It provides nothing for the thousands of laid-off miners in our region.

As things stand today, Mr. Speaker, there is one employment program operating in Canada that is tied directly to the mining industry. The Mining Internship Program which is administered under the Career Access Program in co-operation with the Mining Association of Canada is a good program that is intended to help graduating students from the faculties of geology, mining engineering and mining technology. It is an excellent program which opens up opportunities for graduating students. It is fine to have that program, but if the mines are not in operation, then we cannot put the students to work.

I see the Minister from Nickel Belt sitting over there laughing, Mr. Speaker, because I am concerned about the mining industry. The miners in northern Ontario are not laughing, Mr. Speaker, that is for sure.

This program combined with the employment programs operating under Section 38, conditions of the Unemployment Insurance Act, are clearly not doing enough to help companies that face a very uncertain future.

During a recent mining tour of my riding my colleague, the Hon. Member for Prince George-Peace River (Mr. Oberle) and I were told that increased foreign competition was hurting if not killing the Canadian iron ore industry. We had the opportunity to meet with the mine manager at the Adams Mine in Kirkland Lake, Mr. Bruce Taylor, who told us of the pressure to improve costs to compete with Brazilian ore which can be landed in the Canadian Great Lakes region for up to $10 per ton less than it can be delivered from mines in northern Ontario. The same conditions apply to another mine only 60 miles away. The Brazilian ore coming into the Great Lakes can be shipped in at $10 less than ore from northern Ontario. These are the problems that have to be addressed.

The fact remains that the mining industry which, when operating at full capacity employs over 200,000 men and women, did not receive any help in the Budget. We will probably not hear the Minister of State for Mines (Mr. Rompkey) address the subject in this debate because he has nothing to defend. At one point the federal Government left the impression that it actually cared about the mining industry and introduced a mineral policy discussion paper in March, 1982. We are approaching the second anniversary of the release of that paper and have seen no action or statements about what the Government will do. The Canadian mining industry has the right to be upset about this lack of concern.

The Acting Speaker (Mr. Guilbault): Order, please. May I ask the Hon. Member to address the House orally as provided for in our rules and traditions? This is the second time I have reminded him.

Mr. MacDougall: Thank you, Mr. Speaker, I will certainly do that. When dealing with such major issues as natural resources or mining and with the unemployed, I must say that I am concerned and I want to be factual in what I say. That is why I have notes in front of me. I must continue and say that the mining industry—

The Acting Speaker (Mr. Guilbault): I am sorry but the Chair failed to realize exactly what the Hon. Member meant. Does he mean that he is going to carry on reading?

Mr. MacDougall: No, Mr. Speaker.

Mr. Taylor: Mr. Speaker, I rise on a point of order. We have seen Members of the House read their entire speech. This Hon. Member is simply referring to notes and he should not be interrupted. Surely you have to protect the rights of all Members. I have seen Members on the other side read their entire speeches without interruption. This Member is not reading his speech; he is referring to notes and should not be interrupted.

The Acting Speaker (Mr. Guilbault): First of all, these are reflections on a decision of the Chair. I will read Citation 309 of Beauchesne which is very clear on this matter: It reads as follows:

> It is a rule in both Houses of Parliament that a Member must address the House orally, and not read from a written, previously prepared speech.

I could read Citation 310 and Citation 311. There are exceptions to this, such as a maiden speech. I do not want to bore the House with this. All I should like is that Members abide by the rules.

Mr. Taylor: But it should apply to everyone, not just to one Member.

● (1750)

Mr. Gurbin: Mr. Speaker, I believe I understand the rules not as completely as you do, but I remember an occasion when I was remarking to myself that the Prime Minister (Mr. Trudeau) was reading from a speech. Why should the rules not apply to the Prime Minister—

The Acting Speaker (Mr. Guilbault): Order, please. I believe we are getting into a reflection on a decision of the Chair. That is exactly what is being done.

Mr. Gurbin: No, Sir, I am asking a simple question.

The Acting Speaker (Mr. Guilbault): Will the Hon. Member resume his seat? I can answer this because there are exceptions. I will quote from Beauchesne's Fifth Edition at page 102: It reads:

> Tradition has established exceptions to this principle, and these have been recognized by the Speaker from time to time. Ministers of the Crown, Leaders of Opposition Parties (and those speaking on their behalf), a Member speaking in a language that is not his own, and a Member making his maiden speech—

I could go on, but I feel that is enough to make the point.

Mr. MacDougall: Mr. Speaker, it certainly turned into a lively last ten minutes of debate, I must say.

Miss MacDonald: Tell him about the mining industry.

Mr. MacDougall: I would like to continue, and I will not be going by my notes. Not once in this Budget has there been anything done to help the mining industry in northern Ontario or across this country, Mr. Speaker. Looking back over the years, what has this Government done for the mining industry? What has it done for the secondary industries? What has it done for the diamond drilling industry?

Mr. Taylor: Nothing.

Mr. MacDougall: What has it done for the thousands of unemployed miners across this country?

Mr. Taylor: Nothing.

Mr. MacDougall: Nothing at all, Mr. Speaker. What has this Government done in this Budget to help the tourist industry? Can those Hon. Members opposite tell us where in the Budget the Government has helped the tourist industry?

Mr. Taylor: In Liberal ridings only.

Mr. MacDougall: There is nothing in the Budget to help the tourist industry.

Where has it helped small business across this country? Can the Hon. Members opposite tell us where the Government has helped the mining industry and the tourist industry?

Miss MacDonald: It is just to tax them.

Mr. MacDougall: Tax, tax, tax, that is right. Earlier an Hon. Member opposite talked about the forest industry. What has been done for the forest industry? Where has this Government addressed the problem of the forest industry? I must say to some Hon. Members opposite, yes, we were fortunate a year and a half ago to meet and start to work on the problems of the forest industry, but it has taken too long to get this going, Mr. Speaker. Where is this Government going? It has not helped any of the resource-based industries in Canada which are the backbone of this country. That is where we ought to be looking, Mr. Speaker, at the resource base in this country, what this country is built on, what we have worked on over the years, what has made Canada a natural resource-based country. This Government has neglected it time and time again. What has it done for the fishermen of this country?

Mr. Taylor: Nothing.

Mr. MacDougall: Fishermen on the West Coast and on the East Coast have been given nothing at all. I am glad that I have to forget about my notes because I can say plainly now, Sir, that the people across this country know that our natural resources, our tourism industry, our forest industry, our mining industry, our fisheries, have not been addressed in this Budget. This Government feels that, by giving our senior citizens $25 in July and another $25 at the end of the year, it

is doing something. But what is it doing with the numbers of individuals who are having a hard time day in and day out? It is doing nothing for the people of Canada. I feel sorry for this Government. There is only one answer which can be given, and that is, if those Hon. Members feel that the Budget which was presented here is that good, why do they not go to the people of Canada?

Mr. Taylor: They will throw them out.

Mr. MacDougall: Let the miners in northern Ontario, the fishermen in British Columbia and Newfoundland, the tourist industry and our senior citizens show this Government how they really feel.

In closing, Sir, I urge this Government, if it feels there is that much in the Budget, to go to the people and let them decide.

The Acting Speaker (Mr. Guilbault): The Hon. Member for Sudbury (Mr. Frith) has a question.

Mr. Frith: Mr. Speaker, I would like to say to the Hon. Member for Temiskaming (Mr. MacDougall) that, since we both represent ridings in northern Ontario, I believe we both recognize as well that we do have a cyclical problem in the mining industry at the present time. It is one which has happened before, and I am hopeful that if we have some long-term commitment with respect to the tax policy of the provincial Government, we might have some opportunity—

Mr. Blenkarn: Oh, come on.

Mr. Frith: I would just like to remind Hon. Members opposite that there was a Treasurer of Ontario by the name of John White, who represented the provincial riding of London—

Mr. Blenkarn: There was a Minister of Finance by the name of John Turner who screwed them up, too. Let us talk about Turner's famous budget which screwed the mining industry.

Mr. Frith: —the Hon. Member for Temiskaming, for research purposes, might inquire of Mr. John White about the mining industry and his response to the imposition of the provincial mining tax act changes of 1974—

Mr. Blenkarn: What about Turner's Budget? Did you read Turner's Budget?

Mr. Frith: —and the effect it had, more than anything else, on the downturn in the mining explorations field in northern Ontario.

Mr. Taylor: This is a federal House.

Mr. Frith: The Hon. Member for Temiskaming mentioned in his speech the fact that Brazilian ore—I would assume iron ore—can be imported at some $10 less per tonne. He might be able to enlighten the House as to what position he feels the Conservative Party would take with respect to that so that we can open up the iron ore company in Schefferville.

Mr. MacDougall: First of all, Mr. Speaker, I am very pleased that the Hon. Member for Sudbury (Mr. Frith) has recognized also the mining industry in his own community. He refers to the provincial Government, Mr. Speaker. I have been very fortunate over the last number of years to be able to work closely with the provincial Government and the Minister of Natural Resources, which is much more than I can say for the Hon. Members on the government side. They have a tendency not to work together but to work separately.

With respect to Brazilian ore, all I can say to the Hon. Member for Sudbury is that the problems with which we are faced today are problems which have been built up over the last 20 years under the Liberal Government. That is where the blame lies. Over the last 20 years of the leadership of this government we have had problems with Brazilian ore, with Iron Ore of Canada and with other iron ore mining industries across this country.

Mr. Fisher: I wonder if the Hon. Member for Timiskaming (Mr. MacDougall) would be kind enough to tell us his views on the proposals of his colleague, the Hon. Member for St. John's West (Mr. Crosbie), in his own eyes the hopefully future Finance Minister? If the Hon. Member for Timiskaming thinks things have been tough for the last few years, they will seem like a picnic in comparison with what the Hon. Member for St. John's West is going to visit on us. The Hon. Member for St. John's West was quoted as saying that the next Minister of Finance has to be "mean, nasty and tough-minded". I am sure in northern Ontario that is a welcome piece of news.

Mr. Taylor: But fair and honest.

Mr. Fisher: I wonder if the Hon. Member for Timiskaming would tell us specifically if he agrees with the Hon. Member for St. John's West when that Hon. Member calls for means tests? Does the Hon. Member want to go back to that degrading experience in the same way that the Hon. Member for St. John's West wants? Or is he going to rebuke publicly the Hon. Member for St. John's West for phoney economics and for taking out the problems of the deficit on the backs of the poor?

Mr. Taylor: He has at least been fair and honest.

Mr. MacDougall: Mr. Speaker, my short answer would be that the people of Canada already have a mean Minister of Finance. All we need is an election, and we will be glad to let you know what we are going to do.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Adjournment Debate

VETERANS AFFAIRS—REJECTION OF EXCEPTIONAL INCAPACITY ALLOWANCE APPLICATIONS. (B) DELAY IN PROCESSING PENSION APPLICATIONS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, on February 21 I asked two questions of the Minister of Veterans Affairs (Mr. Campbell). The first dealt with the way in which the Canada Pension Commission has been dealing with applications for the exceptional incapacity allowance. Only a relatively small number of Canada's most severely disabled veterans are eligible to apply for this allowance.

My second question dealt with the delays veterans continue to face in applying for disability pensions, up to four years from first application to final appeal in many cases. The Minister's responses were less positive than I had hoped.

Canada's veterans should be given a firm undertaking that their interests are the principal consideration of the Minister, his Department and the various boards and commissions which report to him. Some of the veterans of whom we are speaking are now in their eighties; surely prompt consideration of their needs is the least they deserve.

Exceptional incapacity allowance, the subject of my first question to the Minister, affects a limited number of the most severely disabled veterans. Only those who are classified as 100 per cent disabled, and who have been rendered helpless, suffer pain and are unable to enjoy life and whose life expectancy has been shortened as a result of their disability, are eligible for the allowance. As of March 31, 1983, there were 960 awards in force at an annual cost of just over $3 million. The relatively small number of veterans pensioned at the 100 per cent rate, 3,736 or 3.7 per cent of all veterans' disability pensions, means we are not talking about a program which has the potential to become prohibitively expensive. There is a limit of something under $3,000 per person per year for those who can get the allowance.

My question sought clarification from the Minister as to why so many applications for this allowance are being turned down by the Canadian Pension Commission. We are not discussing frivolous cases. The 17 unsuccessful applications I referred to in my question were those of amputees, many of whom also suffer from arthritis, back problems and heart disease. The CPC refused in most cases to admit a connection among these various disabilities, and would not recognize the exceptional incapacity of these veterans. Fortunately, 16 of them appealed to the Pension Review Board and in each case the ruling was overturned and the award granted.

Therefore the problem here is that the Canadian Pension Commission is taking a very hard line on these cases, necessitating expensive and time consuming appeals. Surely the CPC can take into consideration previous rulings by the Pension Review Board in order to make its own judgments more consistent with those of the Pension Review Board. If the Commission feels it is the Pension Review Board which is in error, granting awards too easily, perhaps closer co-operation in the other direction would be appropriate.

What we come down to here is the inability of these two bodies to interpret the same piece of legislation, Section 57 of the Pension Act, in a judicially responsible manner. The losers in this struggle over the correct interpretation are the veterans who gave up their health and in some cases their limbs in service to their country.

The time invested in appeal after appeal was the substance of my second question to the Minister. Thousands of veterans are waiting for two, three or even four years for a final ruling on their pension applications. In his answer to my question the Minister stated that he was concerned to see veterans' cases dealt with as quickly as possible while respecting the necessary preparatory work to ensure that a veteran's case has the greatest possibility of success.

In my question to the Minister I made reference to the average 277 days from receipt of an application for hearing by the Pension Review Board until its decision is rendered. This 277 days' delay comes after the veteran's case has been heard and ruled upon by the Canadian Pension Commission, which will in most cases have taken well over a year. Having received an unfavourable ruling, the time taken to apply for a pension review board hearing may be up to 11 months, depending on the case load of the veteran's advocate. By this point the veteran has been involved in the process for something like two years, on average. His case has been before two boards and he will have been working with a representative of the Bureau of Pensions Advocates or a veterans' organization.

• (1805)

While one must commend the Minister for his concern that adequate evidence be prepared in support of the veteran's application, 277 days from appeal to the Pension Review Board until a decision is rendered is excessive. The Minister's implication that the interests of the veteran would suffer if the process were speeded up is simply not credible.

There is, of course, a close relationship between the consistency of rulings by the CPC and the Pension Review Board and the interminable delays in the whole application process. If the CPC was ruling fairly and was perceived to be doing so, there would be fewer appeals to the Review Board level.

The veterans who are bringing forward these applications feel justified in asking for disability pensions. Their anger and frustration with the inconsistent rulings and endless delays is very understandable. The Pension Commission and Pension Review Board exist to serve, not to thwart the interests of Canada's veterans. Bearing this in mind, I am sure the Minister will see the necessity of remedying those problems which I have mentioned.

• (1805)

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! The Hon. Parliamentary Secretary to the Minister of Veteran Affairs (Mr. Leduc).

Mr. Jean-Louis Leduc (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, the Minister of Veter-

ans Affairs has already stated he would discuss the subject raised by the Hon. Member for Victoria (Mr. McKinnon), with Mr. Cliff Chadderton, Chief Executive Officer of The War Amputations of Canada at a meeting to be held as soon as Mr. Chadderton returns from his trip.

Discussions were held between The War Amputations of Canada and the Canada Pension Commission on procedures and the interpretation of facts with respect to the exceptional incapacity allowance applications. As we already know, that allowance is awarded when there is 100 per cent incapacity. Last year, 160 veterans were awarded that allowance for a total $3.26 million.

Mr. Speaker, the Hon. Member for Victoria raised the matter of the 16 applications that were turned down by the Review Committee and later awarded by the Pension Review Board. This shows in my view that all applications are treated fairly. Numerous unfavourable rulings are appealed, with legal aid granted. The Review Board's favourable ruling on so many appeals shows that the system is efficient.

As I said, the Commission is holding discussions with The War Amputations of Canada to try and resolve the differences concerning the allowance. Hopefully, the meeting between the Minister and Mr. Chadderton should solve many problems.

Hon. Members should appreciate that the legislation on exceptional incapacity allowance is quite complex. When a veteran is not satisfied with a Review Committee's decision, it is his privilege to submit new evidence that may enable the Review Board to amend its original ruling.

Concerning the time requirements for processing an application, the Hon. Member for Victoria is certainly aware that improvements have been made by the Commission in the hearing of the first application. All possible efforts have been made to accelerate proceedings at all levels, but it must be recognized that there are delays because applicants or medical experts are slow in submitting necessary material. Mr. Speaker, three Review committees hold hearings each week in various locations across Canada. Each week, some 28 applications are heard by each committee. As I said, Mr. Speaker, the Minister of Veterans Affairs (Mr. Campbell) is very much aware of the needs of the War Amputations of Canada and strongly hopes that his meeting with Mr. Chadderton will be fruitful.

• (1810)

[*English*]

CANADA POST CORPORATION—DELIVERY TESTING SYSTEMS

Mr. Don Blenkarn (Mississauga South): On February 9 last I raised the question of the honesty of the reporting of Canada Post with respect to its delivery of mail.

Canada Post, you will recall, Sir, issued in December something called "Performance Report—December 1983". It has interesting pictures on the front of postal workers and equipment. It states that monthly combined performance levels ranged from 85 per cent on time to a high of 92 per cent in October. The average improvement over a full year is 2 per cent over over 1982. This is on average an 11.5 per cent increase over existing performance levels when the post office became a crown corporation. It goes on to state that performance tests were conducted in July and December of 1983.

I want to speak to those performance tests, Mr. Speaker. Those performance tests were reviewed by Canada Post officials and by Mr. A. M. Davies, special representative to the executive vice president and chief operating officer of the Corporation. Mr. Davies in his report to Mr. D. Turner, executive assistant to the executive vice-president and chief operating officer of Canada Post, under date of November 14, 1983, indicated that the procedures for testing were faked, and the tests totally compromised both the NEPS and CPC mailer tests. He also indicated that the results were deliberately "fudged" to indicate improved performance; that test letters were "walked" through the plant in most cases by supervisors, and that quality assurance control personnel guided this walk. He indicated also that incoming first-class mail was deliberately delayed in favour of processing originating mails, that the real service performance for first-class mail has actually deteriorated; that the real productivity performance had dropped by 50 per cent; that morale was at an all-time low and that in the interests of Canada Post the matter had to be corrected.

The whole issue was brought to the attention of René J. Marin, Chairman of the Board of the Corporation. Mr. Marin writes in his letter with respect to this testing. I quote only a portion as follows:

> We realize that much rests on our ability to improve our performance results; we also realize that nothing useful is gained by conducting tests under unrealistic conditions.

Then Mr. Marin goes on to state:

> While we are all interested in developments in this area, it is not our intention to interfere with management's actions at this time.

Why is it not in the interests to interfere with management's actions at this time? The answer is as follows:

> I have a great fear, which I expressed to John Bodrug last week; and that is that the Union is in a position to strip Michael Warren of his credibility by revealing the manner in which testing is being compromised. The tests are not worth anything; but what is worse, they cause massive delays to legitimate First Class mail.

He went on to state, "No one is listening, Doug. Seventy-five per cent of the work done by my service improvement group was wasted. The transportation network is still not documented, and it is vital to the critical links. The special delivery service is in a shambles. I mailed a special to Guelph on Thursday morning, and here, on Monday morning, it is still not delivered."

This government, this minister, this Crown corporation, has been deliberately, knowingly, fraudulently and falsely representing to the public of Canada that it is improving its service. Its own employees know that those representations are false and improper, yet the Chairman of the Board does not want to get involved. The Minister of the Crown responsible to this

House of Commons does not want to get involved. I ask why. The blue book tells us why. With $450 million going to Canada Post this year and another $550 million next year, with a first-class mail rate of 32 cents compared with an American first-class mail rate of 20 cents, and with a deficit in our post office far in excess of anything forecast or even believed in the United States, something is radically wrong; something is rotten in Denmark. The responsibility lies with this Minister.

• (1815)

[*Translation*]

Mr. Normand Lapointe (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the accuracy of assessment methods will always give rise to controversy; we all seek a better, more accurate and more effective method. The Canada Post Corporation also seeks to improve its methods, but until new techniques are developed, it will stick to present procedures to test the quality of its delivery system.

Mr. Speaker, members of the House, the media and the general public have requested that efficiency indicators be made public. This would facilitate following the progress of this awesome task we have assigned ourselves, that is to turn a department into a dynamic Crown corporation. The Corporation explained to this House its units of measure, its procedures and parameters before making the results public; since then, it has also appeared before various parliamentary committees to explain these results. So Hon. Members knew what to expect. That is why it seems unfair to me for people to upbraid the Corporation for doing what it had been asked to do, that is publishing the results.

Ever since the beginning of the 1970s, the delivery system has been continually assessed by means of mailing tests made within one or several post offices.

Mr. Speaker, the Corporation continues to use these tests and to publish the results because it enables Canada Post to detect eventual problems and to take appropriate action to correct them. Also, these tests allow the Corporation to determine whether the actual efficiency is improving or worsening. Both the Corporation and the Auditor General are fully aware, when presenting results to the general public, that these tests are not perfect and do have limitations. That is why the Corporation has developed two new test batteries following an Auditor General analysis, almost three years ago. It has implemented a program to assess customer mail service. In co-operation with customers, this program can test the mail delivery system for any given letter, whatever the method of transportation.

In fact, Mr. Speaker, we have devoted about a year developing and testing this program. The Corporation has also contracted a private firm to conduct an assessment of the mail system. Preliminary findings show that this private firm's results and the Corporation's results are very similar. Any difference falls within the anticipated margin of error. In order to guarantee the validity of these results, the Corporation has developed a cross-checking procedure. Moreover, the enormous volume of mail tested, approximately 40,000 mailings every two weeks, confirms the value of the tests.

Mail service has been considerably improved in Canada since the creation of the Corporation. The Corporation feels that its indicators are reliable. Nevertheless, it will continue to improve and to refine its testing procedures, seeking the best available advice with a view to obtaining more versatile and effective methods.

• (1820)

[*English*]

NATIONAL DEFENCE—INQUEST INTO DEATHS OF MILITIA MEMBERS—REQUEST FOR TRANSCRIPT. (B) DRIVER'S LICENCE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, on August 21, 1983 two young members of the Canadian militia, Private Darren Michael Krosney and Private Rodney Laurendeau were killed on their way home from CFB Dundurn, Saskatchewan. On September 29, after becoming familiar with the many misgivings of the parents about the quality and quantity of the information they were able to get about this tragic accident, I wrote to the Minister of National Defence (Mr. Campbell) to express my concern and to seek some answers. The Minister provided me with the description of the incident, which I do not have time to quote in the seven minutes allowed me under this procedure, but he did not provide me with a copy of the transcript of the military inquiry which I had asked for. I asked him for it again in the House of Commons Standing Committee on External Affairs and National Defence on November 24 and expressed my concern about the way the militia was handling things.

I wanted to know why the parents of Darren Krosney were unable to get a copy of Darren's military driver's licence so that they could see for themselves whether he was qualified to drive the jeep which overturned on him. At that time the Minister advised me to seek a copy of the transcript through the Access to Information Act, something which I felt should not be necessary and which I still feel should not be necessary, even though I have now applied for a copy on this basis.

Subsequent to my November 24 question of the Minister in committee, I waited for the arrival of a petition that I knew was coming in the hope that it would cause the Minister to intervene and to provide the transcript for the parents. I presented that petition to Parliament this year on February 13, on behalf of 2,800 Canadians who were asking for the release of the transcript. On February 15 I asked the Minister in the House to release the transcript and, if he could not release a copy of the transcript, to at least provide a copy of the driver's licence.

Subsequent to my question in the House, we have been provided with a copy of the driver's licence which, as I read it, raises several questions. Darren was qualified to drive a quarter-ton jeep, but was he qualified and should he have been

driving such a jeep with a gun mounted on it and a trailer on the back of it after only two weeks in a convoy on a public highway, with no co-driver, and when the night before there were some who thought he should be flown home because he was so ill from extensive poison ivy? This is the kind of question yet to be answered by the militia.

Also subsequent to my question in the House, Mr. And Mrs. Krosney have been informed and so have I, that the initial results of the militia inquiry have been found wanting by the senior military authorities who had to review it, and it has been sent back for further and more complete details. Does this mean more delay? Does it mean that what I have applied for under the Access to Information Act is now not there to receive in complete form? If so, I will request that the initial transcript be provided and I will apply for the final one later, when it is ready.

In any event, I will not let up on this incident. The secrecy, the delay and the apparent incompetence of the militia in this matter must be fully scrutinized if tragic accidents like this are to be avoided in the future. There is much in this case that would benefit us all, particularly members of the militia, if the light of day were allowed to shine on this particular event and we could find out what actually went on there. That is exactly what I intend to see happen.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, I want to thank the Hon. Member for the continued interest that he is showing in the problems of the militia and the circumstances of this particular accident. Many of us have sons and daughters who are members of the militia. We are very anxious that the militia in turn give them the protection and the support that they deserve and need.

I wish on behalf of the Minister to express our condolences and sympathy to the family. Certainly any words that are brought forward in this House will not and cannot repay or take the place of the lives that were lost.

● (1825)

I agree that there has been a considerable amount of delay in getting the information that the Hon. Member is seeking. The last question that he put forward to the Minister on February 15, 1984 received the response by the Minister who stated that, through the Access to Information Act, appropriate information would be forwarded to him and he in turn could pass it on to members of the family.

The request was received by the Department on February 17 and the prescribed period for the delivery of the answer to the Hon. Member is 30 days. It should be made available to him sometime next week. The only deletions from the document are those which are called for under the Act.

I hasten to indicate that there has been a delay, as the Hon. Member has suggested, and that the delay was the result of the review that had been carried out by the Board of Inquiry. The delay was not a result of the contents of that particular report, but because not enough information was submitted. In the report more complete, thorough and accurate information was requested by a senior officer before a report is approved, and it is approved on behalf of the Chief of the Defence Staff at the National Defence Headquarters.

The inquiry will answer the questions raised regarding the licence given to drivers in the militia. Private Krosney was qualified under the DND 404 driver's licence. Such a licence is given even if a civilian licence is not in the possession of the licensee. He was qualified as far as our Department is concerned as an expert driver and was qualified to drive the vehicle.

In closing, I would like to thank the Hon. Member for raising this matter again. The Minister, as the Hon. Member is no doubt aware, has shown great interest in making sure that the information sought will be made available in the shortest possible time. The Chief of the Defence Staff has directed that this matter be dealt with on a priority basis and that the complete Board of Inquiry information be provided as soon as it has been approved on his behalf.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock.

At 6.28 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 6, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed from Monday, March 5, consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, again it is a pleasure to have the opportunity to participate in a Budget debate, particularly this one. I say that because the Minister of Finance (Mr. Lalonde) labelled his Budget "Partnership for Growth". It is my conviction that the Budget we are debating now is entirely appropriate to the times for a number of reasons.

It should be noted that the Budget in fact builds on strength in the country. Throughout the land, while we have difficulties and problems to surmount, essentially we are looking toward the immediate, medium-term and long-term future with a greater feeling of confidence than we have been able to feel collectively for many years due to many factors in the Canadian economy, the North American economy and the world economy.

• (1110)

Much will be said about the Budget in the next while both inside and outside this House. Some of it will be positive. Much of it, especially from Members opposite, will be negative. I respect the right and the duty of the Opposition to be critical, but I have a caveat, if I may presume to make a modest suggestion to Members opposite. They might consider legitimate criticism, because it is not a perfect world that we live in. We do not come up with perfect documents and plans. I hope that the tone of their opposition and comment will not be so entirely negative that it is counter-productive in the sense that it will take away from this feeling of confidence.

Confidence is not a partisan issue. Partisanship sometimes takes away from the fact that we have a wonderful country, that we believe in it, that because we are the kind of people we are, living in the land that we live in, we can look forward to the future with confidence. Confidence is also a state of mind. All of us in this House have an obligation to contribute to that state of mind.

One of the first features about this Budget I would like to address, because I believe it is the most significant, is that it was prepared with a great amount of consultation. The word "consultation" is almost a cliché. It is so obvious that one wonders why we do not do it all the time. Each of us in our own sectors finds other priorities that prohibit or inhibit us from being able to speak openly with each other, to take the time to talk with one another and, most important, to listen to one another.

We are still in a very difficult period economically in our country's history. The mood is that we must listen to one another. We must consult with each other in a meaningful fashion. I believe even Her Majesty's Loyal Opposition will agree that some very important groups and individuals were consulted regarding this Budget. The common taxpayer was consulted. I see items in the Budget that came about as a result of representations from Members of this House in caucus. I see the changes that have been made. I hope some of this came about as a result of some of the letters and personal interventions that I have made. Opposition Members have expressed some thoughts in this House. They are all there, pointing the way.

It is a leadership direction that the Minister is taking on behalf of the Government of Canada. It says we must take a leadership role. This is something that governments can do. Governments can do some things well and we do some things very badly. One thing we can do, if we work at it properly, with the right attitude and with the right frame of mind, is to promote honest consultations, consultation being in the form of the two-way street that I mentioned earlier where we pass on our ideas, listen in return and come up with something better than either side could come up with individually. Some 30 major groups across this country participated in a most meaningful way in putting this Budget together.

While in political terms one does not want to acknowledge that many sectors of the economy have said that yes, this is a good Budget, that this is the right kind of Budget at this point in time, to my way of thinking one of the right things about the Budget that we are debating at this moment is that it does build confidence. But it did not send shock waves throughout the nation. That happens periodically and it must happen once in a while when we have to find new directions because we have been following one path for too long. All of us know that nothing is forever and that we have to change direction and thoroughly examine issues in the light of prevailing conditions in the world and in Canada.

• (1115)

The Budget indicates that we have put many things in place that are working. We are moving in a forward direction. Perhaps we are not moving forward as fast as some of us would like, and I may address that point a little later. However, we are moving in the proper direction. What we need is a Budget that tells Canadian citizens that they will have an idea as to the direction in which we will be going for the next number of years. They will see refinements and improvements based on their suggestions and on the initiative of the Government, but they will not see anything startling. We will put in place policies and actions that we can trust and that we can move forward.

I think that is one reason the Budget has met with such general approval. I say general approval because sometimes when dealing with any subject in detail there will be many who will argue that we did not go far enough with pension reform or that we are not moving quickly enough. There are those who say that those issues are the important ones now but we need to talk about them a little bit more. The general direction we are going has been set and we think that we are on the right track; but for goodness sake, give us a chance to examine proposals and come back with better ideas so that we have a more refined package to present regarding pension reforms for the average citizen, programs for senior citizens and, above all, programs that will assist the women in our society to have a more equitable future and a more equitable participation in the present. Those are not easy things to accomplish.

The Budget has put on the table some of the results gleaned from the heavy consultations that have been going on across this land and has indicated in general terms where we think we have to make improvements. We have to make sure that there is more portability. We have to make sure that a spouse has more of an opportunity to prepare for his or her future. We have examined these matters but they must still be covered in more detail. The Budget does not indicate exactly what we are going to do but it does indicate the direction we propose, and, after further consultation, we will be in a position to implement these ideas.

Make no mistake about it, Mr. Speaker, some proposals have been made for the assistance of home owners. While there are those who will ask why we do not implement those proposals right now and who will say that we are just postponing them with further consultations, I sense from my colleagues in the House, from members of the Cabinet in particular and from the country as a whole, a sense of urgency about these matters. We are going to implement these policies with the co-operation of the Opposition. The Opposition can certainly slow down the implementation of these policies, but we are going to be in a position quickly to conclude the consultation process, put the finishing touches on what I believe are some very creative ideas that have been born out of much discussion across the land and then implement those ideas.

Another item in the Budget that has not been receiving sufficient attention as far as I can see is the suggestion of employee profit participation. I have always believed in profit-sharing plans. I have spent much time working on that kind of thing during my tenure as President of the Thunder Bay Chamber of Commerce and in my work in general with the Chamber of Commerce. I have worked for firms that have had profit-sharing plans and I know how well those plans can work. However, the beauty of this plan is that it does another thing—it indicates that to implement an employee profit participation plan, there has to be a labour-management committee. Think of the genius of that simplistic idea. Most good ideas end up in very succinct terms.

• (1120)

Another thing that is beginning to happen more and more in this country, and must happen, is that labour and management no longer think of each other as adversaries—that management has all the right ideas or that labour has all the right ideas. They are in the same ball game and must have devices to enable them to meet in mutual trust and understanding.

I believe that if labour and management allow the proposed Employee Profit Participation Plan to bear fruit it will lead to better conditions. Both must have a stronger recognition of their vested interests in the profitability and progress of their endeavours. They must also recognize that the labour-management committee is the means of making the plan work. Not only will they be in the position to deal with the profit sharing aspect, but out of necessity they will begin to move toward improved consultation and the exchange of information. I think the federal Government has given the leadership to encourage movement in this direction. It is only common sense but it is very necessary.

We have heard a lot about Revenue Canada in recent times, Mr. Speaker, and not all has been complimentary. I do not mean to digress from the discussion of the Budget but not all the statements made about Revenue Canada have even been fair. Who defends the taxman? Who defends the man who is in charge of accounts receivable, for instance? He is always the bad guy. He is the one who has to bring in the revenue to pay for whatever has to be done, but he is viewed as not a very nice guy. In the case of Revenue Canada the individual is not in a position to defend himself. I do not mean to defend anything that has gone wrong, or bad administration. Those things will happen; they happen in the private sector as well as in government and they must be examined from time to time.

To return to the Budget, Mr. Speaker, I think it is a start toward simplification of the tax system. As one who is not an accountant, I have always been bothered by the fact that even accountants cannot agree on the interpretation of taxation laws. However, something has been done in the Budget to simplify taxes for small businesses. I can assure you that is one of the major thrusts we are giving to that generator of jobs in our economy, the small businessman.

We must all stand back from Revenue Canada and our taxation laws, however, and ask how we can make them better. I do not believe we can do that by castigating a whole Department of what essentially are very capable and able civil servants who are doing their job as directed by the House of

Commons. I believe that case has been overstated. If you will excuse the expression, Mr. Speaker, I am just bootlegging a few thoughts on some of the outlandish and unfair statements that have been directed at the Department.

Nonetheless, the Budget is also addressing the goal of more fairness in tax administration. Through the consultation process we are learning how that might come about and I think we will see great improvements through new legislation, through new directions and in new examinations of the system. The consultation process is vital, particularly if it is carried out with the positive view of making the system better. That is what we were elected to do.

• (1125)

I do not even object to the fact that the Opposition has a task force going across Canada to test the views of Canadians on the tax system. My only hope is that this task force will do good and not simply conduct a witch hunt; that it will not just reinforce a bias or just be a vehicle to allow the malcontents in the taxpaying sector of the economy to use that platform to receive all kinds of publicity which really would be used to attack the Department, serving no end and giving a voice to a group of people who have not always played fair with the tax system.

The Budget talks about more fairness in the tax administration system. I believe the Opposition, in what it is doing, has a chance to do either great good or great harm. We are going into an election year and, Mr. Speaker, I believe all of us, while we will fight our partisan political battles, must not do so at the expense of the good of the country by overstatement and by overzealousness in the wrong areas. While the Budget has pointed out that we are experiencing an upturn in the economy, that we have a feeling of confidence, we also know that there is a certain fragility to it. I believe this is a time for yeoman service on the part of all of us in this House to make the system work better.

I would like to speak now about the plan put forth in the Budget to aid home owners. We have all been looking for some way to be of help to something which is near and dear to all of us as Canadians, home ownership. We found as we went through that period of very drastic fluctuation in interest rates that there were a lot of people with great problems and in dire circumstances regarding their most precious possession, their home. While the Budget has made some suggestions as to how one might insure against rising interest rates if they should go beyond a certain point, which will give some stability, I believe, it should be noted that the Budget also takes a look at how the investment sector might be encouraged to go for the longer term mortgage. I feel that is probably one of the more important features of the Budget, although it does not seem so sensational to many of us until the prospect is really examined. When we as home owners had mortgages with terms of 20 years, 25 years and 30 years, it gave us a great feeling of stability. We knew where we were at. I do not believe you can ever turn the clock back, but I do believe there is a way we can move toward longer term mortgages, and that would be to everyone's good.

I support the Budget because I feel its theme "partnership of growth", is well named and accurate. I believe the Budget does help encourage the feeling of confidence which I view to be fairly dominant in the country.

Mr. Kristiansen: Mr. Speaker, I believe the gentleman who just spoke is the Hon. Member for Thunder Bay-Nipigon (Mr. Masters). I would like to ask the Hon. Member, with regard to his comment on labour-management committees and profit sharing, whether he is aware of what initiatives the Government may now be taking in order to implement some of the measures proposed in the recent Throne Speech of the Government? Is the Hon. Member aware of whether or not those crown corporations, in which the Government has a total interest are living up to the commitments in that Throne Speech to give their employees some share and some voice in the management of those corporations?

If the Hon. Member is not aware of any such progress—I certainly am not and I have been asking regularly—how does he believe that because employee-employer profit sharing is introduced into the private sector, there is going to be any voice for those employees in the management of that operation, including how the moneys which they invest will be used, whether or not they will be allocated to dividends, spread among the employees, used for the build-up of the company, or used in any other way? Our experience in B.C. shows that that sort of operation can be a total con job and I would like to know just where he gets his faith from.

• (1130)

Mr. Masters: Mr. Speaker, I appreciate what the Hon. Member has suggested. I think it is far easier, because of the money factor, to get into a profit-sharing plan in the private sector. But I think, too, that because the Budget furthers the idea of labour-management relations, and if the Government is going to be true to its own code so to speak, we must in parallel, as I believe we are doing, as imperfect as the system might be, begin to look for that same kind of labour-management investigation within the Public Service. If we are not, we should be.

Perhaps this will explain one of the reasons I took off a little bit on those who are critical of Revenue Canada, not that any function of Government is beyond criticism. However, it does nothing to enhance the feeling of co-operation; it puts it back into an adversarial position because we as parliamentarians have a role to play in labour-management relations involving the Government of Canada and the Public Service. If our attitude is the cliché that the Public Service is overpaid and underworked, and all of these wrong, wrong impressions, then we have not done any good.

The bottom line is, how do we improve upon labour-management relations between the Government and the Public Service? I think the point is well taken and the Hon. Member has shown an initiative in encouraging Government to look at

that issue. If we have a happy, contented, effective and productive private sector, then surely we must have the same situation in the Public Service sector. We have an awful lot of people in the Public Service who are just dying to be able to show more intiative. They have management skills, so I for one will be encouraging the Government to pursue the thought the Hon. Member expressed more fully.

Mr. Kristiansen: Mr. Speaker, I think it is important for both the Hon. Member and the Government he supports to realize that such mechanisms, whether they be a share in decision making, profit sharing, or whatever, are not a substitute for the adversary system. If they are regarded as such, they will be treated with a great deal of animosity. They may be complementary to it, and by taking those initiatives they may alter the mood in the industrial world. But if anyone suggests, particularly the Government, that these are a substitute for an adversary system which, particularly in North America, has done more to ensure that not just the collective body but individual workers have rights in the workplace, then he is treading on very dangerous ground and it is going to blow up in the Government's face.

There were initiatives a few years ago with the so-called labour-management consultative committee under the aegis of the federal Department of Labour. Many of the meetings became a talk shop in which issues were talked out to the point where grievances were lost due to being "out of time". They were misused by many corporations so as to bring the whole idea of co-operation into disrepute. I ask the Hon. Member to impress upon the Government he supports, that these systems are simply an adjunct to, or possibly supplementary to, the adversary system, not a substitute. There is a real danger if the Government pursues the substitution course.

Mr. Masters: Mr. Speaker, the only thing I would say in response is that the adversary system is terminology I want to disappear from our vocabulary. I would hope that through consultation we can solve the problems mutually. If you work on something in a mutual way, then I respectfully suggest you are no longer in an adversarial position; you are having an honest discussion.

Mr. Kristiansen: But who is in the driver's seat?

Mr. Masters: I understand what the Hon. Member is getting at, that the rights of the workers have to be protected and so on. However, we have now reached a point where we can do it in a better way and it does not always have to be by throwing rocks at each other from across the table. The basic thought of labour-management relations in the Public Service is a valid one but it should not be maintained in the adversarial role as we have known in the past.

Mr. Kristiansen: Parliaments and the courts work on the adversarial system, too.

Mr. Parker: Mr. Speaker, I would also like to direct a question to the Hon. Member for Thunder Bay-Nipigon (Mr. Masters) regarding the labour-management profits system. When the Government initiated the six and five program, the request was made that mediation officers be brought before the committee so the method of dealing with this topic could be discussed. This really relates to labour-management within the Public Service which he is talking about, and we were denied that. It was strictly a confrontation.

Until this Government sets up some sort of system as in Sweden where a labour-management program is put in place, I think the Government is grasping at straws. Until it can lay out some sort of program to accomplish this, with Government assistance, then we are not going to meet that goal. We have had confrontation up until this point. If the Government is trying to change this direction, then I hope there is a structure in place. Does the Hon. Member see a structure in place to assist these groups in doing that?

Mr. Masters: Mr. Speaker, I think the six and five program, which worked, was undertaken because of extraordinary times.

Mr. Kristiansen: For whom?

Mr. Masters: The Hon. Member asks for whom. It has worked for the country as a whole because inflation came down. Unfortunately it is up to Government to set a tone and use whatever weapons it has in its arsenal to combat things such as inflation. What I hope will happen now is that we will have found the middle ground where we can meet with our Public Service employees. I would hope the NDP, because they seem to have their followers, will encourage our renewed attempt at honest dialogue to be fair to all concerned.

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, it is amazing how often you stand to speak having prepared in your mind exactly what you want to say and interventions from our colleagues to the left change your mind. It seems unfortunate that the NDP has such a terrible hang-up that, first, anyone should ever, heaven forbid, make a profit, and second, that any group of employees would want to work with a group of employers and thus remove the possibility of confrontation between the two.

Mr. Kristiansen: On a point of order, Mr. Speaker, I have no objection to debate. But somebody deliberately miscontrues what is said and suggests that I, as a representative of the NDP, said there was something wrong with profit per se. He knows that his is a misleading statement. He knows that absolutely. I never said any such thing and neither has my Party.

• (1140)

The Acting Speaker (Mr. Guilbault): Order, please. Differences of opinion are debate and do not constitute a point of order.

Mr. Ellis: Not only that, Mr. Speaker, but they do not know the difference between debate and points of order.

I intended to start my remarks, Mr. Speaker, which I will do now, with a quote from the Minister of Finance (Mr. Lalonde) on February 15. He said:

My budget today is dedicated to building a strong and growing economy—an economy that will generate lasting, meaningful jobs for all Canadians who want to work, an economy that will provide the economic opportunity and security all Canadians seek.

He went on to say:

My objective as Minister of Finance has been and remains straightforward: to keep the economy growing, so that Canadians who want to work can find productive and meaningful jobs.

I had intended to deal with a number of items emanating from the Budget Speech dealing with taxes, with the items mentioned by my friend across the way for Thunder Bay-Nipigon (Mr. Masters), and with the delay in implementation of many items. Frankly, there is no general thrust to the Budget. The Budget does little to spur ecnomic recovery. It is a white paper Budget. Proposals are presented on mortgage protection and other items which are to be studied rather than implemented. The fact is we will have an election long before the Government gets around to dealing with any of those items. Perhaps that is a good thing as they will be dealt with expeditiously, properly and fairly when that time comes.

How can anyone say that the goal of economic recovery is met while 1.5 million Canadians are out of work? How can anyone say there is economic recovery when the unemployment rate is going to average 10 per cent this year, with our industrial capacity being used at only 70 per cent, and when real wages will not go up one cent? The concern of the Government was said to be jobs, Mr. Speaker. That, too, is an illusion.

Two days after the Budget was tabled *The Globe and Mail* carried this comment:

What bothers us, too, is the small return on the money the Government has allocated to finding jobs for the unemployed. Projects appear from nowhere and quickly return there. Often they're sabotaged by politics, as in the controversial handling of the Special Employment Initiatives Program—

For that, Mr. Speaker, you read "Liberal slush fund".

—which seemed little more than an excuse for Liberal MPs to pose beside constituents with cheque in hand.

The editorial went on to speak about the need for the Government to have a cohesive plan. It spoke about "a gaggle of programs which sound dandy when described in costly brochures". The article went on to estimate that it will cost $2,333 for every unemployed person in Canada. The point is made that by the time that has cleared the bureaucracy very little actually gets spent. That would mean about $12 million for the unemployed coming into my constituency of Prince Edward-Hastings. There is no way that has happened or will happen.

I would like to quote from that mouthpiece of the Liberal Party in Ontario, the *Toronto Star*. The day after the Budget was tabled an editorial in the *Star* said:

Finance Minister Marc Lalonde has effectively told Canada's 1.4 million unemployed that they're out of luck. He isn't prepared to undertake a single major new initiative to ease their plight, or to address our most pressing economic and social problem.

It concluded by saying:

—the crucial test of this budget was what it would do to reduce unemployment. And, by that test, Lalonde has not provided what Canadians were entitled to expect and demand.

I will tell you what the situation is in Prince Edward-Hastings, Mr. Speaker. Yesterday morning at about 7.30, at the height of what was the second worst storm this winter, between 3,000 and 4,000 men and women stood huddled in a line a kilometre long outside the Canada employment office waiting for it to open. A major company in Belleville had said it would release to the Canada employment centre some 500 job application forms. This employer is one of the larger employers in Belleville and is a very sensitive and good employer. From time to time it asks the employment office to hand out forms for job applications. The last time this was done was in 1980-81. Through this procedure their lists are upgraded. As they need to hire more employees they refer to that list of applicants who have previously been screened. They then call people to come in for final interviews before hiring. They did not have 500 jobs; they were only handing out employment application forms. They had perhaps two or three dozen jobs over the next few days.

The point is, Mr. Speaker, that between 3,000 and 4,000 people, some of whom slept outside of the Canada employment office overnight, wanted a job. When people are prepared to do that it gives us some idea of the need for employment and the lack of consideration for employment which is evident in my part of Ontario.

I would like to make a very simple and small point which illustrates the lack of concern by the Government. Yesterday I received a letter from the President of Northern Telecom, a gentleman I know very well. In his letter he indicates that the Department of Communications has put in place a standard for telephones known as CS-03. Because Canadian manufacturers are meeting the costs of complying with the standards they are paying a penalty. They are at a competitive disadvantage in their home market against foreign suppliers who cannot or do not bother to comply. This has the undesirable effect, in terms of the Canadian economy, of tipping the scales in favour of imports. This in turn means that jobs go out of Canada. This is evidenced in the following reference:

Offshore manufacturers whose products are allowed to sell in Canada without complying with the CS-03 are putting Canadian consumers at risk and Canadian jobs in jeopardy. Some 800 jobs have been lost since 1981 in Northern Telecom's plant in London, Ontario, because sales of the telephones it makes have been declining in the Canadian market.

The fact is, Mr. Speaker, that the Government is not interested in enforcing its own regulations. Thereby we have foreign products coming in which do not meet Canadian standards and are taking away Canadian jobs.

About one year ago I spent a good deal of time speaking in the House about the problems of Stephens-Adamson. There was a great deal of debate as to the quality of the product needed to move the coal in western Canada and about a $20 million contract. A Canadian firm was the only company in the world capable of building that particular piece of equipment at that time. Its bid was low and it was on time. It

became very obvious that Mr. Franche, who was the head of the National Harbours Board at that time, was going to give that contract to a Japanese manufacturer whatever the cost. The Canadian competitor never had an opportunity to bid that job fairly.

● (1150)

It seems to me that is another piece of evidence of the disregard for Canadian jobs shown by this Government. One step further, the gentleman I mentioned a moment ago, Mr. Franche, went on to become the President of VIA Rail. Now we know how badly VIA Rail has screwed up. Its trains do not even run 20 per cent on time.

In Belleville there are a wide variety of industries. We have a good selection of good employers. They attempt in every way possible to improve their working standards. They attempt in every way possible to improve their working standards. They attempt to improve their portion of the work in the community. They would like to improve their portion of work in the market. In each of the cases I mention, Mr. Speaker, I am not giving names simply because it would not do to bring the names of these employers in the House of Commons. They are embarrassed, I am sure, to seek help or to seek redress from the Government by virtue of the fact that the regulations imposed upon them are so ridiculous as to make it impossible for them to show a profit without having to seek a change.

One of those employers produces a product from a plastic made in Canada. Its competition comes from Brazil, Tanzania and Portugal. Twice this company has been before the Anti-Dumping Tribunal and twice it has been proved that foreign countries dump their product into Canada at a level that is jeopardizing the Canadian company and taking away Canadian jobs.

The Government of Canada does not recognize that currency values in those countries drop so rapidly that their worth becomes almost zero against the Canadian dollar. It does not matter at what level you put the import duties. Companies can ship into Canada because the value of their particular currency is so much lower than ours. That gives you some idea of the problem, Mr. Speaker. It does not matter at what cost we produce a product. We are certainly producing product at much lower cost than the United States, but no protection is given by the Canadian Government such as U.S. firms have.

Another company entertaining an expansion in Canada required a customs duty remission for the period of time that it was designing and establishing its new facilities. That is standard procedure. It allows a Canadian company to import from a parent company, usually in the United States, until such time as facilities are completed here. In this instance the Canadian company asked for and got a duty remission. In the course of its negotiations with the parent company, the company was able to increase its involvement in the community of Belleville four times. This company went from a $2 million addition to an $8 million addition to its plant. However, negotiations covering that increased involvement in the community took the company beyond the deadline arbitrarily set by the Department of National Revenue, which meant the company was cut off from its customs duty remission even though it was increasing its participation in the community.

Need I spend a lot of time talking about the distillers in Canada? One of the largest and best run distilleries in Canada is in my constituency, I am happy to say. It is in the position of laying people off because the taxation levels of this Government are so heavy. We have heard my colleagues pointing out that these heavy taxation levels endanger the tourist industry and tourist operators. Jobs are taken away from constituents in my riding simply because of the rapacious greed of this Government in its taxation policy which has now turned the whole situation around. Products are not being purchased simply because taxes are too high.

Need I talk again about the Maislin company? In this case a United States company was allowed to come to Canada and buy up a Canadian company. Had the federal Government not been so anxious to climb in and dump $34 million to help out its friends, that company might well have gone into bankruptcy a few months earlier. But if that had happened, the company would have been bought up by Canadian companies making money. Certainly more of Maislin's people would have been working now than is the case under a U.S. company.

I could tell you about a large lumbering operation in the north end of my constituency, Mr. Speaker. It had planned with a German manufacturer to establish a brand-new plant. All of the details were ready when the federal Government stepped in and promised all kinds of money, many, many millions of dollars, if the company were to establish the plant in the Gaspé section of Quebec. Never mind that a Hastings County entrepreneur had started a deal. Never mind that a Hastings County entrepreneur was capable of putting the deal together. The federal Government stepped in and with taxpayers' money asked the company to go to Quebec. Of course, the company did so. Now we have a consumer starting a new plant in my constituency and he needs that particular product. But what does he have to do? He has to import it all the way from the Gaspé instead of having it right at hand where it should have been.

Textiles are another major problem concerning jobs in Prince Edward-Hastings. Major textile producers, names that have been in business for nearly a century, are now turning into importers simply because they cannot possibly compete with the regulations put in place by the federal Government. The allowance of imports is well beyond what is normally called for.

A large part of Prince Edward-Hastings is obviously agricultural. Prince Edward County particularly has had a couple of bankruptcies recently of major farm operations simply because the Farm Credit Corporation will not consider a *pari passu* situation where the Farm Credit Corporation and the banks equally share the risks and equally share the lending. It seems to me it is just that straightforward. Section 16 of the Unemployment Insurance Act means that farmers in Prince Edward County now have to put in unemployment insurance benefits for literally tens of thousands of students who work part time during the summer and have absolutely no

opportunity of ever collecting unemployment insurance under those benefits. This is just another aggravation in the way of putting jobs in place in Prince Edward County.

There are those situations in the two-county area that I represent where we have been successful. I have probably dealt with every Minister of the Crown who has the least bit to do with employment. I have to say, having pleaded the case with these many Ministers, that in some situations I have had success. If those Ministers were here this morning, I would be the first to recognize them. It is not always the fact that Ministers are at fault, but certainly the policies of this Government are at fault; certainly the policies of this Government are causing us a great deal of grief in the employment sector in Prince Edward-Hastings.

To conclude, let me say that jobs were said to be the thrust of this Budget. Jobs should have been the thrust of this Budget. Jobs were clearly not seriously considered in this Budget. Once again, this crowd has failed. Leaderless for the next three months, things can only get worse. The country, especially those who need jobs, will benefit by the Liberals going.

Mr. Kristiansen: Mr. Speaker, I have a question for the Hon. Member for Prince Edward-Hastings (Mr. Ellis). He bemoaned at some length the problem of low-value foreign currencies in comparison to Canada's currency. In view of some of these problems, would the Hon. Member not agree that both the Liberal Government and his own Party, the Progressive Conservative Party, should reverse their past and present major policies and let the Canadian dollar float rather than propping it up as is the case, now? Would he not agree that we should peg interest rates instead of letting them float as is the case now? Interest rates are now floating upwards. Would he not agree that we should be going along the lines suggested by many economists and, most recently, by columnist Don McGillivray, who wrote an article to this effect about a week ago in the Ottawa *Citizen* and other papers across the land?

• (1200)

I am suggesting that that kind of reversal in policy on behalf of both his Party and the Government would provide stability and confidence internally for many Canadians in business and in labour. It would give us a better competitive edge and provide some real incentive to manufacturers to manufacture more durable goods and machinery in Canada instead of relying heavily upon imports. The current policy of pegging the dollar and letting interest rates float is one of the major causes of the trouble in this country, and that is the policy of both his Party and the Liberal Government.

Would he not agree that there has to be a drastic reversal of both these areas of policy on the part of the Conservatives and the Liberals if we are to have any hope of placing our economy in a competitive position and getting on with the job of creating jobs and goods for Canadians?

Mr. Ellis: Mr. Speaker, just four years ago that Party put the Liberal Government in place. Methinks they do protest too much. In all the rhetoric of the Hon. Member one thing was very clear. He kept saying that the dollar was pegged. Of course, the dollar is not pegged, it floats. As a matter of fact, there are changes in the interest rate every Thursday which usually affect the value of the dollar.

I know they are sorry that they put the Liberals back in, but I am not at all sure they know which way they will go, come the next election. Come the next election, we will set the economic policies of the country in a way which will give jobs to all Canadians.

Mr. Kristiansen: Mr. Speaker, the Hon. Member for Prince Edward-Hastings went off on a tangent once again. Instead of dealing with the issue, he rhetorically asked why we defeated the Conservative Government of the Right Hon. Member for Yellowhead (Mr. Clark). Of course, it was the people of Canada who later decided to put the Liberal Party back into power. The reason for our action was obvious in my question to him a few moments ago. It is because their basic policies are the same. They are doing immeasurable harm to the country. We would vote against the Party opposite, and we have done so more than twice as often as has his own Party, for the same reasons we defeated his Party when it formed the Government: it had exactly the same disastrous approach to the problems of the people of Canada.

I would ask him to realize and admit the real problems with this Budget and perhaps take some corrective action within his own ranks. We now have Liberal politics and a Conservative Budget, and that is the worst of both worlds.

Mr. Ellis: That is not really worth answering. However, I will just say that those comments come from people who are opposed to everything and anything. As I said earlier in my remarks, they are opposed to employers making a profit. They are opposed to employees and employers getting together to try to make a profit jointly.

Mr. Kristiansen: Not true.

Mr. Ellis: They were opposed to the excellent Budget which was brought down by the Hon. Member for St. John's West (Mr. Crosbie) four years ago.

Mr. Kristiansen: True.

Mr. Ellis: They do not have any choice but to oppose this—well, I cannot use the language in the House I would like to use—to oppose this Budget. They are now prepared to oppose us again, even before we come into power. I am delighted. We look forward to meeting them on the campaign trail, and we will see what their opposition gets them.

Mr. Kristiansen: Your answer was no.

Mr. Parent: Mr. Speaker, I tell the Hon. Member opposite that we, too, look forward to the next election.

Mr. Ellis: Then let's have it; the sooner the better.

Mr. Parent: I am sure the Hon. Member would want to correct an idea which he put forth. I do not think he meant it so I am asking him for clarification. He mentioned that Government funds were made available to a company to re-establish in Quebec. From the tone of what he was saying, it sounded as if he was more upset with the fact that this company, which could have been established in his own riding, was established in Quebec, as opposed to simply being established in any other part of Canada. Would the Hon. Member set the record straight?

Mr. Ellis: Mr. Speaker, I was and am disturbed that that company was moved to Quebec. Certainly I would have been as disturbed if it had been moved anywhere else. The federal Government had absolutely no bloody business getting involved. The entrepreneur from Ontario and the entrepreneur from Germany had their deal put together. When they went for approval, the Government stepped in and moved the company to Quebec. I would have been just as opposed to its being moved anywhere else. I am not against Quebec, but the federal Government had absolutely no right to become involved. It was a good, viable deal. They might well have supported it, but they did not need to move it.

Hon. Bryce Mackasey (Lincoln): Mr. Speaker, I listened with a great deal of attention to the Hon. Member from Belleville because many years ago I made the decision to centralize and to move out of Toronto and Ottawa the total operation of the Unemployment Insurance Commission. The Hon. Member will recall that after very detailed study I placed it in the City of Belleville. I do not recall the good Member of Parliament complaining that I had betrayed my trust in moving the Unemployment Insurance Commission out of the cities where it was situated, principally Toronto, into Belleville. Nevertheless, I am not interested in becoming involved in that type of partisan debate at the moment.

I frankly look upon this Budget in a very selfish way. I look at it from the perspective of what it means to the people of my community. I am very fortunate, in my declining years as a Member of Parliament, to have had the privilege of representing the riding of Lincoln which is situated, as most people know, essentially along Lake Ontario between Niagara Falls and Hamilton. Its characteristics are for the most part rural, with at the same time a very heavy urban end closer to Hamilton.

The response to the Budget—and I say this as effectively as possible—has been very positive, to the point that it surprised me. For instance, the farm community is particularly pleased with the Budget in that it meets the problems of capital gains, of retirement years and farmers' inability to pass their farms on to their families without paying severe financial penalties. Of course, I credit this Party with this move, and I commend the Hon. Member sitting on my right who is helping the House Leader today because he was the strongest voice in caucus among many in ensuring that the Budget brought in the required changes for the farm community.

Unlike the Hon. Member from Belleville, the NDP has the tendency not to change its mind but to raise false issues or, if the issue is not false, to treat it so superficially that it is unfair to the issue and to the people listening.

Mr. Ellis: He has gone to lunch.

Mr. Mackasey: He has always gone to lunch. There is nothing new about that.

Mr. Ellis: They are out to lunch.

Mr. Mackasey: I want to speak to the size of our deficit and about whether or not we can afford it. I know that in 1980 the deficit was also an issue. At that time I was able to conduct a little study on it. In fact, I recall that practically the same debate occurred in 1976. One of the strongest proponents of the sizeable deficit at that time was the Conference Board spokesman. I am not for a moment suggesting that a deficit is a good thing, either individually or collectively, or as a company or a country. However, I think that at times deficits are imperative and necessary. The only country of which I can think that balanced its budget was Portugal under Salazar. Because of the policy of balanced budgets annually, Portugal was never able to amass sufficient funds in those days to provide schooling, compulsory education, hospitalization and decent roads. Now the Government of Portugal has to work very hard to catch up.

• (1210)

I remember asking members of the farm community who were complaining about the size of our deficit how many people in the hall did not have a greater deficit now than 20 years ago when they entered farming. They all agreed that they owed more money today they owed 20 years ago. In the next breath they reminded me that they were quite capable of handling that debt. Their assets had grown because of their periodical borrowing over the 20, 30 or 40 years when they bought a new section of land, a tractor or more modern equipment. The real issue is not the size of the deficit but our ability to finance it.

In his Budget the Minister has virtually frozen the deficit. He has not reduced it. He knows that to reduce it dramatically at the moment means cutting back on social programs. The Liberal Party will never cut back on our social programs, at least the basic, fundamental ones.

I remind Members opposite that we differ from the Hon. Member for St. John's West (Mr. Crosbie) who two weeks ago suggested that we introduce a means test to decide who gets the old age pension, a fundamental characteristic of this country which all Canadians pay for through their sweat, toil and contribution to our economy.

Mr. Ellis: He didn't say that and you know better.

Mr. Mackasey: I heard it over the radio. I did not interrupt the Hon. Member when he was speaking. I must be hurting him where I do not like to hurt him because he is one of my favourite Members. However, I heard the Hon. Member for

St. John's West on a Saturday morning, on a CBC radio program, say that when he comes back to power and is Minister of Finance he will have to give it serious consideration. Why is he considering? When asked how he would cut the Budget and cut spending rather than the deficit, he turned immediately Pavlovian in his concept to say: "We will have to give serious consideration to introducing a means test", not for family allowances, although he mentioned that, not for many of the other fringe expenditures and social policies, but for the old age pension.

I have to give the Hon. Member credit. At least he is clearing the road. He is clearing the debris. He is bringing back, helping to clarify and sharpen the policies of the Conservative Party as opposed to the policies of the Liberal Party. He is making it quite clear for the electorate in six or eight months, or whenever the time may be for an election, to say let's get away from personalities; let's get back to issues, let's get back to policies.

What are the clear distinctions between the Liberals, Conservatives and New Democrats? Every time they come under that scrutiny the New Democrats simply disappear. The 12, 13 or 14 per cent of the population, appealing mostly to intellectuals who can afford those socialist tendencies and those who are indoctrinated in the policy and their own basic philosophy, cannot realize the extent to which the world is changing.

We are now understanding the Conservative policy. It is now emerging, slow but sure, day by day. When you strip the front pages of the personalities, the leadership, who will be this, who will be that, policy differentiation is emerging. That is good for Canada. It is good for the Tory Party. If the majority of Canadians want a government that is dedicated to bringing in means tests for old age pensions, one which thinks President Reagan is the greatest invention since sliced bread, that our policies must be a reflection of neo-conservatism in this country, they can at least see that the issues are not blurred, that they are distinct. They will see the Liberal Party remains faithful to the concept that the government has a role to play in protecting the less fortunate, the helpless, those with no organized union, the 66 per cent of the workers in this country who through no fault of their own, and perhaps through their own fault, are unable to cope and meet the day to day expenses that people incur.

Is that a legitimate role for a government to play? I have to say it is. If I did not think so, I would be over knocking on the door of my good friend, the Leader of the Opposition (Mr. Mulroney). Whenever the industrialized world is under pressure for money, as it has been for the last few years, these strains are bound to emerge. Liberalism has been the marriage of an economic policy that does not differ all that much from the Conservative Party with social reform. Where we do differ from the Conservative Party is in our social concepts, our conscience, our concern, our compassion, our care for people. We are not a cold, efficient organization. We are not the disciples of Adam Smith. We believe in compassion and concern. That is why we favour transfer payments to extremes in this country, unlike the Americans. That is why we are dedicated to seeing that everybody has equal opportunity by funding universities and other schools of education, and making medicare possible so that everybody has a chance to be healthy and to be educated. Without health, you can be nothing. These are the fundamental things that distinguish us from the Conservatives.

The Budget also points out certain ways that we differ from the New Democrats. We believe that social policies can only come from increased productivity. Money does not come from Heaven, it comes from private enterprise. We believe in free enterprise. The NDP have an open invitation. Any time they want me to join their Party, they can tell me one single society in this world that I would trade for the Canadian way of life. Name it. They can't. They are silent. I have been issuing that challenge for 20 years. Will it be Sweden where you wait eight years, not to buy a home but to rent a home? Would it be Poland? Would it be Russia? Would it be Cuba? Where is it? They may have the right political doctrine for a country at a certain stage of its emergence, but we are well beyond that. This country is well beyond the doctrine of the New Democratic Party.

How do we increase productivity? I share with my friend in the corner his concern for the labour movement. I do not believe that the adversarial concept can ever be legislated out of existence. There is no country that can export its labour-management concepts, be it Japan or wherever. We have a system that has worked remarkably well.

What the NDP do not realize, or perhaps they do, is the tremendous change in the composition of the work force. Not too long ago four workers out of five were so-called blue collar workers. Today three out of five are white collar workers. They are educated. They are intelligent. They do not want to be dominated by a union leader who says you have to walk down Main Street on May Day. They do not even understand the connotation. They want to be amply compensated. They do not even need a toolbox any more. They are "knowledge workers" rather than skilled workers.

This is the computer generation. It has been going on for a long time, certainly as long as I can recall. These changes are subtle and bring about a change in attitude. These workers know the need to co-operate. They know the need to sit down with management. They know the advantages to management, to labour and to the free entreprise system of increased productivity. They ask only that they get their fair share of that increased productivity. An enlightened and realistic management understands that as well. I am quite optimistic about the growth of labour, management and government co-operation in the future which will create jobs and increase our productivity.

• (1220)

We will never destroy or eliminate the adversarial role of labour and management. However, it will become the exception, just like strikes of any serious nature will become the exception rather than the rule in the future. This will not be because government has determined that by a piece of legisla-

tion but because technology has changed the workplace. It has changed the workers, their concerns and their characteristics. I repeat that when the majority of the work force consists of what we call knowledge workers or white collar workers who go to the workplace with their knowledge rather than with their screwdrivers, there is a change in attitude, a change in approach, and a change in understanding.

I can remember the election of 1962 when the then Right Hon. Prime Minister, Mr. Diefenbaker, was unfairly castigated for a 92-cent dollar. It was a big factor in the election. Today we talk knowledgeably about this subject. I do not mean only Members of Parliament but people in general talk knowledgeably about floating dollars, about fixed dollars, about 80-cent dollars, about 79-cent dollars. It is not a political problem. People understand that it is only a relative measurement of value as compared to the United States dollar. It is no longer an issue, just like the deficit is no longer an issue if explained properly.

It is significant that when Hon. Members speak about measuring the deficit on a per capita basis, they are using the wrong measurement and the wrong criteria. The deficit must be measured in comparison to our ability to repay it at an appropriate moment, to finance it and to carry the debt charges. That is why it must be compared to the GNP.

The Minister of Finance's Budget pointed out that although he is freezing the amount of the deficit to $31 billion, the increase in GNP in two years' time will make the relationship between the GNP and the deficit half of what it is today. I may remind the House that after the war in the early 1950s, the deficit in the country was running at 23 per cent of GNP. The deficit is not a problem unless, of course, it is unbridled or represents waste, and nobody wants that. That is why the Auditor General and a committee of public accountants look assiduously to see where there is waste.

I believe that at this point in our history people are entitled to a little more intelligent input from the New Democratic Party. There are exceptions, of course. I know that my time is coming to an end, Mr. Speaker, so I would like to say that yes, there are distinctions between the Parties, and they exist not only in debate. There are clear distinctions between the three Parties. One of the good and useful things that has occurred in recent months and now leading up to our leadership campaign is that those distinctions are becoming more pronounced. People are entitled to know what we stand for.

I do not particularly appreciate that some Members from my own Party's front-benches are unaware of the fact that federal legislation provides that the negative impact of technological change must be negotiated on the federal scene. We brought that legislation in 13 years ago. Three weeks ago, I heard members of the New Democratic Party saying that what we need is legislation that will provide that the Government must negotiate the impact of technological change. That has been a main feature of the changes of the Labour Code. I think I had something to do with introducing that change in 1971. Thirteen years have gone by and members of the New Democratic Party still fail to understand and appreciate that every collective agreement under federal jurisdiction must make provision to negotiate technological change.

What did that legislation flow from? The Hon. Member for London East (Mr. Turner) could tell us that it came about because of a change in the technology of the railways in the 1960s. At that time, the railways converted to diesel which made the picking up of coal to create steam redundant. Of course, the railways, being the unenlightened employers they were, thought that they could just disrupt the whole work force and never negotiate. Of course, Judge Freedman told us the opposite.

This Party will stand on its record in the next election. It will stand on the universality of its programs, including the old age pension, unlike the former Minister of Finance who, just three weeks ago, said that we must bring in a needs test and apply it, if necessary, to old age pensioners. I hope he repeats that statement in the election campaign. I hope he comes to my riding and tells that to the senior citizens who live there. There are many senior citizens who live in my community because they love the community; they are well represented, the climate is nice, there are many senior citizens' homes and we look after senior citizens in Lincoln.

I would like to see the former Minister of Finance come to the Riding of Lincoln and say: "Vote for me, but remember that if we are elected, the first thing we will have to do is take a good, hard look at old age pensions and see if there is not some way we can save a little money by introducing a needs test". I shall not go on to fight an election campaign on the basis of this Budget, but that statement has bothered me ever since I heard it.

All Parties work collectively at times to ensure that the quality of life in the country is as high as possible, even for those who for reasons beyond their control can contribute very little to the economy. It would do a disservice to the Canadian public if at this late stage, because of the influence of the President of the United States, we bowed to the temptation to become politically expedient and get votes by destroying the things that people have been working for many, many decades to achieve.

Mr. McKinnon: Mr. Speaker, the Hon. Member for Lincoln (Mr. Mackasey) has made quite an issue of means tests and has clearly implied that he is opposed to them in their entirety. I would ask him if he supports the Government policy of having a means test before the granting of the guaranteed income supplement to about 50 per cent of old age pensioners in the country. Does he also support the Government policy of having a very rigorously applied means test before a veteran aged 55 can receive the war veterans allowance?

Mr. Mackasey: Mr. Speaker, the hon. gentleman is not in the habit of putting words into my mouth and he has no right to imply that I said that. I know what I said. I spoke specifically about Old Age Security, not the guaranteed income supplement. I understand the difference between the income supplement and OAS. I understand that in order to preserve the basic principles of OAS, we must bring in some

form of means test before we hand out the supplement. That at best is a compromise, but one that is necessary in order to retain the OAS. It has worked remarkably well.

The former Minister of Finance did not talk about the GIS, he talked about OAS. There is a fundamental difference between the two, as the Hon. Member knows. I do not mind having him ask me that question, but yes, I do support the principle of a means test in determining the guaranteed income supplement.

If I am not mistaken, it is significant that the Minister increased the GIS substantially in this Budget. One could question how substantial $50 a month is. To some people it is not very substantial but others have expressed satisfaction, pleasure and relief that some help has come. I just hope that the provincial Tory governments which have a great deal of control over senior citizens' homes and those kinds of things make certain that that money is not siphoned off from the senior citizens and swallowed up in the form of rent or charges against these individuals who live in senior citizens' complexes.

I apologize for not having mentioned the veterans. I share the hon. gentleman's concern. The Minister is in the House and I suggest that we need an approach on the part of the bureaucrats who deal with the veterans that is a little more enlightened. There seems to be a pattern developing in that Department of which the Minister is aware. I have talked to him about the practice of automatically refusing and delaying veterans' pensions. As a Member of Parliament, I too have come across cases that have dragged on for years before they are settled, and they are inevitably settled properly on behalf of the individual.

Mr. Parker: Mr. Speaker, I would like to question the Hon. Member for Lincoln (Mr. Mackasey) with regard to his comments about the New Democratic Party. Yes, Canada is a wonderful place to live and we all want to enjoy Canada's benefits. I wish to reaffirm to the Hon. Member that there are over two million people unemployed and on social assistance at this time and they too are looking for some of the benefits of the country.

I would like to take up the challenge presented by the Hon. Member and tell him about the proposal we have put forward with regard to the sale of western Canada coal, a clean coal that would clean up our environment, would create jobs right across Canada and help alleviate the cause of acid rain right from the source rather than after the fact. We are importing coal with a sulphur content 800 per cent higher than the coal of western Canada.

• (1230)

We proposed that a study be done that would create thousands of jobs, alleviate a lot of the causes of acid rain and keep $1 billion from leaving this country for the United States. That proposal could do something for all parts of Canada but the Government has refused to consider a study. I should like to hear what the Hon. Member thinks of that proposal. I invite him to take up the challenge.

Mr. Mackasey: Mr. Speaker, one thing the New Democratic Party is noted for is extravagance of expression. The Hon. Member spoke of two million people out of work; a little while ago someone mentioned 1.5 million people out of work and another person mentioned one million people out of work. As one who had charge of that Department at one time, I will not talk about what can be done with statistics. It is unfortunate that so many people are out of work, but the sheer reality is that we have come out of this recession second only to the United States. Our dollar is the second strongest currency in the world. Our recovery has been the fastest in the industrialized world, faster even than that of the United States.

As far back as I can recall, the level of unemployment in this country has reflected three things and they have not changed in the 10 years since I made a study of the matter. First of all, it reflects the advent of women in the work force. This is an overdue phenomenon, if you like, compared to Europe where that movement was accelerated, if you like, by the last war more so than it was here. Women came into the work force, discrimination against them was eliminated to a great degree, barriers to certain disciplines such as engineering, dentistry, law, were lowered. They add to the numbers, Mr. Speaker. They add to the quality of the work force, they add to the GNP, they add to our ability to look after the unemployed. But they also add to the numbers.

The second thing that still adds to our numbers is the rather civilized and open approach we have to new Canadians from other parts of the world. As a former Minister of Immigration I can remember the anger of some Members, particularly some from Toronto, when I brought in 7,000 Ugandans. I am sure that today each and every one of them is working and contributing, but they add to the numbers. Hardly a day goes by when someone does not ask the Minister of Employment and Immigration (Mr. Roberts) to open the door even further. But that also adds to the numbers, Mr. Speaker.

Finally, we still have the fastest growing work force because of the remarkably high number of young people just coming into it. This reflects the generation that came back from overseas, married late and whose children are now coming into the work force.

Those are three reasons why unemployment figures are high, Mr. Speaker. What the hon. gentleman did not point out is that we have created jobs at a faster rate than any other country in recent years. It is no great secret how to go about creating jobs. We can overheat the economy and have inflation back, then another deep recession six or nine months from now. That is the trouble with socialist policies, Mr. Speaker; they are not balanced. It is hard to argue with members of that Party. They are well intentioned and they are concerned about people; they have that human touch, secure in the knowledge that they will never have to be realistic about the cost of implementing a program.

Coming back to the question of coal, Mr. Speaker, I agree that pollution of the environment is a problem. We have been buying coal offshore but it is not so long ago since Japan was buying coal from British Columbia. Apart from the devastat-

ing harm the acid content does to the environment, I think the Hon. Member should understand, and does understand, that the marriage of convenience between social policy and free enterprise which is characteristic of this country, which works well when there is lots of money, does not work so well when there is not lots of money.

Mr. Kristiansen: Is that not free enterprise?

Mr. Mackasey: The other gentleman is getting into it. Don't spoil your lunch. Go back to sleep.

The Acting Speaker (Mr. Guilbault): Order, please. The Chair regrets to interrupt the Hon. Member but the time for questions has expired. We now resume debate.

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, I am pleased to have the opportunity to participate in the debate on the Budget presented by the Minister of Finance (Mr. Lalonde) on February 15. It is an interesting Budget—a few things here and a few things there—but I do not see any general thrust in it at all. It does little to spur further recovery and does nothing to put the Government's financial house in order. Relative to the projections outlined in the 1983 Budget, spending, the deficit and interest costs are all up. This is a white paper Budget. Proposals are presented on mortgage protection, small business tax relief, profit sharing and pensions. These proposals are to be studied. They may or may not become reality but for the time being they give the appearance of action.

I looked at the Budget, Mr. Speaker, mainly to see what was in it for my constituents, the people of Haldimand-Norfolk, and I looked at youth. We know that there are hundreds of thousands of unemployed youth in the country. There are thousands in my own riding. The Budget says that creating jobs for Canada's youth is a priority, that the strength and vitality of our nation's youth depends on our young people. It also states that $150 million will be added to the $1 billion Youth Opportunity Fund announced in the Speech from the Throne.

I have two questions about that, Mr. Speaker. What is $150 million going to do? It is less than the amount the Minister used to cover up the leak in his last Budget when an opportunist TV cameraman took an opportune shot of it. The Minister casually added $200 million with a stroke of the pen in order to save his Budget and his neck. Does that mean we can assume that as far as the Minister is concerned the youth of the country mean less than his Budget or his neck? Let us be realistic, Mr. Speaker. Let us provide some permanent, long-term assistance and programs for the youth of the country.

We see that the Minister is going to continue his wage and price restraints. In his Budget Speech he said that the federal Government is firmly committed to continued wage and price restraint and that the existing policy of limiting increases in the prices that the federal Government sets and regulates will be continued for another year. He said as well that the guidelines will be reduced from 5 per cent to 4 per cent for this period and that mandatory wage controls in the public sector will not be extended. The Government is not firmly committed to continued wage and price controls, Mr. Speaker, but only to price restraint—and only price restraint that it sets and regulates.

The liquor and tobacco industries would be glad to have had their increases for the past year set at 4 per cent, Mr. Speaker. The 15.8 per cent tax increase on cigarettes imposed in September was a price that in my estimation the federal Government sets and regulates. What we have is a government that already breaks its promises before they are implemented. We have a government that is attempting to tax the liquor industry and the tobacco industry out of existence in this country without being concerned about the consequences to the people involved in those industries.

• (1240)

With respect to the question of tax increases, Mr. Speaker, let us look at the hidden agenda. The Budget of February 15 contained no major tax increase. It did not have to. From the Budget of April, 1983, Mr. Speaker, we have the following increases which are now taking effect for the 1984-1985 year: the special recovery tax, adding an additional $300 million; changes to the federal tax reduction, adding an additional $445 million; elimination of the standard $100 deduction, adding $180 million; deindexing of the child tax credit income threshold, adding $155 million; deindexing of the child exemption, adding $40 million; making the Canadian Ownership Special Charge permanent, adding $965 million, and the Unemployment Insurance Commission increase this year, Mr. Speaker, will add $45 million. If we were to carry that same hidden program to 1986-1987, we would come to a total for that year of an additional $5.654 billion. No, this Budget did not have to bring in tax increases; they are already there.

I come now to Revenue Canada, Mr. Speaker. We all know what Revenue Canada is; it is the Department that finds you guilty until proven innocent. Apparently it is going to change that. We are not going to be quite so guilty any more. That is the Department, you might recall, which has $800 an hour auditors; the Department which provides free meals for the auditors who bring in the biggest increases in a month; the Department which provides the day off for the financial collectors who collect the most money in a month. That Department is going to be kind to us now, Mr. Speaker. Individuals and corporations with federal taxes of $1,000 or less will no longer have to make quarterly tax instalments. This is a good step. This will assist those senior citizens who have wrongly been required to make quarterly instalments on earnings which, in most cases, do not arrive until the end of the year.

Second, that Department is going to pay up to $1,000 for the cost of a successful appeal by someone who is appealing his tax assessment. This is a start, Mr. Speaker, but anyone out there in the country who has had to appeal their assessment knows that $1,000 is not going to go very far. It will not even scratch the backs of their lawyers and accountants.

Third, taxpayers will be given the right to provide security rather than pay cash for taxes in dispute. What is the security? Who decides what that security is? Is it the same person who assesses your taxes or the person who is going to come out and collect your money? We need further details on that.

Steps have been taken toward cleaning up Revenue Canada, Mr. Speaker, but the Minister has a long way to go before it is clean enough for the taxpayers of this country.

There are provisions in the Budget for the senior citizens of this country. There is an increase of $50 in their guaranteed income supplement. That is a very positive step for those single female senior citizens who are living so far below the poverty line. However, the two $25 instalments, Mr. Speaker, instead of bringing them up to the level of luxury at which they should be, actually amounts to two increases over a year of 83 cents each per day. I question whether that will even buy those senior citizens a quart of milk.

I come now to an area, Mr. Speaker, which is close to the heart of a lot of us in Haldimand-Norfolk, and that is agriculture. I quote from the Minister's little book, *Budget in brief*, the section on agriculture:

> Farmers will now be able to invest up to $120,000 of taxable capital gains from the sale of a farm in an RRSP. The amount eligible will be $10,000 for every year they have farmed the land from 1972 to 1983. This will assist farmers to build better pensions for retirement.

Will it really, Mr. Speaker? On the surface it is quite a step, but what does it really mean when you get down to it? The $120,000 of capital gains rolled into an RRSP will, in reality, increase the cost of the farm. Before this measure, Mr. Speaker, if a farmer were to sell his farm in my area, he might take a $100,000 down payment on that farm. He would leave the remainder of the value of that farm in a mortgage, would take his $100,000, move into town, buy himself a home and establish himself. He is now told that he is allowed an additional $120,000 tax exemption on capital gains in an RRSP.

What that will do, Mr. Speaker, is force that farmer to save that $120,000. It will force him to up his ante for the down payment on his farm to something like $220,000 because he will still need that $100,000 to set up his new home in town, and he will need that additional $120,000 to put into an RRSP so he can avoid the taxes. What that will create, Mr. Speaker, is a problem for the young people who are trying to get into agriculture because it doubles the ante for a down payment.

There is a further spin-off to this, Mr. Speaker. We are talking in this Budget about stimulating the economy. We are talking about getting money into flow and yet at the same time we are telling farmers to save an additional $120,000 in an RRSP. We would be better off, Mr. Speaker, if we took out this capital gains on agriculture completely for *bona fide* farmers and allow them to have their money to spend in the economy, therefore helping to stimulate the economy of this country.

I note there will be something for part-time farmers or so-called "hobby farmers". The $5,000 loss provision will not be replaced by the realistic $20,000 provision, so what is the Government doing to assist part-time or so-called hobby farmers? We are told that a consultative working group will be established to assess the impact that such changes might have on the agriculture sector before any specific action is taken. I think that describes what this Budget is, Mr. Speaker—gone today, here tomorrow, if tomorrow ever comes. The riding of Haldimand-Norfolk, Mr. Speaker, is 75 per cent agricultural. I do not see anything in this Budget which is of any significant help to the people in that area. All I have seen this Government do in the past is hinder agriculture.

One of the major agricultural sectors in my riding, Mr. Speaker, is the tobacco industry. There are some 2,600 or 2,700 tobacco farmers in Canada. Probably 60 per cent of them are in Haldimand-Norfolk. It is an industry which provides some 18,000 full-time jobs and some 35,000 to 40,000 part-time seasonal jobs. It is an industry whose spin-offs are far-reaching to all parts of this country. It is an industry which provides tremendous export and has great potential for further export.

What has this Government done for that sector of agriculture? It has increased the tax on cigarettes so it now takes $1.14 billion per year in tax from that industry. That is an industry which only brings in, in comparison, $285 million to the growers. It appears to be then using that same money to turn around and wage its anti-smoking campaign in the country. The Government increased the taxation on cigarettes in this past year—a six and five year—by 15.8 per cent, thus pushing the price of a package of cigarettes in some areas, Mr. Speaker, to $2 or more. What does the grower receive for the tobacco which goes into that package of cigarettes? The grower gets six cents out of a $2-plus package of cigarettes. That is a good return?

• (1250)

The Government hopes that through its anti-smoking campaign it will reduce the number of cigarette smokers in Canada by 10 per cent. That means a reduction of 10 per cent in tobacco grown, a reduction of 10 per cent in tobacco growers, the loss of livelihood for some 260 to 300 farmers and the loss of some 2,000 permanent and 4,000 part-time jobs in Canada this year alone. If we are going to kill this golden goose, Mr. Speaker, why do we not at the same time take steps to help increase the export of this commodity to countries who do want it? When we take in $1.14 billion in tax from this commodity, why do we spend only $2 million at a research station to find crops for farmers who are forced out of tobacco? Why do we not put some $10 million into the research station at Delhi and find crops these people can move into when they are forced out of tobacco by this irresponsible Government?

I looked for something for the fisheries, Mr. Speaker, in this Budget. I have a lot of fishermen in my riding and over 50 boats go out of one port. Perch, smelt and yellow pickerel are a major industry. We have an $8 million a year market in Japan which went sour last year because of the dioxin scare and which has only recovered about 30 per cent now. We have fishermen and fish processing operations on the verge of

bankruptcy. We have a potentially tremendous unemployment problem in southern Ontario because of this. What did I find in the Budget for the fishery, Mr. Speaker? I could not even find the word "fishery". There was nothing in the Budget for the fishing industry in my area which is in such serious difficulties.

I could go on and refer to the mortgage insurance program we have all been waiting so long to hear about. One critic had this to say about the program:

> Hours after Finance Minister Marc Lalonde proposed a mortgage insurance plan in his February 15 Budget speech, industry spokesmen hailed it as a pioneering attempt to protect homeowners against rising interest rates. But a sober second look has convinced many the plan is not quite the sweetheart deal it first appeared. Experts say the insurance costs too much, the pricing scheme makes no sense, and the plan encourages home owners to lock into longer term mortgages at higher rates which could cost them a bundle in the long run. Many say home owners would be better off to use the money to decrease the size of their mortgages and take advantage of lower interest rates available for one and three year mortgages.

Many examples are given, Mr. Speaker, of how this is actually costing us more money.

There are some good breaks for small business, but overall I think they are too little, too late. We need further incentives for small business to get this country going again.

What I do not see in the Budget is anything to help the 3.5 million Canadians under the age of 65 who live in poverty. There is nothing to help the handicapped or disabled, and no incentives for the voluntary sector. There are a lot of promises in a lot of areas and a lot of things that could happen in the future, which reinforces the fact that this Budget is nothing more than a white paper: Gone today and here tomorrow, Mr. Speaker.

Mr. McRae: Mr. Speaker, I listened with care to what the Hon. Member had to say. I agree he has had some serious problems in his community, and I commend him for supporting the idea of more money for research into alternate crops for tobacco growers. However, I will leave that and ask him a question about the collection of taxes which he mentioned at one point. In my community, as I think in most communities across Canada, 70 per cent or 80 per cent of taxpayers pay tax at the source. They are wage earners and their concern is that taxes are a zero sum game. In other words, their taxes are collected at the source and they pay the full shot. They are very concerned that the Hon. Member and his Party are going to undermine the system. I agree with the Hon. Member that there are some bad cases which have to be looked into and changes made, but is he not concerned that we are undermining the Department and the way it functions. Therefore people who pay their full taxes at source, the wage earners, will be forced to pay more.

My second question deals with the tax commission of the Hon. Member's Party which is travelling around hearing complaints. Is that commission asking people making complaints if they will sign a document to allow the tax department also to say something about those complaints? It seems to me one gets only one side of the issue unless you get the tax department people into it. They are not able to comment simply because of the requirement for confidentiality which is very important. However, if individuals appearing before the commission are willing to sign a document allowing the tax department to give its side of the story, then I think it becomes fair. Otherwise it has a tendency to undermine the tax department.

Mr. Bradley: Mr. Speaker, as to the first question, I know the Hon. Member's concern about taxes paid at source. I have not seen any policy in our Party which will undermine that. Mind you, I do not write that policy. I am concerned with social development, women's issues and defence. However, if the Hon. Member wishes, I will have our finance spokesman search that out for him.

Pertaining to our being fair to the tax department, I do not find it fair when a restaurant owner in my riding is charged $1,500 in a tax reassessment. This is a person who did not oppose it, who felt he must have made an error and gave three cheques, one for immediate payment, one for payment two weeks later and one for the end of the following month. The first cheque was cashed, the second was cashed two weeks later and the next day, Saturday at noon, the collector came into his restaurant with the local sheriff, pushed the girl from the till and took the money because they did not want to wait the extra month. I do not call that fair to the people of this country. Until the tax department is fair to my constituents and Canadians in general, I do not think we have to be fair in our dealings with them. I feel we can be tough in our dealings with the department to correct these actions. Some of those actions have been corrected in this Budget and I thank the Minister for that, but there are many more corrections to come.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order. It being one o'clock, I do now leave the Chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

TOURISM

EFFECT OF TAXATION

Mr. Joe Reid (St. Catharines): Mr. Speaker, you can kill the goose that laid the golden egg. The tourist industry was going to be, and still could be, the shot in our economic arm

which many of our communities need. However, heavy taxation in such areas as gasoline, wines, and spirits makes Canada too expensive a place to spend a vacation.

Grape and wine production were part of our growth industry. First, there was the harassment of grape producers in the taxation of hybrid grape production. Were they capital expenses or were they part of the deductions? This caused confusion, irritation, and delay. Then came the decline in wine sales attributed to increased federal and provincial taxes, a poor economic climate, and mostly low-priced imports.

The St. Catharines Chamber of Commerce has called for a curb on what they call "exorbitant and inflationary" taxes. Its policy statements say these increased taxes can only have a damaging effect on the tourist industry. The Government is, in effect, driving the prices of dining, drinking, and entertainment beyond the reach of local residents and visitors alike. Even worse, the current situation has led to the very first lay-off in a local winery. Is this the way the Government proposes to build the economy of the country?

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[*Translation*]

BILINGUALISM

POSITION OF LEADER OF THE OPPOSITION

Mr. Gaston Gourde (Parliamentary Secretary to Solicitor General): Mr. Speaker, the Leader of the Opposition has accustomed Canadians to the most incredible inconsistencies in his statements. Last year, on June 13, he said in the newspaper *Le Droit* that he, as Leader, would speak for the Party and that he would tolerate no dissent on the major issues facing Canadians. Subsequently, last fall, the Leader of the Opposition supported the position taken by the Liberal Party on bilingualism in Manitoba, and then in February of this year, two Progressive Conservative Members created the McKenzie-Stewart Fund to show their opposition to bilingualism in Canada. The Leader of the Opposition then tried to have us believe he had made them see reason and that the Progressive Conservative Caucus was now unanimous on this issue. Then, still in February, the Leader of the Opposition supported a second motion on safeguarding the rights of Franco-Manitobans, this time without the support of the Progressive Conservative Members from that Province. Now the Opposition Leader has stated that in the name of freedom of opinion, he is prepared to tolerate dissent but that his Party is unanimous on the issue. Moreover, and the gesture reeks of hypocrisy, the Progressive Conservative Leader is supporting the nomination of Bob Sherman as the Progressive Conservative candidate in next federal election in Winnipeg, the same Mr. Sherman who was one of the fiercest opponents of the legislation to safeguard the rights of Franco-Manitobans. The Progressive Conservative Leader has a long way to go before he puts his money where his mouth is. Former Leader Robert Stanfield must be very unhappy to see that the present Leader has succeeded but not replaced him. Francophones and Canadians in general will remember the Leader of the Opposition. They will remember his pretty speeches, but also the inaction of the hon. gentleman who was the subject of a caricature not long ago in the newspaper *Le Soleil*—

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

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[*English*]

EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—FUNDING SOUGHT FOR PORT COLBORNE PROJECT

Mr. Girve Fretz (Erie): Mr. Speaker, over the past five years I have been working closely with the City of Port Colborne, regarding improvements to facilities connected with the Welland Canal which passes through the heart of that city. This waterway is not only a key component of the St. Lawrence Seaway, but is a scenic tourist attraction.

Specifically, I am referring to the proposed weir crossing which would help to provide flood protection to the downtown for a cost of roughly $6 million, or one-thirtieth the cost of a budget leak. In my most recent attempt to assist with this project I contacted the Minister of Transport (Mr. Axworthy) on June 20, 1983. I received a quick reply on October 24 of the same year. I was told that no federal money was available for the project.

Lately there has been quite a bit of talk regarding the Special Employment Initiatives Program which has been of great benefit to selected ridings. Perhaps the Minister of Employment and Immigration (Mr. Roberts) would give some thought to diverting some of this funding into my riding to fund the above project, which I feel to be worthwhile and necessary. I believe the time has come for Erie and other Niagara ridings to benefit from the Special Employment Initiatives Program.

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SOCIAL AFFAIRS

NATIONAL SINGLE PARENTS DAY PROPOSAL

Mr. Gilbert Parent (Welland): Mr. Speaker, nearly 40 per cent of Canadian first marriages now end in divorce. Many people live in a single parent situation, either separated, widowed, or never married. These conscientious single parents are endeavouring to bring their children to healthy maturity with the same prospects for normal adulthood as children who mature within a two-parent family unit.

The single parent in our society is isolated to some degree and must contend with the difficulties of providing, both for themselves and their children, a reasonable equivalent of normal family life. I suggest that Members of the House establish March 21 as National Single Parents Day in Canada

S.O. 21

in honour of all the single parents who are doing such a difficult task single handedly.

* * *

AGRICULTURE

CALL FOR MEASURES TO INCREASE FARM INCOME

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, times are tough these days on the small family farm. High interest rates have severely weakened the agricultural sector. Grain prices are declining and Statistics Canada is projecting a 26 per cent drop in realized income this year over 1983 for my home Province of Manitoba.

Farming is not like most other businesses. The whole family pitches in, often on a daily basis, to do the work on the farm. Women on the farm have not received the financial recognition due to them because incomes on the farm have been so low. This has made it almost impossible for them to take advantage of the recent changes which have been allowed for a salary for spouses on a farm and the opportunity to contribute to the Canada Pension Plan.

We must address this depressed income situation on two fronts, a reduction in cost through elimination of the tax on farm fuel and more low-cost money for FCC, and improved incomes with measures such as changes to the Western Grain Stabilization Plan.

Women who are partners in most farm operations have a right to compensation. During International Women's Week we should pay tribute to their work and consider ways to improve farm incomes for all of the farm family.

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ADMINISTRATION OF JUSTICE

COMPENSATION FOR VICTIMS OF CRIME

Mr. Garnet M. Bloomfield (Parliamentary Secretary to Minister of State (Small Businesses and Tourism)): Mr. Speaker, today I would like to inform the House of the Danny Edwards case. In 1981 this young man from my area of Ontario was shot in the spine by two robbers while he was working as a variety store clerk. Evidence has shown that he offered no resistance, and was brutally kicked following the shooting. He is apparently paralysed for life. The assailants, who both had criminal records and were free on parole at the time of the shooting, were subsequently captured, convicted, and each sentenced to 17 years' imprisonment. About three months ago the sentences were reduced to 14 years, which means they could be eligible for parole by late 1986.

This 18 year old, Danny Edwards, was gunned down by hardened criminals, their crime leaving him a prisoner of his own paralysed body, confined to a wheel chair for the rest of his life. How much time will his assailants serve? At the most 14 years, and if paroled, probably less than five years. Just consider the difference—probably 60 years of paralysis for the victim, and possibly only five years of imprisonment for the criminals who savagely caused that handicap. Obviously, justice has not been served.

I feel that this case candidly illustrates the urgent need to enact legislation that will allow the courts to award compensation to the victims of crime, and to impose tougher sentences. I therefore urge all Members to strive for rapid passage of Bill C-19 to allow compensation for crime victims and stiffer sentences for offenders.

* * *

SOCIAL SECURITY

PLIGHT OF SINGLE WOMEN BETWEEN AGES 60 TO 65 YEARS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in his recent Budget the Minister of Finance (Mr. Lalonde) stated that "pensions are the principal lifeline Canadians have to economic security in their retirement years". Judging by his proposals for pension reform it would appear that the Minister is unwilling to extend this lifeline to the tens of thousands of women presently sentenced to a life of poverty. I speak of those women in the lost age bracket between 60 and 65, who have little or no personal incomes and have lost their husbands, yet are ineligible for pensions.

● (1410)

Rather than spend the $150 million necessary to extend the spouse's allowance to assist those most in need, as recommended by the all-party parliamentary task force on pension reform, the Government has chosen to direct $300 million through a revised system of registered retirement savings plans to those presently earning over $55,000 a year. As a result, twice the amount of money is being spent, yet those people who really need help will not benefit by one penny.

The facts confirming the desperate plight of widowed women between the ages of 60 and 64 were made public by the task force, yet the Minister of Finance did not turn his attention to these people, and neither did the Minister of National Health and Welfare (Miss Bégin).

Like so many other provisions in the Budget, the pension reform proposals show that the Liberal Government has got its priorities all wrong.

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired.

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HUMAN RIGHTS

U.S.S.R.—PLIGHT OF UKRAINIAN POET, MYKOLA HORBAL

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, Canadians of Ukrainian descent wish to bring to the attention of this House the plight of Mykola Horbal, Ukrainian poet,

composer, and musician, who is currently serving a five-year prison sentence in the Soviet Union.

In 1971 Mr. Horbal was arrested on charges of "anti-Soviet agitation and propaganda". The sole evidence brought against him was a poem *Duma*, written by Horbal, in condemnation of the absence of fundamental human rights and freedoms in the Ukraine. For this poem he was officially sentenced to five years of imprisonment in hard labour camps, and two years in exile.

After his release from prison, Horbal was continually harassed, to the point where he applied for an exit visa to the United States, where he has relatives who are willing to support him. The application for an exit visa led to a fabricated criminal offence, and to a further five years of imprisonment in hard labour camps.

The latest information Ukrainian Canadians have concerning Mykola Horbal is that in 1982 he was transferred to Novodanylivtsi prison camp in the Mykolaiv region of the Ukraine. Nothing has been heard of him since.

Canadians of Ukrainian descent are deeply concerned about the state of Mykola Horbal. His story illustrates yet again the open violation of basic human rights by the U.S.S.R. which is, ironically, a signatory to the human rights declaration of the United Nations.

I urge the Secretary of State for External Affairs (Mr. MacEachen), on behalf of the Ukrainian Church community, to voice our Government's protest to the Government of the U.S.S.R. and to use all possible diplomatic channels to ensure the observance of the Declaration of Human Rights.

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired.

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LABOUR RELATIONS

DOUBLE STAFFING URGED FOR ALL-NIGHT CONVENIENCE STORES

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, I rise with an urgent plea to put a stop to the killing and the crippling of this nation's youth who staff all-night convenience stores.

We need tough laws to shut down these operations between the hours of 12 midnight and 6 a.m. At the very least, Mr. Speaker, we need regulations to ensure the presence of two persons, one being an adult, in all 24-hour stores across Canada.

Something must be done to prevent 17 and 18 years old kids from being left alone and exposed to terrorizing experiences at the hands of the sick and ruthless criminal element in our society.

I realize that convenience stores are subject to municipal by-laws, and that their employees are administered by provincial Departments of Labour. And so, this may not be the proper forum to raise this issue in that there is nothing that we, as federal Members of Parliament, can do directly to correct this worsening situation.

What I can do is commend the proprietors of Mississauga's Mac's and Becker's milk stores for shutting down their 24-hour operations in the wake of two recent horrible incidents of killing and maiming lone teenaged employees.

What we can do is urge all provincial Ministers of Labour to amend their laws to make it mandatory for employers to double-staff all convenience stores, with appropriate security measures.

The bottom line is that there cannot be, there must not be any more teenage tragedies like Nizam Ali or Barbara Turnbull through the neglect of legislators.

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[*Translation*]

REGIONAL DEVELOPMENT

REQUEST FOR RENEWED DESIGNATION OF SEPT-ÎLES-PORT-CARTIER REGION OF QUEBEC

Mr. André Maltais (Manicouagan): Mr. Speaker, over the past years, the federal Government has done a great deal for the North Shore through its designated areas program. However, designation of the areas in question was terminated a year ago. I wonder, Mr. Speaker, whether the Canadian Government could once more designate the Sept-Îles-Port-Cartier and Schefferville regions, because I believe the Labrador City-Wabush area is to be designated shortly. Because of the Iron Ore Company, there have been more lay-offs in the last six months than during the two years when the Sept-Îles-Port-Cartier-Schefferville area was designated.

Mr. Speaker, this afternoon I saw Father Mongeau who was in Schefferville for a long time and is now here in our Gallery. We discussed this point, and once more, I think it would be important to have not only the Canadian Government but also the Quebec Government involved in the designated area program. During the last few years, the Quebec Government has never been involved together with the Canadian Government in helping to resolve the problems being experienced by the people in Canada's North.

Mr. Speaker, for all the reasons I have just mentioned, I think it would be important to designate again the entire area that is suffering as a result of the present iron ore situation.

[*English*]

PROVINCIAL AFFAIRS

EFFECT OF BRITISH COLUMBIA BUDGET ON WOMEN'S SERVICES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, the Social Credit Government in British Columbia has declared war on women in its last two Budgets.

Women of all ages are the target. The 23 Seniors Day Centres had their funding eliminated, student aid has been chopped, and the Vancouver Transition House, which has been a haven for ten years for battered women, is up for tenders. The Social Credit-Conservative style Budgets also cut community clinics by 27 per cent, eliminated the Vancouver Women's Health Collective; will probably cut funding completely to the Vancouver Status of Women, has cut funding to planned parenthood groups, has cut funding to daycare, and to disabled persons.

The B.C. Budget did not even mention the word unemployment yet it penalizes singles, and childless couples under 25 who are getting $25 cut from their welfare cheques. There will be a surtax of 8 per cent on personal income tax, called the health care maintenance tax, as well as a health care levy, and user fees. The war against women has just begun in British Columbia.

By cutting social service programs, cutting unionized women in the public sector, cutting programs for legal aid, cutting programs for the disabled, and for daycare, the Social Credit Government is demonstrating the true contempt for women which underlines modern conservatism. If you do not believe me, Mr. Speaker, just ask Maureen McTeer.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

ECONOMIC FORECASTS—REQUEST THAT GOVERNMENT IMPLEMENT NEW MEASURES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question, in the absence of Mr. John Turner, is for the Minister of Finance.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Yesterday the Minister of State for Finance indicated that he was satisfied with the state of the economy. The Minister will know that capacity utilization rates in manufacturing are still 10 percentage points less than the level they were before the recession. He will know that business fixed investment fell by 4.3 per cent in the last quarter of 1983. He knows from Statistics Canada that there is no revival in machinery and equipment outlays.

In view of these and other alarming facts that I related yesterday, will the Minister tell the House whether he is now revising his forecasts for economic activity for this year? Will the Minister also tell the House when he will take some new steps that might affect the economy positively, as is now most certainly required?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, this is the same question as was asked yesterday. The same answer applies. As far as the last point raised by the Hon. Member is concerned, those steps were taken in the Budget of February 15.

Mr. Crosbie: Mr. Speaker, this Minister is just as useless in his answers as the Minister was yesterday if he is going to give the same answer as yesterday.

STATISTICS CANADA PROJECTIONS—REQUEST THAT SALES TAX INCREASE BE CANCELLED

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the people of Canada want to know whether the Minister is going to bring in a Budget that will have a positive effect on the Canadian economic scene, not a Budget that has no effect, as the Minister did.

In view of the fact that on March 2 Statistics Canada reported that consumer demand appears likely to slow in the first quarter of this year, and that work put in place will remain weak in the first quarter of 1984, is the Minister prepared to take steps to bring in some measures that will affect positively these weaknesses? Will the Minister at least remove the sales tax increase which is supposed to come into effect in October?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I want to remind the Hon. Member that the Budget that was introduced contained a number of positive measures which were taken, bearing in mind the background figures which have been referred to by the Hon. Member. Those figures have not been published yet, but the forecasts that we have produced are the forecasts upon which we worked in the Department of Finance and which have guided us in the decisions that we came to in the Budget.

As far as the other points raised by the Hon. Member are concerned, they were answered yesterday.

• (1420)

Mr. Crosbie: I can understand that the Minister has nothing to say about the miserable state of the economy or what he is going to do.

AMOUNT OF CAPITAL OUTFLOWS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, it is reported that Canada lost $6.6 billion in unrecorded capital flows last year. It is speculated by Statistics Canada officials that these errors and omissions seem to have gone to finance illegal drugs, U.S. real estate, and stocks. In other words, the Government is driving Canadians to the cocaine trade, Florida real estate, or shady offshore tax havens.

Would the Minister tell the House what is his analysis of this $6.6 billion in unrecorded capital cash flows last year? Why is this occurring? What steps does he plan to take to stop these flows, certainly for the purposes indicated by Statistics Canada officials?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, obviously I will not speculate on speculations by officials. The only thing I can say is that the mean means tester is still at work.

EXCHANGE RATE ON DOLLAR

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, now that our dollar is at 79.5 cents, the chickens are coming home to roost. The international market has made a judgment as to the management of the economy by the Government. Is the Government going to increase interest rates to attract hot money into Canada and so make our dollar appear good, or is it going to allow the dollar to continue to depreciate and take the brunt of the criticism for a falling dollar?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member had better make up his mind whether he wants the dollar to go up or down. I have indicated what the policy is and has been. It is to let the market decide the value of the Canadian dollar. This is the policy which has been followed by the Government for over ten years.

Mr. Crosbie: What about the Bank of Canada?

Mr. Lalonde: And the Bank of Canada. It has been a policy which has served our country well. I suggest that we maintain that policy.

There may be some people like the Hon. Member who are concerned about some depreciation of the dollar. I know many other Canadians, particularly in the forest and mining industries, who have claimed quite vociferously recently that the Canadian dollar had been over-valued as a matter of fact compared with the yen, the Japanese currency, and with European currencies. As the Hon. Member knows, over the last year, for instance, the Canadian dollar increased by about 10 per cent in value over European currencies. Many sectors in the Canadian economy have argued that the Canadian dollars could do better, that the Canadian economy could do well in many sectors by being able to compete better against European and Japanese products. There are pros and cons on both sides of the issue. I can understand my friend being unable to make up his mind, except that he appears to be negative on both sides.

Mr. Blenkarn: I have no problem making up my mind. When the Hon. Member for St. John's West was Minister of Finance, our dollar went up to 87.5 cents. We know where we stand; we would have a strong economy.

GOVERNMENT POLICY ON INTEREST RATES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the last time the dollar went out of reach and down into the 79-cent area, the Government came to the rescue, propped up interest rates, drove all sorts of people into bankruptcy, and put all sorts of people out of work. Will the Government give us an undertaking that it will not do that kind of thing again, that it will not use cosmetic increases of interest rates in order to make the country look good, the Government look good, and the Minister look good at the forthcoming convention? Will the Government give us that undertaking?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I fail to see how jacking up interest rates would make us look good at the convention. This may be a Tory policy. My friend referred to when the Hon. Member for St. John's West was Minister of Finance. At that time he was asked about high interest rates and he said, as reported on page 1380 of *Hansard* for November 15, 1979:

—it is a condition that the government cannot do anything about at the moment. It is not through choice.

This is what that Member had to say when he was Minister of Finance. I have indicated the attitude and the policy of this Government. We will pursue our consistent policy in that regard.

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NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—REQUEST THAT AGREEMENT WITH UNITED STATES BE TERMINATED

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, Martin Luther said long ago: "If Adam had seen in a vision the horrible instruments his children were to invent, he would have died of grief." My question is directed to the Prime Minister on this dark day of Canadian history, a day that in recent hours of Cruise missile testing has seen the death of any claim that Canada is not involved in the nuclear arms race.

There is one ray of hope. Will the Prime Minister, now that the Pentagon has had its way on this occasion, begin negotiations immediately to end the Cruise missile testing agreement with the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the Hon. Member is addressing herself to the future, my understanding is that this is the only test that will take place this year. I sincerely hope that before another test is necessary or is made in Canada, immense progress will be made in the direction that I believe both she and I wish; in other words, that there would be real steps taken toward control and reduction of nuclear arms.

Ms. Jewett: I share the Prime Minister's hope. We would all be reassured, however, if he would now enter into negotiations with the United States to take Canada out of its nuclear role.

REQUEST THAT PRIME MINISTER NEGOTIATE ENDING OF AGREEMENT

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, does the Prime Minister not think that testing is an integral part or link in the chain—testing, production, deployment of nuclear weapons? If he agrees with that, will he not therefore seek to end the Cruise missile testing agreement?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is asking for an answer now. I just indicated in my first reply that there is a considerable amount of time available to see if further progress is made between the superpowers and the other nuclear powers. I note that the Hon. Member says she would be reassured if, and so on. I would want to point out to her that the purpose of the operation is not to reassure her. I really ask the question, if she believes the Government's credibility is impinged by the decision we took, who it is impinged with? After all, it does not make us more credible with our NATO allies if we decide to test the Cruise. They are not only part of the double-track decision, but the majority of them will be involved in the possession and deployment of nuclear arms themselves, which Canada will not as of July 1. It will not increase our credibility with them to stop testing the Cruise. It may reduce our credibility if they think we are falling back on a NATO commitment.

As far as our credibility with Warsaw Pact countries is concerned, I know from experience—because I have visited three of them in recent weeks, as the hon. lady knows—that they find we are credible and I am credible because Canada is a member of NATO, and a member in good standing. If we were neutral, non-aligned, non-members of NATO, not in good standing with NATO, I can assure her that they would have been less inclined to listen seriously to my message.

CANADA'S ROLE IN NATO

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I preface my final supplementary question by reminding the Prime Minister that on numerous occasions he has said that Cruise testing has nothing to do with a NATO request, nothing to do with the two-track decision, nothing to do with any NATO commitments—nothing whatsoever. He has said that himself.

Canada's honour is at stake. Will the Prime Minister admit as well that the majority of NATO members, Norway for example—indeed all NATO members—are free to choose the nature of their role in the alliance, nuclear or non-nuclear, and that Canada in the past, will he not agree, had decided on a non-nuclear role at least as far as our forces in Europe are concerned? Will he not therefore see that by testing the Cruise we are going against that non-nuclear role? Therefore I ask him again: will he not bring Canada back to its traditions, to its honour, and not play a nuclear role in this world?

• (1430)

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there are perhaps more elements in the question than I can deal with, but I would want to point out that the short answer is no. The testing of the Cruise does not make Canada a nuclear country, or does not make its army, navy, or air force armed with nuclear forces, any more than the fact that we will in certain circumstances let United States aircraft overfly Canada with nuclear arms. We do permit our allies, notably Germany and Britain, to test aircraft in Canada that are nuclear-capable. This does not make us a nuclear power. Therefore, I am answering that part of the Hon. Member's question.

In so far as the two-track decision which she is referring to is concerned, you can argue one of two things. Either this guidance system is to test cruises which will be part of the two-track decision, the GLCM, the ground-launched Cruise missiles, either you argue that the guidance system is for those and therefore is part of the two-track decision, or you argue, and I think incorrectly, that the guidance system is only for the air launched, the ALCM's, in which case it would seem that the Hon. Member would have to agree that this is probably the safest form of the triad.

The Hon. Member shakes her head. She has not heard my argument, but I think she should reflect on it. The ALCM's, if those are the ones she is saying we are testing for, are the only ones of the nuclear deterrents that can be recalled. You cannot recall a submarine-launched ICBM, and you cannot recall an ICBM which is ground-launched, but you can recall the B-52s which will be travelling several hours before launching the air-launched Cruise missiles. Therefore, they are the best possible and safest possible of the whole array of dangerous weapons. They are the ones that will not permit an error because they can be recalled if they have been launched in error.

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ECONOMIC DEVELOPMENT

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM—EMPLOYEES DETERMINING PRIORITIES

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, my question is directed to the Minister of State for Economic and Regional Development. It refers to the colossal porkbarrel known as the Special Recovery Capital Projects Program. Will the Minister confirm that the secretariat administering that program does not operate out of his own Department but, indeed, reports directly to Cabinet through Senator Keith Davey, and that the key employees engaged in determining priorities under that program are former government employees presently operating under contract? If so, will he table for the examination of all Members an indication of which of these employees have long distance telephone credit cards, car rental cards, government codes, expense accounts, and the like? In other words, will the Minister indicate the

extent to which government employees are being paid massive contract amounts to administer this program if they are trusted political friends of the Government?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I will begin with reference to the porkbarrel. It is curious that the Hon. Member for Richmond-South Delta would raise that since there is a very significant project in his own riding at the Vancouver airport. I look to the riding of the Hon. Member for Vancouver Centre. I see she is not with us today. There is something like $41.9 million in that porkbarrel for Vancouver Centre. Looking on from there, I see Vancouver Quadra, and I think the Hon. Member for Vancouver Quadra might be here, $15 million in Vancouver Quadra. I go over to the Island to Esquimalt-Saanich. The Hon. Member for Esquimalt-Saanich is here. He is not blushing, I hope, about receiving $8.5 million for the graving dock improvements in Esquimalt. I see the Hon. Member for Hillsborough sitting here, to go to the other end of the country, $14.5 million for the veterinary college in Charlottetown. I do not hear him saying that he would not like the project there. I note that the Leader of the Opposition is not present. It is interesting that we have a $25.9 million project in Central Nova, Ferguson Industries Ltd. of Pictou. Just so this will be completely non-partisan, I see the Hon. Member for Winnipeg-North Centre is here.

Mr. Speaker: Order.

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EMPLOYMENT

ADVERTISING CAMPAIGN

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, we can see that one particular potential leadership candidate is dumb to the questions that are asked in this House. I would like to try another, if I might. Will the Minister of Employment and Immigration confirm that a Mr. Zarry, who was formerly a government employee, No. 1 in the telephone directory, is also being paid under a substantial contract to prepare a $20 million—

Mr. Speaker: Order, this kind of questions should be placed on the Order Paper, asking whether or not—

Some Hon. Members: Oh, oh!

Mr. Speaker: A Minister cannot be expected to confirm whether one individual is or is not under term.

Mr. Munro (Esquimalt-Saanich): Does he know?

Mr. Speaker: Will the Hon. Member for Esquimalt-Saanich please observe order?

It is a well established practice of this House that questions relating to an individual in that level of detail should go on the Order Paper. The Hon. Member may want to rephrase his supplementary.

Mr. Siddon: Mr. Speaker, just to be concise, in this case the Minister well knows of the individual involved, because in government circles this advertising campaign is called the "Roberts Campaign". I wonder if he would confirm that he is spending $20 million of taxpayers' money in order to promote himself for the leadership of the Liberal Party.

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker.

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NATIONAL REVENUE

REQUEST THAT INCOME TAX REFUNDS BE PAID PROMPTLY

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of National Revenue. I am very concerned about the growing number of Canadians who have to resort to discounting of their income tax refunds. Tax officials say there will be some 300,000 this year as against 150,000 last year. The majority of these people who have to forfeit some part of their income tax refund are really the working poor, single parent mothers, people who need that money urgently and who know that their refunds are going to be held up. What steps is the Minister of National Revenue taking to ensure that these people get their income tax refunds just as quickly as possible so that they do not have to resort to the discriminatory practice of tax discounting?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I wish to thank the Hon. Member for her question. First of all, I can inform the House that this year, all our audit programs are proceeding according to schedule, and that we have already made improvements in the processing of income tax returns. I can also inform the Hon. Member that simplified return forms are processed on a priority basis, and that in most cases, these are from single persons who often are entitled to a tax credit. If these people complete their tax returns early and send them in as soon as possible, it is very likely their returns will be processed quickly and they will receive their tax refunds quickly as well.

* * *

[*English*]

CONSUMER AND CORPORATE AFFAIRS

TAX REFUND DISCOUNTING PRACTICE

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my supplementary question is for the Minister of Consumer and Corporate affairs who was here just a moment ago. Possibly she could come back into the House. My supplementary question dealing with income tax discounting is

directed to that Minister. From all reports I am getting, the matter is hitting hardest, may I say, at single-parent mothers who are seeking their child tax credits. Perhaps I could just describe to the Minister the situation in this regard.

● (1440)

A single-parent mother with three children who may be living on welfare could be getting a child tax credit of $1,000, but an income tax discounter will take $150 of that away. However, she is the last person in the world who should lose that amount of money. Because the Minister sets the regulations in this regard, I would like to ask her if she is concerned about this practice and to ask about what steps she is trying to take to see that these injustices are not allowed to be perpetrated.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I am concerned about and aware of this matter. In fact I have had a rather lengthy meeting with the anti-poverty organization on this very issue, and I think the Hon. Member for Kingston and the Islands is quite right. There is something wrong with a system that allows for this kind of a practice. Therefore, I am actively considering ways we can overcome the problem.

In the meantime, I have been advised that the project which I suggested with some of the credit unions which are providing this service is actually under way and these credit unions are not taking advantage of the interest as are the tax discount rebaters. There are ways of getting around this problem and I am very pleased that the credit unions have decided to take some constructive action. As well, I am looking at other ways to find some solutions to this particular problem. It is, I feel, quite wrong.

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INDIAN AFFAIRS

COMMITTEE'S SELF-GOVERNMENT REGULATION—GOVERNMENT POSITION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Prime Minister. The special committee on Indian self-government recommended that the federal Government commit itself to constitutional entrenchment of self-government as soon as possible.

Yesterday, in the Government's official response to the report, the Minister of Indian Affairs and Northern Development dodged this issue and said that it was one which only the Prime Minster could deal with. If the federal Government does stand by, it will not be an innocent bystander. It cannot be neutral on this issue.

Will the federal Government be an active and out front advocate of constitutional entrenchment of self-government in this week's constitutional talks? If not, why not?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot say what the final position of the Government will be because we are discussing that currently in Cabinet and in cabinet committee. Obviously, I will have to have those discussions finished by Thursday morning, and I can assure the Hon. Member that I will state the government position at that point as clearly as I can.

REQUEST FOR LEGISLATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementry question is also directed to the Prime Minister and relates to a similar matter. In spite of continuous government promises to end Indian Act discrimination against Indian women, yesterday's response indicated only that the Government is giving consideration to this matter. When will the Government stop considering and start acting? When will it table legislation that will end this discrimination? Will this legislation, when tabled, have an adequate timetable so that it can be considered properly, both in the House and in committee, or does the Government intend to leave this issue to be settled by the courts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member would know that the Government has taken the position that this discrimination was ended by the Charter of Rights that, under the leadership of this Government, was adopted by Parliament and made part of the Constitution. He will also know that last year, at the constitutional conference on aboriginal rights, we took a further amendment on the subject.

The Government is prepared to do as it said it would in the first Speech from the Throne of this Parliament, which is to abolish that discrimination. I believe it has been abolished by the Charter of Rights, but I am open to persuasion to take further steps, and these will be discussed at the First Ministers' and Aboriginal Conference taking place on Thursday and Friday.

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[*Translation*]

BILINGUALISM

MINORITY RIGHTS IN MANITOBA—INQUIRY RESPECTING INTRODUCTION OF RESOLUTIONS IN PARLIAMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Considering the political defeat suffered by the Manitoba Bill to provide a minimum of protection of minority rights for Franco-Manitobans, and also considering the constitutional deadlock caused by the refusal of certain groups, including the Manitoba Progressive Conservative Party, to enshrine, in the Constitution of that Province, rights that derive from the most elementary justice; considering that in the Progressive Conservative Party of Canada, the number of dissenters on the language issue is increasing daily and that these dissenters have even been absolved of their sins by the Leader, could the

Prime Minister inform the House whether the Government intends to introduce a resolution in Parliament, in accordance with Section 43(b) of the Constitution Act, 1982, concerning amendments with respect to the use of French and English in certain provinces?

Finally, could the Prime Minister inform the House whether he intends to go to court, to the Supreme Court of Canada, to determine the exact implications of Section 23 of the Manitoba Act?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member accurately pointed out the two avenues that are open to the Government, the first being a constitutional resolution, anticipating one by Manitoba. The Hon. Member will recall that the Minister of Employment and Immigration (Mr. Roberts) stated that this was an option we would consider seriously. The Hon. Member is, of course, aware that such a resolution would also have to be adopted by Manitoba. In any event it is an option we are considering. The other alternative is to go before the Supreme Court. In any case, this option will probably be taken because the Bilodeau case is now before the Supreme Court, and the federal Government will want to take part in the discussion. We may therefore decide to opt for one or the other or perhaps for both. This is a matter I intend to put before Cabinet in a week or two, as soon as possible, and I will be happy to give the Hon. Member further details should he so request at a later date.

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MUNICIPAL AFFAIRS

QUEBEC MUNICIPALITIES—NEGOTIATIONS OF AGREEMENT ON FEDERAL GOVERNMENT GRANTS

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister is aware that 1,250 Quebec municipalities are very anxious to hear the federal Government's decision on this agreement which has been pending for well over a year, and I am referring to an agreement under which municipalities would be able to receive federal grants, a federal-provincial agreement, of course. Could the Minister inform the House today, and I have discussed the matter with him before, whether officials on both sides are now agreed on the principle and whether the Canadian Government will be able to announce very shortly that an agreement will be signed?

Hon. John Roberts (Minister of Employment and Immigration): Yes, Mr. Speaker, I believe we are very close to an agreement. Talks among senior officials took place last week, and there is still a slight difference of opinion. I am writing to the Quebec Minister to prepare our final policy, but, as the Hon. Member is aware, there is a new Minister in the Provincial Cabinet, namely, Mr. Marcoux, and I intend to write to him today or tomorrow. I expect to receive an answer as soon as possible.

REQUEST FOR CONFIRMATION OF DATE OF SIGNING OF AGREEMENT

Hon. Roch La Salle (Joliette): Mr. Speaker, the Minister and a number of Quebec Members are aware of the importance of this question. Could the Minister give the House the assurance that he will do everything in his power to have this agreement signed before the opening of the Quebec National Assembly's session, considering the fact that the municipalities are very concerned about Bill 38 which has been tabled in the National Assembly? In the circumstances, could the Minister confirm, and I am sure millions of Quebecers will be overjoyed, that he will do what he can to have this agreement signed before the provincial session resumes?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I will do my best to take action as soon as possible, as soon as next week, if the Government of Quebec agrees with the latest proposals I intend to send them tomorrow. It is up to the Province of Quebec to say it agrees! However, with a new Minister, I am not sure they will be as keen as we are. However, I will personally do my best. From tomorrow on, it will be up to the Government of Quebec.

* * *

● (1450)

[*English*]

CONSUMER AND CORPORATE AFFAIRS

PRICE OF GASOLINE—REPORTED EFFECT OF MONOPOLY

Mr. Bill Domm (Peterborough): Mr. Speaker, it has been brought to my attention, and to the attention of the Minister of Consumer and Corporate Affairs, that major oil company refineries, including Petro-Canada, are collectively setting prices at the refinery gates by signing 15 year reciprocal contracts with each other. As well, the refineries are signing agreements with retailers which will allow the refineries to set the retail price of gas at the pumps in return for a guaranteed profit.

I wonder if the Minister would confirm today's story on Broadcast News which quotes a national automotive trade association report as stating that Canadian motorists are paying 6 cents per litre, or 27 cents per gallon, too much, because of monopoly in the retail of gasoline, which is getting worse as the days go on.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have not heard the broadcast so I cannot confirm or deny the statement. I will take every opportunity to examine the truth of the statement, however. In the meantime I would advise the Hon. Member that an inquiry

is under way and all of this information is being fed into that inquiry.

Mr. Domm: Mr. Speaker, it is as a result of this inquiry that I raised the question today. In January this year I asked the Minister the same question, and at that time she said she would respond to me or the House within two months. It is two months since January. Her exact words were, as reported at page 918 of *Hansard:* "We expect a report from the Commission within a couple of months."

REQUEST FOR GOVERNMENT ACTION

Mr. Bill Domm (Peterborough): Mr. Speaker, I have a supplementary question for the Minister. Now that she knows that the prices are set at the refinery gates she should know that they are also set at the pumps by the refineries, and now that she knows that Petro-Canada is part of that combine that is fixing the prices and gouging the Canadian consumer, will she do something and not spend another $70 million of taxpayers' dollars in order to fund a commission when she knows, as the Minister responsible, from her own officials, exactly what is going on in price fixing in the oil industry today?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member is taking his usual simplistic approach to matters. He knows very well that this is an extremely complicated issue and that is why the oil inquiry is taking such a long time. I can assure him that I am as impatient as he is. He also knows that this is a quasi-judicial body which I must observe at arm's length, as he must. We will all have to be patient. I can assure him, however, that from all the reports that I have received thus far this is going to be a very comprehensive report that will come into our hands.

Mr. Domm: What about Petro-Canada?

* * *

[*Translation*]

CANADA PENSION PLAN

ELIGIBILITY CRITERIA

Mr. Gaston Isabelle (Hull): Mr. Speaker, my question is directed to the friendly Minister of National Health and Welfare. As of January 1984, the Government of what was formerly the "Belle Province" amended its pension plan to allow individuals who have reached the age of sixty and are no longer on the labour market to receive benefits under the Quebec plan, subject to a penalty, which is not the case for the Canada Pension Plan. It means that an Ontario resident, after working for the Government in Hull or Quebec throughout his life, will be able to take advantage of the benefits of the Quebec Pension Plan, while another Government employee who resides in Quebec or Hull but works in Ottawa will not be able to take advantage of the same privileges, even if he has lived in Quebec all his life.

Could the Minister inform the House whether this is part of a federal-provincial agreement, and if so, does the Minister intend to conclude another agreement to correct this discrepancy and prevent the kind of injustice that is inflicted every day on residents in the Outaouais area who have been held hostage for some time by a Quebec government that is now complicating their lives, with some malevolence?

Hon. Monique Bégin (Minister of National Health and Welfare): Complicate is perhaps the word, Mr. Speaker, because I have just found out that it takes two Quebec ministers to deal with me on health issues alone, and I say this without arrogance, of course. To answer the question about Ontario residents working in Quebec who benefit from advantages that Quebecers working here have yet to receive, I would say yes, but by a different route, because this summer the Minister of Finance and myself are going to propose to the Provinces that we amend the Canada Pension Plan to allow people to retire at an earlier age, for instance, sixty, it being understood that pension plan benefits would be prorated over five years more, which is exactly what is being done right now in Quebec.

* * *

[*English*]

EMPLOYMENT

RETRAINING OF WOMEN AFFECTED BY TECHNOLOGICAL CHANGE

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, my question is for the Minister of Employment and Immigration. While technological change promises wealth, it also threatens job security for many Canadians, particularly women. One of the ways to meet the challenge of technological change is through training. Women are under represented in training programs, however; 24 per cent of training spaces are available to women, while they constitute 42 per cent of the labour force.

I should like to ask the Minister whether he is prepared to apply affirmative action principles to training in order to assure equal access for women to training and a fair chance at benefits from the technological change process.

Hon. John Roberts (Minister of Employment and Immigration): Yes, Mr. Speaker, we already do that, and we take a variety of steps to try to ensure that affirmative action in our training programs is extended to women.

Miss MacDonald: What a failure!

Mr. Roberts: This is particularly so in areas of training which have not been traditionally been available. The recommendation which the Hon. Member is making is one on which we are already active.

Mr. Keeper: Mr. Speaker, the Minister is acting pretty ineffectively. I pointed out to him that women fill only 24 per cent of the training spaces in the country. Surely that is not equality. There are predictions that, as a result of technological change, unemployment for women will be as high as 35 per cent by 1990, yet we know that a paid educational leave system in the country could reduce unemployment.

CONCEPT OF PAID EDUCATIONAL LEAVE

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, when the report "Learning for Life" was released yesterday, the Minister appeared to endorse the concept of paid educational leave. Was he only paying lip service to the objectives of paid educational leave and equality for women, or is he preparing legislation to introduce a system of paid educational leave?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I believe that the report which I received on skill development leave training yesterday is an extraordinarily important one, and deals with an extraordinarily urgent question. Yesterday I endorsed the over-all recommendations in the report. I will be raising the subject matter of the report with provincial Ministers when I meet with them in Saint John on Thursday.

I also intend to ensure that the report is forwarded to the Canadian Labour Market and Productivity Centre for consideration. Some of the recommendations in the report can be acted upon within my Department immediately, and others will be discussed promptly with other government Departments.

I also expect to receive very shortly the report of the task force headed by Judge Abella, on actions which can be taken within the Government and Crown corporations to respond more aggressively and more positively to the provision of special employment for women in Crown corporations and in government.

There are reports on their way to us. There is the one that we have just received which contains many useful suggestions. As a Government we are determined to act to implement those suggestions as quickly and as practically as possible.

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UNEMPLOYMENT INSURANCE COMMISSION

DISCLOSURE OF CONFIDENTIAL INFORMATION

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, on February 21 I asked the Minister of Justice if he would report back to the House on any possible statutory breaches with respect to the disclosure of certain confidential information under the Unemployment Insurance Commission Act, or any other Act, given to people not entitled to it in the Peterborough and Durham-Northumberland areas. He undertook to report back to the House. I know there is at least one government report on the matter, and I wonder if the Minister has come to a conclusion and what action he has taken.

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the information that was disclosed apparently falls into two categories. One was the category of information which was provided by the person concerned, and the other was information provided by the Department. In the case of the disclosure of the first category, that is information provided by the individual—such things as his name, age, SIN and so on—the disclosure is regulated by Section 114 of the Unemployment Insurance Act. This creates a defence for the disclosure of information obtained by CEIC from any person. As a result, there would appear to be a technical breach of the Act in the case at hand. However, it appears that the official concerned acted in good faith and made an honest mistake.

Disclosure of information in the second category is covered by Section 8 of the Privacy Act. Disclosure does not appear to have been authorized under this Section, and thus there has likely been a breach of the Privacy Act. However, no offence is created in the Privacy Act for breach. In any event, Mr. Speaker, we have been informed by CEIC that the disclosure was contrary to its policy and that corrective action has been taken.

● (1500)

In the circumstances, Mr. Speaker, I have made the decision not to prosecute in either case.

* * *

ENERGY

TAX PROPOSAL TO ENCOURAGE OIL SANDS PROJECT

Mr. Jack Shields (Athabasca): Mr. Speaker, in the absence of the Minister of Energy, Mines and Resources I would like to ask a question of the Minister of Finance. Has the Government agreed to remove the Petroleum Gas Revenue Tax and set a floor price on production, as recommended by William Hopper, to encourage the construction of an oil sands mining operation north of Fort McMurray?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will bring the Hon. Member's question to the attention of the Minister of Energy, and I will ask him to bring the answer to the House as soon as possible.

* * *

UNEMPLOYMENT INSURANCE COMMISSION

UNAUTHORIZED DISCLOSURE OF INFORMATION

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, the Minister of Justice, who is under a statutory duty to make sure that the laws of Canada are carried out, now talks about a technical breach, or an unauthorized breach by a civil servant. Intent may not really be a relevant factor in

respect of these statutes. We have a Privacy Commissioner now, even though the Government—

Mr. Speaker: Will the Hon. Member ask his question, please?

Mr. Lawrence: Mr. Speaker, my supplementary question is this. Under Section 8(1) of the Privacy Act, has the Minister of Justice informed Mr. John Grace, the Privacy Commissioner, of the breach of the Privacy Act? And if not, why not?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, it is of the essence of the prosecutory decision-making that the Attorney General and his prosecutors should have the kind of discretion which my hon. friend is questioning. We have exercised that discretion, and we have decided not to prosecute.

* * *

PETITIONS

MR. KEEPER—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has laid upon the Table the report of the Clerk of Petitions stating that he has examined the petition presented by the Hon. Member for Winnipeg-St. James (Mr. Keeper) on Monday, March 5, 1984 and finds that the petition does not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

MR. SIDDON—REQUEST LIST OF SPECIAL RECOVERY CAPITAL PROJECTS BE TABLED

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I rise on a point of order. I will be very brief. During his reply to my question relating to the Special Recovery Capital Projects Program, the Minister of State for Economic and Regional Development (Mr. Johnston), the Minister responsible, made reference to a list, a detailed breakdown of projects under that program individual Members' ridings. I have asked the Minister to table this list on previous occasions. He is under an obligation to do so. I watched very closely; he was referring to that list and to specific Hon. Members and projects on a riding by riding basis. I happen to know that within the Department such a list has been prepared and I would ask the Minister now to table it, as in his obligation.

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I have no problem with what the Hon. Member says. I was responding to the porkbarrel charge and I had drawn from the list certain very significant projects from coast to coast which are in ridings of Hon. Members on the opposite side of the House, members of the Progressive Conservative Party and the New Democratic Party. I suppose this is a representative list. I do not even know if it is complete. It certainly does not have all of the projects, by any means, but it has a very substantial number.

I am only sorry I did not have the opportunity in answering the question to complete my recitation of the projects with which, I am sure, most Hon. Members would be quite impressed.

Mr. Speaker: Is the Hon. Minister undertaking to table the list, such as it is?

Mr. Johnston: Mr. Speaker, I would prefer to extend a clean copy because I wrote a few comments on it.

Mr. Lawrence: You mean a laundered copy.

Mr. Speaker: According to Beauchesne's Fifth Edition, Citation 327:

> A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

In the circumstances I invite the Hon. Minister to table the list to which he referred.

Some Hon. Members: Hear, hear!

Mr. Johnston: Mr. Speaker, it is the custom, I believe, in answering questions in the House, to refer to material, which is what I did. I have a briefing book. I never laid it upon the Table. In any event, I have no objection to laying this list upon the Table. I see that the Hon. Member for Yukon (Mr. Nielsen) would like to see it because he knows there is a $35 million project in here for him—

Some Hon. Members: Oh, oh!

Mr. Speaker: Is the Minister contending that he views this as reference material and that there is not a list in existence such as described? Is that the Minister's contention?

Mr. Ouellet: Yes.

Mr. Johnston: I am sorry, Mr. Speaker, I missed that.

Mr. Speaker: Is the Minister contending that he does not have a specific list but is using reference material only? Is that the Minister's contention?

An Hon. Member: Table the list and be done with it.

Mr. Johnston: Mr. Speaker, I cannot deny this is in list form. I have no objection to tabling it, Mr. Speaker. I would just like, if I may, to have a photocopy of it.

Mr. Speaker: The Minister has agreed to table it and that disposes of the matter as far as the Chair is concerned.

An Hon. Member: Well, he is not tabling it.

Mr. Speaker: The Minister has agreed to have it photostated and tabled.

Some Hon. Members: No.

Mr. Speaker: Order, please. My understanding of the Minister's comments is that a photostat copy of the list in his hand will be tabled with the Chair. Is that correct?

Mr. Johnston: Mr. Speaker, I am quite happy to table my reference material as is, provided I receive a photocopy of it.

Hon. Erik Nielsen (Yukon): Mr. Speaker, since the Minister has referred to a project in my riding which I approved in 1979 when I was Minister of Public Works—

Some Hon. Members: Oh, oh!

Mr. Lalonde: Porkbarrel!

Mr. Dubois: Slush fund!

Mr. Nielsen: —which is the first air terminal building ever in Whitehorse, would he now table—which seems to be the logical extension—the complete list so that we will have before us a complete picture of the entire list of projects in all ridings?

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I wonder why the Hon. Members are taking offence when I am simply reminding my learned friend from the Yukon that, as he is well aware, the Minister has said that he would be willing to table a two-page document from which he read in the House. There is no question of the Minister tabling other documents which were in front of him but which were not quoted and which are not relevant, and there is no question of this because the public interest could be involved.

Indeed, the Minister will be doing this on his own. He is under no obligation to do so. He was quoting from personal notes jotted down on two sheets of paper which he is willing to table provided he gets a photocopy. As far as other documents are concerned, the Minister is under no obligation to table anything else.

[*English*]

Mr. Johnston: Mr. Speaker, might I just add that I have furnished the Hon. Member for Richmond-South Delta (Mr. Siddon) with all of the material, every scrap, every piece of paper respecting press releases, lists of projects. It is not a very big challenge for someone who has any wit, Mr. Speaker, to take that list and divide it up geographically around the country. All the locations are there. Therefore, I believe this exercise is somewhat academic. However, as I said, I am quite prepared to table this particular piece of paper.

Mr. Speaker: The Minister has undertaken to table the document to which reference is made and that appears to dispose of the matter.

Mr. Siddon: Mr. Speaker, I suspect it is only a partial list because it only includes members of this Party—

Mr. Speaker: The Hon. Member cannot speculate beyond this point. The Minister has undertaken to table a document to which reference was made. That disposes of the matter.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. ROCHE—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Douglas Roche (Edmonton South): Mr. Speaker, today the organization known as "Families Against Cruise Testing" presented a petition to the Progressive Conservative Party in which a protest is made with respect to continued testing of Cruise missiles. I would like to submit this petition to the Chair at this point.

* * *

● (1510)

CRIMINAL CODE

AMENDMENT RESPECTING USE OF ANIMAL TRAPS

Mr. Donald W. Munro (Esquimalt-Saanich) moved for leave to introduce Bill C-222, an Act to amend the Criminal Code (humane traps).

He said: Mr. Speaker, the purpose of this amendment is to prohibit the use of leg-hold snares and other inhumane types of traps where a practical alternative is now available or becomes available in the future, to promote the eventual phasing out of leg-hold traps, and to encourage the correct setting of traps so as to cause instantaneous death.

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

* * *

CRIMINAL LAW AMENDMENT ACT, 1983

AMENDMENTS TO RESTORE DEATH PENALTY FOR CERTAIN OFFENCES

Mr. Donald W. Munro (Esquimalt-Saanich) moved for leave to introduce Bill C-223, an Act to amend the criminal law (punishment of certain offences).

He said: Mr. Speaker, the purpose of this Bill is to restore the death penalty for first-degree murder and high treason, while substituting a more humane mode of execution than that of hanging. The punishment for serious narcotics offences would also be stiffened, to the point of the death sentence for persistent repeaters.

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

Order Paper Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 108, 374, 438, 465, 470, 582, 590, 617, 618, 619, 620, 622 and 624.

[*Text*]

MR. MICHAEL MANLEY

Question No. 108—**Mr. Stewart:**

Did Mr. Michael Manley, former Prime Minister of Jamaica, receive any direct or indirect financial assistance from the Government and if so (a) how much (b) from which departments or agencies (c) for what reason?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): The International Development Research Centre informs the Government that it provided the following financial assistance to Mr. Michael Manley, former Prime Minister of Jamaica: (a) $948, (b) IDRC, (c) For air fare and living expenses to permit Mr. Manley to visit IDRC headquarters in Ottawa during November 23-25, 1980 for discussions with IDRC staff on a possible research fellowship.

NON-BUDGETARY FUNDS TO CROWN CORPORATIONS

Question No. 374—**Mr. Huntington:**

In the fiscal years 1979-80 through 1982-83 inclusive, what was the total amount, if any, of non-budgetary funds provided to Crown corporations and other entities in which the Crown has a financial interest and what is a list of all such entities?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Loans, investments and advances made to Crown corporations and agencies are presented in Section 7, Volume 1 of the public accounts.

Payments, grants and contributions made to Crown corporations and agencies under general programs are not readily available. To provide that information would entail a costly examination of all disbursements made under each government program.

CONSTRUCTION OR DEVELOPMENT PROJECTS IN NEW BRUNSWICK

Question No. 438—**Mr. Howie:**

On January 1, 1984 were any Department of the Environment construction or development projects under way in New Brunswick and, if so, what were they?

Hon. Chas. L. Caccia (Minister of the Environment): Yes; the Maritime Forest Research Centre in Fredericton. Currently the project is in the design stage with construction scheduled to start by mid-November, 1984.

UI BENEFICIARIES IN NEW BRUNSWICK

Question No. 465—**Mr. Howie:**

On March 31, 1983, and December 31, 1983, how many persons were receiving Unemployment Insurance Benefits in each of the Unemployment Insurance Commission offices in the Province of New Brunswick?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): The number of persons in receipt of Unemployment Insurance Benefit payments as of December 31, 1983, for each Canada Employment Center is not yet available. The most recent figures are for October 31, 1983. The following table lists the Canada Employment Centers in New Brunswick, and the number of UI beneficiaries at each of these offices as of March and October, 1983.

		Beneficiaries	
Local Office		March/83	Oct./83
604	Tracadie	3,311	2,325
617	Saint John	7,518	6,195
618	Richibucto	5,259	3,000
620	Sussex	1,221	931
640	Moncton	8,110	5,590
642	Newcastle	6,847	4,399
643	Shedia	4,030	2,888
644	Edmundston	5,113	2,999
646	St. Stephen	3,505	1,386
647	Campbellton	4,521	3,016
687	Fredericton	5,900	4,273
688	Woodstock	3,056	1,615
699	Bathurst Centre	3,989	2,852
721	Bathurst East	8,558	6,133
	Total	70,938	47,602

PURCHASE OF SEATS AT COMMUNITY COLLEGES

Question No. 470—**Mr. Howie:**

1. In 1983 did the Department of Employment and Immigration purchase any seats in New Brunswick community colleges to train carpenters, upholsterers and pipe fitters and, if so, how many?

2. Did the Department decide the number of seats, in each of the above categories, which will be purchased in 1984 and, if so, in each case, what is the number?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): 1. Yes, seats were purchased during 1983-84 fiscal year in New Brunswick as follows: carpenters, 50 seats; upholsterers, nine seats; pipe fitters, 58 seats.

2. No, a decision has so far not been taken about what number of seats will be purchased in 1984-85 in the above categories.

CANADA LABOUR RELATIONS BOARD

Question No. 582—**Mr. Howie:**

Are figures available relating to the current average period of time taken by the Canada Labour Relations Board to process complaints, and (a) if so, are such figures available to the general public (b) if not, are such figures being compiled?

Mr. Normand Lapointe (Parliamentary Secretary to Minister of Labour): Figures are compiled quarterly and annually each fiscal year, for the average period of time taken to

process all cases, including complaints. The figures are broken down by type of case, and by case requiring a public hearing by the Board as well as by case disposed of without a hearing.

Although the Canada Labour Relations Board does not release these figures to the general public nor does it publish them in its annual report, they are made available, upon request, to other government agencies such as provincial labour relations boards, Labour Canada, the Public Service Staff Relations Board, et cetera, as well as to university researchers and students of industrial relations. We have no record of any request by the members of the general public for such information, but it is the Board's policy in the event of such requests, to exercise discretion in the release of this type of information since it could easily be misinterpreted, as the averages would reflect delays not necessarily attributable to the Board, such as cases kept in abeyance at the request of the parties, et cetera. The figures would also have to be interpreted in the light of priorities and of difficulties in scheduling public hearings on a nation-wide basis.

SAINT JOHN HARBOUR BRIDGE AUTHORITY

Question No. 590—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Saint John Harbour Bridge Authority and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Roy MacLaren (Minister of State (Finance)): The Saint John Harbour Bridge Authority was incorporated under provincial law and is not a federal Crown corporation. The federal Government is merely a creditor of the Authority and has no ownership rights.

The information the Hon. Member is seeking should thus be requested from the Authority whose address is P.O. Box 6176, Station 'A', King Street, West Saint John, N.B. E2L 4R6.

VETERANS' LAND ADMINISTRATION

Question No. 617—**Mr. Towers:**

1. Are any files still active under the Veterans' Land Administration and, if so, how many?

2. What average amount is owing to the Administration?

3. What interest rate is paid on unpaid balances under the Administration?

Hon. W. Bennett Campbell (Minister of Veterans Affairs):

1. There are 30,676 files still active.

2. An average of $7,263.50 per loan.

3. Unmatured Balance	Interest per cent on Unmatured Balance
$ 43,934,572	3.50
106,421	3.75
444,157	4.00
1,966,830	4.25
9,741,915	4.50
26,394,034	4.75
28,077,588	5.00
1,204,547	6.375
30,935	6.50
3,027,030	6.75
53,534,161	7.00
6,286,224	7.50
5,433,757	7.75
7,562,730	8.00
4,041,625	8.25
12,759,172	8.50
4,544,030	8.75
2,016,117	9.00
5,832,538	9.25
292,184	9.50
3,110,142	9.75
1,883,302	10.00
213,639	10.75
188,874	12.75
20,824	13.00
8,017	13.25
12,097	13.50
135,529	14.00
13,129	15.75
$222,816,120	

DVA—ADVERTISING PROGRAMS AND BENEFITS

Question No. 618—**Mr. Towers:**

In the fiscal year (a) 1980-81 (b) 1981-82 (c) 1982-83 did the Department of Veterans Affairs spend any amount in informing veterans of programs and benefits available to them and, if so, in each case, what amount?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Yes. (a) $100,162, (b) $104,923, (c) $149,887.

VETERANS EMPLOYED BY CROWN CORPORATIONS

Question No. 619—**Mr. Towers:**

Are any veterans currently employed by Crown corporations and, if so, by corporation, what number?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): The information requested is not available. The personnel record of an employee may or may not indicate if the employee is a veteran.

VETERANS EMPLOYED BY GOVERNMENT

Question No. 620—**Mr. Towers:**

Are any veterans currently employed by the Government and, if so, by department, what number?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): The information requested is not available. The personnel record of an employee may or may not indicate if the employee is a veteran.

VETERANS' PENSIONS

Question No. 622—**Mr. Towers:**

Are any veterans currently receiving burnt-out pensions and, if so, by province, what number?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): The number of individuals receiving War Veterans Allowance and Civilian War Allowances is as follows:

WVA Active Accounts	Veterans	Widows	Orphans	Total
Newfoundland	1,353	856	29	2,238
Prince Edward Island	969	471	10	1,450
Nova Scotia	4,893	3,044	66	8,003
New Brunswick	3,846	2,208	39	6,093
Québec	6,795	4,423	96	11,314
Ontario	16,419	12,769	237	29,425
Manitoba	2,289	1,721	21	4,031
Saskatchewan	2,136	1,278	14	3,428
Alberta	3,069	1,837	15	4,921
British Columbia	7,417	4,484	53	11,954
Outside of Canada	886	429	2	1,317
Total	50,072	33,520	582	84,174

CWA Active Accounts	Veterans	Widows	Orphans	Total
Newfoundland	2,014	986	5	3,005
Prince Edward Island	23	13	1	37
Nova Scotia	294	190	1	485
New Brunswick	66	20	0	86
Québec	138	68	0	206
Ontario	150	97	2	249
Manitoba	11	1	0	12
Saskatchewan	7	2	0	9
Alberta	16	4	0	20
British Columbia	183	37	1	221
Outside of Canada	31	6	0	37
Total	2,933	1,424	10	4,367

RETIRED VETERANS

Question No. 624—**Mr. Towers:**

1. Since 1980, did any veterans retire and, if so, by province, what number?
2. What amount of pension benefits, on average, did such veterans receive?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Veterans Affairs Canada has no means of determining the number of veterans in Canada who have retired since 1980.

[*English*]

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

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QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 399 could be made an order for return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 399 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

GRANTS APPROVED BY SECRETARY OF STATE FOR NEW BRUNSWICK

Question No. 399—**Mr. Howie:**

In the current fiscal year to date, what persons or organizations in New Brunswick have received, or have had approval of their applications for, grants or contributions from the Secretary of State and, in each case, what amount was granted?

Return tabled.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

THE BUDGET

FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The House resumed consideration of the motion of Mr. Lalonde that this House approves in general the budgetary policy of the Government.

Mr. Speaker: The Hon. Member for Haldimand-Norfolk (Mr. Bradley) has some time remaining in the question and answer period. If there are no questions or comments, the Chair will recognize the Hon. Minister of Employment and Immigration (Mr. Roberts).

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, yesterday in Toronto I received and welcomed a very interesting report prepared by the national advisory panel on skill development leave. I established this group last autumn to advise me on steps which could be taken to help educationally disadvantaged Canadians. I would like once again to thank the panel for its efforts to draw attention to the need for society to change its attitude about training and education. While time today does not permit a detailed review of the panel's recommendations, I can assure the House that I am giving them top priority and will be discussing them in two days' time when I meet with my provincial counterparts in Saint John, New Brunswick.

I am deeply concerned that all of us who have responsibility for preparing Canadians for the world of work have not always co-operated in a way which ensured all Canadians had access to opportunity to improve their skills. To be blunt, our system of education has failed many Canadians, especially those who have been near or at the poverty level. About 250,000 students annually drop out of high school before they complete their education. Between 50 per cent and 60 per cent of young people in native reserves in western Canada leave school before completing grade eight. Without a trade or marketable skill of any description, they move to the cities for dead end jobs or welfare rolls. Now more than ever before in our history, skill obsolescence underlines the need for a new pattern of working and learning spread over a lifetime.

I said in Toronto yesterday, Mr. Speaker, that it was an extraordinary thing that in a country as rich as Canada, with a history of a century of free access to education, there are

adults who are not literate or adequately prepared for work. According to the last study done by UNESCO, something close to one Canadian adult in four has less than grade nine functional skills. Thus I share the national advisory Panel's sense of the importance and urgency of tackling literacy problems in Canada.

I accept the conclusion of the panel that we should focus on the problems of those who require skill development because of industrial obsolescence. I also believe that the report underlines the need to rethink the compartmentalization which bedevils the discussion of these problems. Education, training, skills development, paid leave, work and meaningful activity are not terms to be rigidly defined and pigeon-holed away from each other. They are, rather, themes that intermingle and require co-operation and flexibility among government, educational institutions, the private sector and labour if they are to be properly managed.

The fact that the Government of Canada will be spending $1.3 billion in job training and employment programs for young people in 1984-85 shows how seriously we are committed to helping them become established in meaningful careers. It is a personal social and economic disaster that young people today make up almost half of the unemployed, with an unemployment rate double that of the adult population. We cannot ignore the needs and aspirations of young people seeking work as the cost to society of doing that would be enormous.

[*Translation*]

Mr. Speaker, the Government is quite concerned about unemployment among young people, which continues to be tragically high. That segment of our labour force has always experienced more difficulty in finding jobs than has been the case for older people. It is precisely to give young people better opportunities on the labour market that we have improved our training programs. Indeed, our last two budgets featured increased financial incentives to enable private enterprise to create jobs. For a number of young Canadians, it is often the first worthwhile job which will eventually provide them with the necessary work experience they could not have gained in any other way.

We are going through difficult times, even though the economic recovery is well under way, but unfortunately some employers are still reluctant to hire additional staff, with the result that young people are often forced to go back to school.

In the next few years we will have to create job opportunities for those young Canadians who having attended institutions of higher learning will be joining the labour market in increasing numbers. Again they will be in direct competition with older workers who already have practical experience. With a view to making it easier for our youths, the Canadian Government has created programs such as Career Access.

• (1520)

[*English*]

Compounding this problem is the fact that the majority of young adults entering the labour force lack marketable work experience; thus their transition between school and work becomes even more difficult. Many young people leaving school find their skills are out of step with the needs of the labour market. In a tight economic climate these people are among the most vulnerable to changing economic conditions in which the last hired becomes the first fired. This in turn leads to unstable employment patterns which makes subsequent job search even more difficult. It is therefore imperative that, in order to facilitate their future entry into the labour market, young people still in school be provided with an opportunity to obtain the kind of experience that will make them more acceptable to employers.

The summer jobs created for students through the Canada Employment and Immigration Commission have been highly successful in providing young people with the kind of work experience they need to prepare for their eventual entry into the full-time work force. Summer Canada has also had a significant impact on summer youth employment each year. In fact, last summer's program created more than 73,000 jobs and no doubt contributed significantly to lowering the unemployment rate for students returning to school. In recognition of the serious employment situation students will continue to face this summer, funding for student summer employment initiatives in 1984 has been increased by $70 million over its base level, bringing the total funding for this year's program to $170 million. This money is being used to create career-oriented jobs for more than 69,000 students and to place hundreds of thousands more in employment in both the public and private sectors.

Summer Canada emphasizes the creation of qualitative, career-oriented jobs that will prepare students for future labour market participation. The bulk of the jobs will be created through the summer components of two of our year-round job-creation programs, Canada Works and Career Access. This summer Summer Canada Works will create experience-giving jobs for more than 41,000 students in projects sponsored by community and volunteer groups, professional associations, local governments and private sector employers. I understand that the quality of sponsorship proposals received for this year's program is better than ever. Those proposals are now being reviewed and my colleague, the Minister of State for Youth (Mrs. Hervieux-Payette), will soon be announcing which ones have been approved for funding.

Student internships in the private, public and non-profit sectors will be created this year through Summer Career Access. Funded at over $30 million, this wage subsidy program will create jobs for more than 12,000 students.

The concept of summer internships was introduced three years ago in jobs with federal Government Departments and has been expanded to include non-profit organizations, and last year for the first time, the private sector. Assessment of

last year's experimental private sector internships indicated the program was a tremendous success, both for the students involved and for the employers who hired them. Jobs have been created in a range of professional and highly skilled fields providing quality career-enhancing experience for students in activities such as medical and scientific research, program development in social, health and recreational services, and provision of technical services in fields ranging from computer applications to archeology, speech pathology and fashion design.

Also included in Summer Canada are the Department of National Defence cadet and reserve training programs and the RCMP special supernumerary constables program. These programs will create jobs for about 14,000 more students who are interested in jobs in the military, law, or law enforcement.

Another important aspect of the Government's summer employment initiatives are the Canada Employment Centres for students. More than 450 of these centres will begin opening across Canada next month. Operating through the summer, the centres serve as a key link in the community between the federal effort in student summer employment, other levels of government and the private sector.

In 1983 the Canada Employment Centres for students accounted for some 333,000 placements in both the public and private sectors. In all, over 550,000 registrations were taken and 374,000 job vacancies were listed with these student centres. Approximately 160,000 post-secondary placements were made while the remaining 172,000 placements were secondary students. This summer the centres expect to place more than 333,000 students in employment.

[*Translation*]

The Canada Employment and Immigration Commission also provides a series of permanent programs especially designed for young people. These include the International Exchange Program for Students and Young Workers, the services offered by On-Campus Canada Employment Centres and our special youth units.

These special units, which exist in every province, are designed to meet the specific needs of disadvantaged young people who are seeking employment. The units help young people prepare realistic career plans, in addition to acquiring practical job experience. This is done in co-operation with local private businesses and unions, and with the help of other agencies and individuals who are anxious to increase job opportunities for the young people in their communities.

Mr. Speaker, there is more, for in addition to the programs I just mentioned that are intended specifically for young people, there is also a large number of federal job creation programs for all Canadians, which also benefit young people.

These programs focus mainly on areas where the unemployment rate is particularly high. In addition to an opportunity to earn wages instead of drawing unemployment insurance benefits or being on welfare, individuals taking part in these programs can acquire skills that will be useful in future jobs.

[*English*]

Young people aged 25 and under are a major target of all of these programs. It is estimated that they represent close to half of all participants. In 1984-85 we estimate that some 70,000 young people will take part in the Canada Works Program. Another 78,000 will benefit from Career Access while youth participation in LEAD and the Job Corps will amount to 4,300 and 2,200 young people respectively. As well, young people are major participants in the federal training programs and represent 45 per cent of the clients of Canada Employment Centres and 50 per cent of the clients of the federally funded Outreach projects.

All of these efforts are designed to assist severely unemployed youth in establishing positive employment patterns and in easing the transition from school to work for youth in general. While they have been provided and are successful, we are not stopping there. Intensive efforts are currently being made to identify the best methods for assisting young people in becoming productive members of our work force. I will soon be going to Cabinet to discuss with my colleagues how the $150 million of additional funds allocated in the recent Budget can best be allocated so that we can continue to provide young people with relevant employment-related assistance.

Our commitment to the young people of Canada of $1.3 billion in Government of Canada programs is a heavy one. We owe it to them as a means of fulfilling the promise of opportunity in our society, and we owe it to ourselves as a means of investment in the future of our country.

Mr. Lewycky: Mr. Speaker, I listened with great interest to what the Minister had to say. As are most of my colleagues, in terms of constituency case work I am making sure that employment programs are a number one priority.

• (1530)

Could the Minister indicate whether he has had the opportunity to examine what his predecessor had done in terms of local advisory boards and their participation with regard to summer youth employment programs and so forth? This has given a more democratic element to the things we were faced with in our constituency. I am especially concerned about very large ridings such as mine, where people who participate on local advisory boards may have to travel 120 miles just in one direction to participate in meetings. Has the Minister had an opportunity to examine the way the local advisory boards function, and whether there has been any sort of evaluation done? Would the Minister consider reconstituting them for the upcoming programs? I would be very interested in the Minister's response to that.

Mr. Roberts: Yes, Mr. Speaker, we are assessing those boards. Since the assessment is not complete, I cannot give the Hon. Member a definitive response. I can say to him that I am partial myself to that kind of community involvement and the engagement of people in the private and voluntary sectors, and so on, in these issues. I do believe it is not by the federal

Government acting alone but through co-operative action in our communities that we are best able to respond to the problems of youth employment. I am very much aware of what has been done.

As I indicated in my speech, we are now considering the possible allocation of the $150 million of new funds which the Minister of Finance (Mr. Lalonde) has allotted to us in the Budget. In the process of reflecting on the ways in which that funding can be used most effectively, we are reviewing the community-oriented programs and making the kind of reassessment he has asked of us.

Mr. Thacker: Mr. Speaker, I want to ask the Minister about the local advisory boards. I found that in my riding they were incredibly effective. I took the attitude, after 1979 when I was elected and again after 1980, what I was elected to represent all the constituents, whether they had voted Liberal, NDP, Conservative, or otherwise. When the money was allocated to the riding by setting up a local advisory board which drew on all sectors of the community, the old, the young and the handicapped, we found that the decisions they made were very wise and with no sense of partisanship at all. More recently, decisions are made by officials. I think there is an increasing worry about that, and I want to put in a word to the Minister to ask him to consider reinstating the local advisory boards for those of us who feel we do represent Liberals, New Democrats and others after an election is over.

Mr. Roberts: Mr. Speaker, there is not a great deal I can add to my previous answer. I think the attitude which the Hon. Member has shown is exactly the one that I would hope would characterize moving back in that direction. I think indeed most Members would express and share the kinds of opinions that he has voiced. I think I would be reluctant to impose it as a mechanism. But I think the Hon. Member was suggesting it should be optional, at the discretion of the Member. I cannot give the Hon. Member a definitive answer today because the review is taking place. I have already indicated my sympathy for this approach. It is indeed the kind that I myself supported when I was not the Minister in this portfolio but had responsibilities as a Member of Parliament.

Mr. Kristiansen: Mr. Speaker, I have a question which is supplementary to the last two questions posed by the Hon. Member for Dauphin (Mr. Lewycky) and the Hon. Member for Lethbridge-Foothills (Mr. Thacker). I want to endorse what they have said about local advisory boards.

The Minister has said he would like to provide for some discretion for local advisory boards. That exists now, except that in my own case it is now up to the individual M.P. to cover the cost of travelling and meals. This I do quite gladly. I would rather do that than make unilateral decisions which can end up being either unproductive or cause division rather than unification within a community.

Aside from that, there is a directive which my constituency office was advised of today. This directive requires the constituencies' or the Members' final answer, to go along with the Minister's approval, by March 20. We got that information on the telephone today. Apparently this is a departmental directive that really does not allow much time or notice. Members of Parliament and people in our communities who may be involved in advisory boards have busy schedules too. I understand the necessity for speed because Summer Canada project employment has to start April 30 or shortly following. I hope the Minister will allow us a little more discretion, at least a week or so beyond this arbitrary deadline of March 20. Within a matter of two weeks we must have an answer and check out all the various groups within our community and see about the proper allocation of funds so that we can make rational decisions with some community input.

Could I have some assurance from the Minister that we may have a little bit of flexibility that accords us our due as well?

Mr. Roberts: Mr. Speaker, I was going to make the first point myself which the Hon. Member made. There are many Members, at least I know there are many on this side of the House, such as my colleague from Thunder Bay, who do avail themselves now of an advisory group in an informal way. I think many Members do. I assume that the question was whether that informal process could be converted into a formal process with some degree of support. To be entirely frank with the Hon. Member, I did not realize the calls and gone out today establishing March 20 as a deadline. That does still give two weeks for the forwarding of the recommendations to me. I would not want to vary that date without seeing if there is not some very good reason for having brought it forward that quickly. Clearly, as the Hon. Member indicated in his remarks, we have to take decisions fairly promptly if projects are to go into place for the time when they are needed, that is, moving from April on for the summer employment period. I cannot give him quite as strong a response as he would like such as to guarantee him more flexibility, but I will guarantee to the Hon. Member that I will look into the matter in the interest of trying to find more flexibility.

Mr. Taylor: Mr. Speaker, I used the advisory committee for two or three years. I found the travel in a constituency as big as Bow River was very expensive. Also there was the diversity of industry to consider. For instance, Banff and Lake Louise have tourism. Right down the boundary there is ranching, coal mining, grain-growing, manufacturing, and hog-raising, etc. I found it was difficult to find people who had any knowledge of the other end, or the other side, of the constituency. I did, however, manage to resolve the matter. Civil servants have been very co-operative. I arranged for my executive assistant to sit in on meetings once or twice a year, and together go over all items. My executive assistant has a good knowledge of the entire constituency. I have been most impressed by the fairness with which the civil servants try to administer these funds. I like that very much.

One thing, however, does bother me, particularly as it concerns the Canada Works funds. We have so much advertising and, as a result, we get 15 or 25 applications, all worth-

while. This year with $100,000 there was sufficient money only for three or four projects, which causes a lot of frustration and anger. I do not know what the Minister can do about this. It is not a good program when we build up peoples' hopes and they go to all the trouble of getting worthwhile projects only to find them dashed to the ground because of insufficient money.

Mr. Roberts: Mr. Speaker, first I want to thank the Hon. Member for recognizing the work done by the civil servants in my Department. Quite often brickbats are thrown at us and it is very nice to have a bouquet when it is deserved, and I will pass along the Hon. Member's comments to the relevant officers.

Second, we did increase very substantially the funding for the Summer Canada programs last year. My recollection is that it was increased by $70 million. The amount of funding provided this year so far is equal to that funding. I know there are always more expectations than can be fulfilled. Indeed, as I noted in my remarks, another $150 million has been added for youth employment programs generally. There is clearly the possibility that we could consider using some of that funding to expand once more the summer employment program. I am not guaranteeing Hon. Members of the House that that will happen, but I note that it is a possibility. I hope he will not find himself overwhelmed by the expectations. We have tried to make people aware of the programs. The funding has been substantially increased in previous years. The quality of projects being suggested is even higher. That may reflect the fact that we have made people more aware of the programs than perhaps has been the case in the past.

● (1540)

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I am pleased to have the opportunity to participate in the Budget debate because I believe the Budget itself gives us as clear a picture as we could possibly expect of why we need a change in government and why we have to move in different directions. I say this not just because of the matters we have raised in the House in the last few months about the way Revenue Canada has been run or is totally out of control or about the way the Government has manipulated taxpayers' funds to favour those ridings that have happened to elect Liberals. I do not say this because of the action taken by the Minister of Finance (Mr. Lalonde) in making public a confidential discussion between the Leader of the Opposition (Mr. Mulroney) and one of his public servants. I do not say this just because Canadians have been turned off by the Liberal Party. I say it because the Government today is totally avoiding the major issues.

Let us look at some of them. In the medicare issue, they have focused on two narrow parts of the overall issue. They have done so entirely for political reasons—to raise the level of fear on the part of elderly Canadians and Canadians with health problems. In terms of the peace issue, the matter has been dealt with primarily by raising the whole issue of the fear Canadians have about the possibility of nuclear war. They have not dealt with some of the more substantive elements of the issue. Now we have in the Budget a clear example of how the Minister is dealing with the peripheral issues while avoiding some of the major substantive issues which are causing the very serious problems we face in the country.

I do not think any of us would disagree that in the Budget the peripheral issues have been brought forward, such as the question of pension reform particularly, and the treatment of single elderly women and the adequacy of their pensions. We have been in favour of tax simplification for a number of years now. We are pleased that the Government is starting to unwind the very serious damage it has inflicted upon the economy, particularly upon individuals and small-businessmen, in the 1981 and 1983 Budgets which added, between them, 600 pages of legislative amendments to a tax Act which prior to that consisted of some 875 pages. There is a slight change for the better in the Budget, but we still have a long way to go. There are some initiatives to address the problems we have been raising about the administration of Revenue Canada and the initiation of a study on profit sharing of which we on this side of the House have been in favour. We are supportive of these initiatives, but we have to recognize that most of them are not law. They are initiating the consultative process. We must take into account the past practices of the Government as it approached an election. "Let us put some of these on the table", they say. "Let us put them on the table and ask for some comments", they say, because it allows the Government to avoid addressing the problem and making decisions which will bring into effect changes Canadians would like to see. We do not have any confidence whatsoever that there will be substantive changes made in these areas prior to the election.

I would like to address one of the peripheral changes, that is the proposal for mortgage interest insurance. This addresses the symptom of the problem, not the cause. It is very expensive for the taxpayer or the home owner to purchase this mortgage interest insurance. However, I underline the fact that the problem is not addressed by this particular proposal. The problem is high interest rates and the lack of control which the Government has demonstrated over its monetary policy. We have seen more than a few instances where interest rates in Canada have risen far higher than they should have. I will address one element of this later in my remarks.

The problem is that the Government has addressed these peripheral issues in the Budget and has ignored the very major issues of the federal Government deficit and the declining international competitive position of our industry. Lip service merely is given to these problems. It is the same lip service we have seen in budget after budget, but no action is taken on the problems which lead directly to the most serious economic and social problems facing us in Canada. I am referring to the level of unemployment—the 1.5 million Canadians including the 500,000 younger Canadians who do not have jobs today. This Budget is words, words, words. There is no action. There are no policy initiatives.

I want to take this opportunity to set out some of the priorities and objectives which the Progressive Conservative

Party has clearly established in addressing these problems. My first point is that we identify these as real problems, problems which must be addressed if we are to have a health economy in Canada. Let us look at the Budget deficit. Any time I have raised the question of the Budget deficit, I hear Members from the other side of the House braying, "What would you cut, what would you cut?" That is the wrong question. The question is: Do you regard the deficit problem as being a serious problem and, if you do, would you do something about it? The clear answer on the Conservative side of the House is that we view that as being probably the most serious economic problem today. We would do something about it. Then the question is: How would you cut; would you cut by raising taxes or by cutting government spending? Again the answer is very clear. We would cut spending. We would not raise taxes. Tax levels in Canada are already too high. Spending cuts are important for another reason. If we raise taxes, we provide more funds for politicians and bureaucrats to spend. A discipline has to be applied to the Government and to the bureaucracy. That discipline is not applied if we provide more funds for the politicians and the bureaucrats to spend.

Government today overall represents close to 50 per cent of our national economy. We have talked for years about the problems in England and in Sweden when they got close to 50 per cent. We are there now. I see the Hon. Member for Mississauga North (Mr. Fisher) shaking his head. I suggest that he should take out his sliderule or little pocket calculator and find out where we stand. Overall in Canada, federal, provincial and municipal Governments spend just short of 50 per cent of the national income. If we are to have spending cuts, clearly they have to be broad and affect all segments of government. They have to be sensitive and they have to be equitable. Also we have to address waste and inefficiency in government. Every time we receive the report of the Auditor General, there are examples of how we could cut waste and inefficiency. Also there are some programs which clearly could be cut or even eliminated today. They are low priority programs. Some have been in place for many years. Very few people in the country would even know they had been eliminated.

● (1550)

The key question that we must address here is why we cut spending. First, it is very clear that reduced deficits mean less government borrowing. Less government borrowing means less pressure on interest rates. We would therefore have lower interest rates in this country. Less government borrowing also means that the limited resources for investment would not be spent by governments but would be spent in the private sector for investment in new technology, new types of equipment, more productive equipment. That results in a better competitive position for Canada. The improved competitive position would automatically lead to an improvement of job performance, economic performance and a healthier economy.

The other point, on which is somewhat harder to put your finger, is that it would lead to better confidence in our economy, better confidence in the long-term performance in the economy. There is continued debate among economists as to whether high Government deficits lead to high interest rates. I say, with respect to the economists in this place and outside the House, that that is an academic argument. It has been a discussion between academics. The real world has made the decision. The real world has clearly demonstrated by the rates in the market today that high deficits lead to high interest rates. High interest rates are slowing down the economic activity in Canada. That is the clear reason why we have to spend some time in addressing that problem.

While talking high deficits, I want to draw attention to what deficits are doing to our younger generation. We are worried today about young Canadians who do not have jobs. Let us consider what the deficits today mean to those same young Canadians. I ask Members of the House whether they would go to the bank today, take out a $10,000 or $15,000 loan on behalf of their children, leave it to their children to pay the interest and repay the loan, and take that money to buy a new suit or a trip to Florida, spending it on themselves and not for the benefit of their children. That is what deficits are today. We are literally robbing the next generation of something that is rightfully theirs. As participants in that robbery in the House, we are doing something to undermine the basis of security and stability of the next generation.

Let us look at the impact of the deficit on the economy. I want to draw the attention of the House to a number of statistics released recently by Statistics Canada. The growth of our national economy in the fourth quarter of 1983 was only .9 per cent, after being adjusted for inflation. That expressed on an annual basis is 3.6 per cent, sharply down from the previous quarter of 8.1 per cent.

Another notable indicator in the slowdown is the decline in real personal disposable income in 1983. Nominal income rose by 5.1 per cent, but with a 5.8 per cent increase in prices, it means we have suffered a decline of .7 per cent in real disposable income. That cuts back from the ability of the economy to grow.

Business investment is down by substantial amounts, 12.2 per cent in real terms after a decline of 11.2 per cent in 1982. The outlook this year is for business investment to increase, after adjustment for inflation, practically not at all. Therefore, we are in a static period after two years of substantial decline. That means that money is not being spent on new equipment and new technologies. We are going to slip further in our international competitive position.

Let us move on to the international competitive position. How are we going to address that problem? First, obviously, we have to do something about the deficit. I discussed some of what we would do there. Let us look at the other elements here. Inflation control is a very important part of it. We have had a drop in the level of inflation in Canada from the 12 to 13 per cent to which the Government had taken us some two years ago down to a 5 to 6 per cent level now. It is still 1 per cent to 2 per cent higher than that of our competitor countries. We should be striving to get it 1 per cent or 2 per cent lower so that we improve our competitive position. I will say it again:

An improved competitive position is the best, surest, most permanent way of creating jobs in this country, far more permanent, far more successful than all the alphabet-soup job-creation programs which the previous speaker talked about. That is the way that we improve our economy.

Let us look at some other means of improving the competitive position. These represent the four pillars we established in the Conservative Party industrial policy as being the key objectives, the objectives against which all our specific policies would be measured. The first is improving research and development. The second is a greater degree of expenditure and emphasis on improving our human resources through training, retraining and other means by which individuals can become more productive. The third is improving the entrepreneurial investment climate in Canada so that we have more money invested in startups of new businesses and new types of equipment and technology. Fourth, if we are going to have a healthy economy, we must have the outlet to the international community. We need to have solid international trade promotional activities. The key that I want to stress here is that we recognize the seriousness of the problems. We understand that they have to be addressed with clear sets of policies and clear objectives that demonstrate very much that identity the problems that we are facing here and lead clearly to the solutions.

I want to put some numbers on the record that relate to comments I made earlier. The Government, this Minister and the previous Minister have always talked about this being a Budget of restraint, something that would lead to a reduction in the deficit, a lesser degree of Government involvement. If we make some assumptions here, that Government expenditures would increase annually at the rate of growth of the national income, and we have heard many Ministers of Finance say that that was what they were going to do, if that had happened for the period of time of the current Government, dating back to 1968, the cumulative savings would be $131.1 billion. That is equivalent, almost, to the net debt of this country. Let us look at a more recent period. If we did that since 1979, the savings would be $36.4 billion. That demonstrates the order of magnitude that we are talking about here.

In closing I want to emphasize that we have picked these areas of deficit reduction, inflation control and building international productivity for one key reason, that is, to improve the economic independence of Canada by giving us a better performance relative to the United States. When the United States makes some policy mistakes, as it will from time to time, or if it acts in ways that are quite appropriate for the United States economy but not for our economy, then we have that flexibility to move away from the direction taken by the United States for whatever period of time necessary.

● (1600)

I just came back from spending last week in Europe and I talked to a number of international economists, investors and bankers. The one thing that struck me very clearly in Great Britain was that it has, as the people there call it, unhooked itself from the U.S. economy. Interest rates in the U.K. are now lower than they are in the United States, and the underlying reason for this is that in 1981 the U.K. made the decision to get its deficit down to a reasonable level. That deficit is now at about 6 per cent of overall spending. In Canada we are at 30 per cent.

There is a clear lesson to be learned there, Mr. Speaker. If we were to follow the policies that a Conservative Government would follow, we would have a healthier environment, better job performance and a degree of independence from United States policy and from the performance of the United States economy when it is appropriate for Canada to have that independence.

Mr. Fisher: Mr. Speaker, I always enjoy listening to a speech made by my neighbour from Etobicoke Centre (Mr. Wilson), partly because he offers some interesting ideas and partly because it is stimulating to me. I disagree with much of what he says, but he forces me to think about it.

I would like to ask the Hon. Member directly what he thinks he would cut in a federal budget. He says that this question is irrelevant, but then he goes on to say that government spending cuts are the key to a reduction in the deficit. First of all I would like to ask him what he would cut, and second, whether he agrees with his colleague, the Hon. Member for St. John's West (Mr. Crosbie), who has said that we should introduce means tests for our social service programs as one way of controlling expenditures.

Mr. Wilson: Mr. Speaker, the fact that my hon. neighbour from Mississauga North asked that question in the way he did tells me that while he may think my speech stimulating, it did not stimulate whatever brains he has in his head. The key question that the House has to address is whether the problem of high deficits is the overwhelming problem in Canada today. I take it from his question that he does not yet understand that. Until he gets that through his head, the question that he has asked is irrelevant.

I responded to that question in my remarks by saying that there must be broad spending cuts, and whether it is in this Department or that Department is irrelevant. It must be across the board. Yes, there will be some differences in application depending upon where a government will apply its priorities, but the overall result is that spending must be reduced in the broadest possible way.

The Hon. Member was in business as I was in business. When he found that he was spending more than he could afford, I am sure that he addressed the problem the same way I did, which was by cutting right across the board so that everybody would feel they had some involvement in the reductions that were being applied through an overall discipline. That is the key answer to that question. If we in the House do not accept that that is the number one problem, then we are not going to achieve the performance that the country deserves and is certainly capable of achieving yet has certainly fallen far short of achieving at this point.

Mr. Kristiansen: Mr. Speaker, after listening to the Hon. Member from Etobicoke, I think that we now clearly know where he and his Party stand on the matter of debt and deficits. That basically is that Canada should not borrow from the Bank of Canada at relatively low cost in the same way that Japan has done but rather that Crown corporations, the provinces and municipalities should be forced to borrow abroad from foreign markets at high costs in the same way that Mexico, Poland and some other countries which are going bankrupt have done. That seems to be the policy of the Conservative Party and is increasingly becoming the policy of the Government, because it has echoed that theme throughout its entire Budget. It is a Conservative economic statement.

I would like to ask the Hon. Member for Etobicoke Centre (Mr. Wilson) a question. Now that we clearly know his stand on economic policy is to lead us on the road to bankruptcy, what is his position and that of his Party on matters of social policy? Does he subscribe to the means test as does the Leader of the Conservative Party or does he subscribe rather to the "mean, nasty and terrible things" test of the Hon. Member for St. John's West (Mr. Crosbie) who is the finance critic for the Conservative Party?

Mr. Wilson: Mr. Speaker, what the Hon. Member has just said has totally distorted and totally misrepresented what I said in my remarks a few minutes ago. I made abolutely no reference to the fact that the policy of this Party is to force the provinces, the municipalities or the corporations to borrow externally.

Mr. Kristiansen: That is the result.

Mr. Wilson: If he says that that is the result, his understanding of economics is smaller than I thought it was, because the result of cutting back on federal government borrowing in Canada would be to free up the market for the provinces, the municipalities and the corporations so that they would not have to borrow abroad. That is the direction in which we are trying to go. We want to have less of an external exposure and put more of our domestic savings not into paying the day-to-day bills of the Government but into financing the development of new technologies and startups of new small businesses, which would result, as I hope the Hon. Member would understand, in more job creation. Admittedly, it is job creation by the private sector and he would not enjoy that, but it would result in more jobs being created by the private sector, and surely that is something that he can accept.

Mr. Parent: Mr. Speaker, I rise at the risk of being berated by the Hon. Member for Etobicoke Centre (Mr. Wilson). He might consider me just a small town boy who does not know too much about economics. My question is quite straightforward. In view of the fact that the Hon. Member has stated that the number one problem in the country is the deficit, would he please put into perspective for me what his feelings are on unemployment?

Second, I wonder if he would address himself specifically to the problem of cutbacks with regard to the social programs. By that I mean, would he cut back on medicare? He said that he would cut back across the board, but I simply want to get it into perspective here. Would he indeed cut back on medicare and on pensions? If the answer to that is yes, then I believe that he will be at loggerheads with what his Party stands for. Could he please clarify that for me?

Mr. Wilson: Mr. Speaker, I do not think that the Hon. Member should in any way belittle his knowledge of economics by saying: "I am just a small town boy, I don't know too much about economics". In many cases, it is the small town boys who use good, sound common sense in addressing the economic problems and who have a far better and clearer understanding of the directions we should be taking. I hope that he will not move away from his small town traditions when addressing the economic problems that we are facing.

He asked me to address the question of cutting expenditures for social programs. We made it quite clear that we will not cut spending on medicare. In fact, my colleagues have said that we would increase the commitment that we have made to medicare. Referring to education, as I indicated in my remarks earlier, upgrading of our human resources, education, training and retraining are key priorities, so no, there would be no cuts there. I can answer the question that he has asked quite clearly.

Mr. Skelly: Mr. Speaker, perhaps I could continue the theme that was started by the previous speaker. It is interesting to note the fixation on the deficit and the determination to cut spending in Canada that the previous speaker and many people in his Party have. In my eyes it is a given that one of the largest blocks of spending that is the responsibility of any Party which forms a government is in the area of health programs, social programs and education. It is a given that if we are to maintain the quality of life in the country, there is a desperate need to maintain those programs. The Armed Forces account for a very large portion of the spending in the country, and the Conservative Party is obviously committed to that. Just exactly where are those cuts going to take place?

The Canadian people do not want the kind of double talk in which the previous speaker and his Party are indulging. How about some hard figures? Let him stand up and show some guts. Where are they going to cut spending? What can women in Canada expect who are having some difficulty with equality? What can native people expect from the proposals the Hon. Member put forward? What can young people expect who are having a terrible time and who are extremely dependent on education, social and health care programs? Exactly where would the previous speaker and his Party make cuts in the Budget? Who would he harm?

• (1610)

Mr. Wilson: Mr. Speaker, I cannot really understand the direction of these questions. The Hon. Member did not listen to what I was saying and he does not accept that the most important economic problem we are facing is the size of the deficit and the fact that 22 per cent of government spending

goes to servicing the debt. That increases every year. Surely he understands that we have gone far enough.

He says that we have to continue spending in this and that area. Taking that to its logical conclusion, we must ask why we tax anybody. Why do we not just spend money and make everybody happy. That is really what the Hon. Member is saying.

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Member but we are running overtime. Perhaps he would be allowed to complete his answer by unanimous consent. Is it agreed?

Some Hon. Members: No.

Mr. Deputy Speaker: We will proceed to debate. The Hon. Member for Mississauga North (Mr. Fisher).

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, I am delighted to speak in the Budget debate. I think this is a good Budget and a timely one. I believe it reflects the good progress we have made on economic recovery and it provides us with major advances on key social problems, especially on pensions, mortgages, and women's financial rights. It continues to strive for a simpler tax system, particularly for small business, and it provides extra relief for unemployed young people. It also creates more tax incentives for increased industrial productivity. Those are important themes and all are reflected in the Budget.

We achieved this kind of timely impact because of the wide consultation that the Minister of Finance (Mr. Lalonde) undertook for the second time in preparing and presenting his material. The Minister of Finance and his colleague, the Minister of State for Finance (Mr. MacLaren), and all his other colleagues in various Departments of Government, crisscrossed the country in the months before the Budget, talking to interested groups in order to make sure that people in all regions had input into this document. In fact, Mr. Bernie Beckett from the St. John's Board of Trade was quoted on February 17, two days after the Budget, as saying "It is nice to see the consultative process with business". I agree with Mr. Beckett. It is an important reform that makes it possible for us to bring out a budget that is in tune with the expectations and capacities of the private sector.

It is important to note that this consultative process will not end when the Budget is finished. Each of the major proposals asked for better input before implementation. I think, for example, of the proposals for private pensions. They will affect not only the pensioner but also the employer. So we need to have feedback from the private sector before final implementation. The same is true in the home building industry with our proposals for the mortgage insurance plan, and it is also true of our recommendations for an employee profit-sharing plan.

We do not intend to make an idea into law the day after the Budget. We intend to repeat the consultative process and invite interested voices and informed voices back for further input into the final documents.

I should like to give a plug to the consultative process that the Finance Committee of the House of Commons has employed in the past two Budgets, the six and five Budget and the special recovery Budget. It has worked on tax concessions involved in those Budgets. Before the legislation was introduced, the Finance Committee examined the documents, heard witnesses, talked to experts from various Departments, and then made recommendations to the Minister. I should like to see this process continue because I think it is an intelligent use of abilities of Members of Parliament. We have seen some dramatic improvements in the actual legislation as a result of it. I hope that the present Chairman of the Finance Committee, the outstanding Hon. Member for Willowdale (Mr. Peterson), and the Minister will continue this process with the current Budget.

I must say that this is the fourth Budget on which I have worked as Parliamentary Secretary, Mr. Speaker. If I may be allowed a personal reflection, I should like to say that it is one of my most satisfying experiences as a parliamentarian. I have had the opportunity to work with the Minister of Finance since September, 1982, and have enjoyed my affiliation with him. His energy is boundless. I especially appreciate the way he is willing to go across Canada to listen to other Canadians and bring their ideas to the House of Commons. This is one of his outstanding strengths and it has been reflected in two very good Budgets, that of April, 1983 and that of February, 1984.

Of the four Budgets I have seen, each has had a special characteristic. The November, 1981 Budget created enormous controversy with its tax reform. After that controversy died down and after all the dust had settled, we were left with some of the very significant benefits in our tax system that were introduced by the then Minister of Finance. As people look back on that Budget they usually overlook those benefits. They forget that the tax rate was significantly lowered in that Budget, that we not only cleaned up some of the problem areas but we passed the savings back to the taxpayer in the form of a lower rate. From the bottom of the tax scale to the top, the rates dropped. Today Canadians pay less tax because of that reform, and as the controversy dies the benefit will remain.

I had the opportunity to work on the six and five Budget. That was an imaginative effort that unified Canadians and brought them together in the fight against inflation. The six and five program provided Canadians with a management target that they could use in their personal lives to measure whether they were helping the fight against inflation or hurting it. Canadians took up the six and five program as their personal standard. They were able to identify with the elements of the program. As it ends in this Budget we can look back at it with great pride and realize that it has gone a long way toward unifying the economy and helping the fight against inflation.

Last April we saw the special recovery Budget. This was an effort to attack the weakest sectors of the economy and bring strength to them. It was a time to give the economy some kind of immediate stimulus until the private sector had the confidence and strength to take over. I think the present Budget

follows dramatically in the steps of the special recovery Budget and the two should be seen as going hand in hand.

A few moments ago I mentioned that job creation and unemployment are major priorities for the Government. Let us take a look at what has been done in the Budget of April, 1983 and the Budget of February, 1984. There is a smooth flow of policy and economic thrust between those two periods. Over $3.5 billion has been committed for job creation and retraining in 1984-1985. The bulk of that money was committed back in April. Additions were made to those commitments in the Speech from the Throne last fall. Then in this Budget an extra $150 million was added to the Youth Opportunity Fund. The total package for this year alone is $3.5 billion. That stimulus is working as a result of the commitments made last April, last fall and again in February. There is a smooth flow of policy throughout all of this period.

● (1620)

In my riding, for example, at the Pearson Airport, a Special Recovery Project involves the expenditure of almost $14 million. There is also a railroad grade underpass where another $2.5 million is committed. In Mississauga South there is a third Special Recovery Project involving the expenditure of $2.5 million. That total expenditure of almost $20 million is a result of the April Budget and its impact is evident today. Workers in the construction industry in Mississauga are benefiting from the commitments made in 1983.

Additional work will be created as a result of the new commitments made last fall and again in the new Budget from Environment 2000. For example, in my riding again the Credit Valley Conservation Authority has asked for a grant of $250,000 under the environment 2000 Program. That stimulus will come into our riding in addition to all the extra stimuli provided by the Special Recovery Program.

Mr. Shields: The slush fund.

Mr. Fisher: The Special Recovery Program, Mr. Speaker, was instituted last April and it is still working.

Mr. Shields: The Liberal slush fund.

Mr. Fisher: It started the recovery and now we are waiting to help, in addition, the private sector. The Special Recovery Program was aimed at the weakest sectors, the construction industry, for example, and it was aimed at the new productive technological sectors like shipbuilding, high technology and aerospace.

I heard the Hon. Member opposite say it was a Liberal slush fund. I invite him to come into my riding and talk to the people who received work as a result of that, and he will learn that that kind of contempt is not acceptable to ordinary people. In fact, he should know that at the meeting of the Canadian construction industry in Toronto, where I spoke last fall, many of the people there were from Alberta and each of them said that the Special Recovery Program was a major incentive for the construction industry. The kind of contempt demonstrated by the attacks by Hon. Members, such as the one who interjected just now, is not being accepted by the Canadian people. People want to see some action and some compassion on behalf of unemployed workers, and this Government is providing that.

All of this special recovery activity, Mr. Speaker, is having a good impact. Let us take a look at what the Minister said in his Budget, and I quote from page 1423 of *Hansard*. He said:

> In my April budget, my goal was to secure the recovery. That goal has also been met. Growth has been stronger, inflation lower, and our employment higher than forecast last April. When we compare our economic recovery to that of other countries, Canada is faring better than most. Our economy, growing steadily and surely, is expected to be among the leaders in the industrial nations this year.

That is a direct quote from the Budget. There are some facts in the background documents which reinforce that claim. It is not a hollow claim. I will quote from a document entitled "The Canadian Economy in Recovery". On page 5, under the title "Economic Developments in Canada", and I will just skip over some of the quotations, the following is pointed out:

> Real output is estimated to have increased 6.3 per cent from the fourth quarter of 1982 to the fourth quarter of 1983, almost recovering the 6.5 per-cent decline experienced during the recession. The growth in output was accompanied by a 3.4 per-cent increase in employment—357,000 jobs—in the four quarters to the end of 1983. The decline in the rate of inflation since the introduction of the 6 & 5 program in June 1982 gained momentum in 1983. By the fourth quarter of 1983, consumer price inflation was running below 5 per cent.

There are other statistics in here. For example, and I quote:

> —real GNE is estimated to have increased 2.9 per cent in 1983.
>
> —real consumption expenditures rose an estimated 2.9 per cent, in part due to a decline in the savings rate from a high of 15.1 per cent in 1982 to an estimated 12.3 per cent in 1983.

A little further on in this report, Mr. Speaker, it says, and I quote:

> On balance, however, the over-all current account should achieve a moderate surplus in 1983 with net transfers continuing to move in Canada's favour.

Which is an observation which reflects very well on our trade performance.

I quote from page 7 where the report speaks about the Canadian dollar:

> On balance, the Canadian dollar strengthened against the currencies of Canada's non-U.S. major trading partners, rising about 7 per cent from the end of 1982 to the end of 1983 on a trade-weighted basis.
>
> The strength of the Canadian dollar and the continuing success on the inflation front allowed Canada more latitude than most other OECD countries in responding to international interest rate pressures in 1983.

That is contrary to the claims of the Hon. Member for Etobicoke Centre (Mr. Wilson).

Finally, it states:

> The lower levels and the relative stability of interest rates in 1983 after several years of substantial volatility were positive developments for the financial position of the corporate sector.

All of those statistics—and there are many more—reflect the confidence which people can have in our economy today. They reflect the advances which we have made in our recovery. We can be sure, Mr. Speaker, that the ordinary Canadian agrees with the statement made by the Minister of Finance in his Budget when he said, and I quote from page 1423 of *Hansard*:

In my consultations with Canadians in all walks of life and in all regions, I have been encouraged by the sense of realism they bring to our economic and human challenges. There has been a renewal of confidence throughout the country—confidence in our economic potential and confidence in our ability to achieve that potential.

That is good news for Canadians who are looking forward to additional prosperity through the 1980s. Of course, we have a continuing problem with unemployment, and that is why I observed a moment ago, Mr. Speaker, that we have dedicated over $3.5 billion to work in the economy in 1984-1985 alone. Of that amount, an extra $150 million has been allocated to the Youth Opportunity Fund, bringing that fund up well over $1 billion in its commitment and activity in the Canadian economy.

All of this, Sir, is a good Liberal Government's approach. As an illustration, let me say we have immediately allocated increases of $50 a month in the guaranteed income supplement, $25 now and $25 in December. By December, recipients of the guaranteed income supplement will be receiving $85 a month more in GIS payments than they were receiving in 1980. That extra money is indexed so that the benefit is a permanent one for them. At the same time we improved private pensions. We made recommendations for reform on portability and vesting, for flexibility provided by a registered pension account, and for higher RRSP limits. The two measures combined represent the approach we as Liberals have followed. There is immediate help for those with the greatest need as represented by the GIS increase. There is a proposal for long-term reform for everyone in our country.

● (1630)

All of this comes out of extensive consultation. We saw a conference on pensions, federal-provincial discussions, a green paper and a parliamentary task force on pensions, all of it culminating in these measures in the Budget. We went to the Canadian people, examined the situation carefully, and then made some proposals which interested Canadians will help to shape into their ultimate form. That is a Liberal approach to this kind of problem.

We have seen similar approaches with the mortgage insurance plan, mortgage investment instruments which will bring back the ten-year market, and clearer rules. Again it is a balanced Liberal approach. We provide immediate help for those in need under the Canada Mortgage Renewal Plan, and we offer long-term reform through the ideas contained in this Budget.

There is plenty of benefit in my riding. People in Mississauga like to see the kind of changes we brought about in the sales tax reforms, and here I would like to pay particular credit to Mr. Richard Bennetts at Mary Kay Cosmetics whose advice to me personally on this issue has been informed and intelligent. We saw a lot of benefit derived in my riding from the sales tax reforms on domestic and foreign automobiles. My riding has over 5,000 small businesses, and those people will like the simplification offered in the tax rules. In my riding we have lots of senior citizens, many of whom have expressed to me their need for a simpler tax reporting system. The new method of reporting investment income will help hundreds of people in hundreds of families in my riding.

This Budget, Mr. Speaker, continues the smooth thrust developed previously, a thrust toward economic recovery. It is based on open consultation, both before and after the Budget, with large numbers of Canadians. It uses a Liberal approach which helps those most in need, offers reform in major social areas, and does so in partnership between Government and the private sector. I am proud to have worked on this Budget and I am proud to have been associated with the Minister of Finance in his recommendations.

Mr. Friesen: Mr. Speaker, I thought it was very fitting that the Hon. Member got his best advice from a cosmetics company, because the Government spends most of its time on cosmetic solutions.

Mr. Fisher: Another contemptuous comment; that is all you have. There are thousands of people who work for that company.

Mr. Deputy Speaker: Order, please. The Hon. Member will have an opportunity later to respond.

Mr. Friesen: Mr. Speaker, I just wondered if his consultations were on how to use the blush brush?

Mr. Fisher: Mr. Speaker, that is a remarkably contemptuous comment. I do not understand why the Hon. Member would say that. Let me expand on the ideas I heard from Mr. Bennetts. I would like to assure the Hon. Member that Mr. Bennetts has thousands of women and men who work for him not only in their location in Mississauga but also as sales agents going from door to door right across the country. I am sure they will not think this is a laughing matter.

It was Mr. Bennetts who pointed out to me originally that the work of the task force was very positive. He indicated that it was not necessary for us to change the federal sales tax from the manufacturing to the wholesale level on all items. He indicated the problems with the administration of the tax, appeals and assessments, and the problems in specific industries like the car industry where we give unfair advantage to foreign competition. All of that was explained to me by this individual, and the result, not just because of his input but owing to similar input from hundreds of other businesses across the country, is the reforms we see in this Budget. We see the sales tax system being continued the way it is with much better rules, much fairer assessments, and with an attack on problem areas such as the car industry, and with a general sense that we should reform slowly because we have learned to live with this system over a period of some 50 years. I do not think that kind of benefit deserves the sort of contempt we just heard from the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen). I want to say that loudly so the Mary Kay ladies out there will vote against him.

Mr. Skelly: Mr. Speaker, there was a lot of time spent in the Budget indicating how much the Government was concerned about small business. However, small businesses in my riding,

and I am sure in the rest of the country, are suffering because of the inflexibility of the Federal Business Development Bank. Businesses are unable to refinance the 19 per cent to 22 per cent interest rates they are paying to that organization. Other businesses in the community which were lucky enough not to have to finance through that bank were able to bring their interest burden down to a much lower level, and in some cases they are now thriving. The businesses which were forced to work with the federal Government through the FBDB are suffering seriously and cannot refinance without heavy penalties. Perhaps the Hon. Member could tell me why that was left out of the Budget and why the Government is not doing anything about it.

Secondly, Mr. Speaker, in single industry communities in the sort of mid-Canada corridor where many of us represent communities, small businesses are suffering heavily from transportation costs which are a tremendous burden. The federal Government had the opportunity to remove, or at least ameliorate, the 9 per cent excise tax on fuel. It would have helped fishermen, brought into equality inshore and offshore fleets, and would have been of tremendous assistance in solving the transportation problem of high costs. Could the Hon. Member enlighten us as to what really could be done for small business to help them out with those problems?

Mr. Fisher: Mr. Speaker, I mentioned in my comments that this Budget should also be read in connection with the April Budget. I would encourage the Hon. Member to do several things, which I do with small businessmen in my riding. First I tell them to check out the possibility of getting equity investment instead of debt financing. That possibility results from the tax changes introduced last April and is a real incentive for small businesses to have cash put in on an equity basis and get them off the inflexibility and high interest penalties they face with debt. I might add that the experience we have had in Vancouver, I believe, with the FBDB pooling ideas and investors, has proven to be very useful. The second thing I do is to refer my small businesses to the FBDB to see if they can find an investor to come into their business instead of their having to borrow the money. So there is a positive tax measure, and the FBDB has set up a group to try to pool investors to take advantage of investment opportunities and tax breaks.

I have to remind the Hon. Member that the FBDB is the lending institution of last resort. It is not a question of being lucky when you go there; it is a question of being risky. If you have a risky business and you cannot get a loan or investment elsewhere, the FBDB will look at you. But it is a high risk area. The financing comes from commercial banks, the loans are backed up by FBDB and the federal Government, and as a result the interest rates are higher. Business people do not like that, but they are practical and they know that if they have a risky business and need a lender of last resort, then they are going to pay a little bit extra. The FBDB's charges are not exorbitant in light of those conditions.

• (1640)

Mr. Parker: Mr. Speaker, I would like to ask the Hon. Member why there was no provision made for small farmers who have come before the Cabinet with problems with regard to income tax. They have had to leave their small farms to go to work in small businesses and other places. They are now being attacked for three and four years of back taxes. Yet in the Budget there was a provision for the incremental oil revenue tax to be deferred for an additional year to June 1, 1985. Provision was made for the oil companies but not for the small farmer who must face high interest rates. In order to pay those rates he must obtain employment off the farm. Then the Department of Revenue taxes him and disallows expenditures on his small farm. Why was there no provision made for that? Is it because they were not able to come to Ottawa and lobby individually for their rights?

Mr. Fisher: Mr. Speaker, I appreciate the question. It was expressed very emotionally and, I regret, very irrationally. First of all, the Hon. Member would be well advised to do his homework. He gets paid a good fat salary and should at least earn it by reading the Budget. The Budget says that a consultative committee will be set up to get rid of these problems. However, it is a very thin balancing act. The Hon. Member knows, or should know, that we could move in this area and make situations worse for farmers very much more easily than we could make them better.

The Hon. Member laughs, but all he has to do is to go to Surrey-White Rock-North Delta where farmland is at a premium and see what would happen there when hobby farmers flood into the area, raise land prices and take away legitimate producers because they want the tax benefit.

Mr. Parker: I will send that answer to my constituents.

Mr. Fisher: The Hon. Member has not taken that into consideration. The Hon. Member has also not taken into consideration the very special relief given to farmers to help them with RRSPs and capital gain problems upon retirement.

Mr. Parker: They want to save their farms.

Mr. Fisher: Again I see him rolling his eyes back and again obviously he has not listened to retiring farmers who will very much welcome the opportunity to spread out or remove altogether their capital gains burdens. Those are important problems. I suggest, after he has taken a look at all these things and—

Mr. Parker: After they lose their farms.

Mr. Fisher: —studied the issue in a little depth, that he might want to make a submission to the consultative committee. Hopefully, it will reflect a lot of thoughtfulness.

Mr. Deputy Speaker: Order. The time for questions and comments has now elapsed. We will proceed to debate. The Hon. Member for Comox-Powell River (Mr. Skelly).

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the previous speaker from Mississauga, wherever it is, reminds me so much of the other Member, the Hon. Member for Mississauga South (Mr. Blenkarn), that I can never keep the two constituencies or their lines of thought straight.

I really enjoy the Hon. Member's presentations in this House. Anyone who can maintain such humour and enthusiasm in the face of such a dismal performance as the Government has displayed throughout this Parliament really deserves the praise and support of the entire Parliament. There certainly is not another Member who can produce such enthusiasm, humour and vigour in the face of absolutely no content. There must be a medal that we as Members of Parliament could collectively conjure up to give such an individual.

There was one aspect, Mr. Speaker, that was very important. The Member for Mississauga North (Mr. Fisher) enjoys haranguing other Members of the House to do their homework. Unfortunately, the lack of background of the Member led him to misunderstand the question which I put to him concerning the Federal Business Development Bank. I would like to review that one more time for him. The point is that we are not talking about new investors in a business. The Hon. Member knows very well that in order to refinance the existing debt or cancel the debt due to repayment there is an enormous and unreasonable penalty imposed by the Federal Business Development Bank against those small businesses to bring in equity capital to attempt to pay back that debt.

The Member also knows that the problem is not one of risk. During the time of the Liberal Government's high interest period all businesses were at risk. During this period of time the Federal Business Development Bank was charging an usurious rate of interest. It is unfortunate that neither the Minister of State for Small Business and Tourism, (Mr. Smith) nor the former Parliamentary Secretary for the Minister of Finance will seriously consider talking to the Federal Business Development Bank to encourage it to allow refinancing without the exorbitant penalties and incredible amount of red tape with which it involves itself. Hopefully that Parliamentary Secretary, the Minister of State (Small Businesses and Tourism) and the Minister of Finance (Mr. Lalonde) will seriously consider the concerns of small businesses and their very negative relationship with the Federal Business Development Bank.

During the Budget speech debate today I would like to call the attention of the House, and particularly of the Government, to three problems which the Budget completely ignores. The first problem is that of the fishing industry on the West Coast of the country, the second one is that of native communities, and the third one is that of single industry towns in general.

The most important one would be the problem of single industry towns. These spread from one end of the country to the other throughout the north. Much of the wealth generated in the country comes from single industry communities. There are 32 communities in the riding I represent. Many of them are in fact single industry communities. The ones which do not fit the classical definition resemble it very closely. A single industry town generally has one major employer. It may be a logging outfit, a pulp mill, a saw mill or a mine. That one employer is generally the only source of employment in the community. Therefore, one-half of the community is generally without any means of gainful employment. It is interesting to go into towns such as Gold River, Tahsis and Zeballos and find that only one spouse in a family can work. The other spouse, regardless of his or her level of talent, is unemployed with generally no hope of employment.

There seems to be a great trend of providing federal Government grants, federal Government initiatives and federal Government services to the larger communities in the southern Canadian belt. However, in those communities there is nothing for young people. The Government does not reach there with its programs. The Government does not reach there with its concern. In fact, it takes a look at the single industry town and notes that the average income of most wage earners there is medium to high. Yet for more than half of the community, for women and young people generally, those communities offer absolutely no opportunities.

The second serious problem which the Government's Budget fails to address, and which it fails to address generally, is the problem of Government services in those communities. Those communities are generally 100 miles or more from any source of Government services, whether it be postal service, unemployment insurance, National Health and Welfare programs, education programs, recreation programs or sports programs. Instead of providing mechanisms to service those communities the Government generally moves, in the restraint mode, to try to cut back the travel time of civil servants. As a result, no one ever gets into those communities to talk about summer employment programs, Canada Works Programs or the Environment 2000 Program. In fact, many of those communities are left out of the mainstream of opportunities through federal Government grants.

Unemployment insurance is a beautiful case in point. I will use the town of Tahsis as an example. There are two large sawmills there. Because the pulp industry is having difficulty and the same employer owns the pulp mill, saw mills and logging operations, they say that if they are shutting down the pulp mill they are going to shut down the sawmills. The Unemployment Insurance Commission used to send a person in there to collect the applications for unemployment insurance and the separation slips from the employer. They would put it all in a package and process it very quickly in the main centre 100 miles away in Campbell River. But they chose not to do this. In providing for restraint, by cutting back and being responsible, they decided it was well to be responsible in the community of Campbell River and in the southern communities. But it was not, I guess propitious to be responsible to the residents of Tahsis who pay a very large proportion of their wages in income tax. Consequently, they have to depend on the mail service, which from Tahsis and many other similar type communities is very poor. You can look at ten days one way. If

an application is on its way, it takes ten days to come, then ten days to go back, and if there is a mistake, another ten days goes by before it is returned. You then correct the mistake, send it back, taking ten days more. By the time you have managed to establish your claim, a month to six weeks has gone by. The postal services are not good. The unemployment insurance services are not good. The employment services are nonexistent. Small businesses in single industry communities are in difficult situations. They deal with a small market. Prices, because of small volumes, are extremely high. The cost of transportation in many areas is absolutely outrageous. The ability of small businesses to attract financing and generally develop a range of goods and services for people in those communities is extremely limited. Not only does that hurt the entrepreneur in the small community, but it detracts from the quality of life in those communities. The small business assistance program that took special cognizance of the plight of small businesses in single-industry towns would be worthy of this Government since a great deal of the wealth here is generated in those communities, but they receive a very small share of the return on the investment they make.

● (1650)

Let me point out one other factor in single-industry towns. I am thinking of the cost of living, which is outrageous. There is usually a very limited supply of goods and services, whether we are talking about food, clothing or appliances. That small selection is generally extremely expensive when you can have the same things in the southern Canada belt. Again, there could be some concern that this Government provide some sort of relief for transportation costs. That in turn would provide a substantial benefit to those communities. It would improve the quality of life. It would improve the range of goods and services, and it would certainly bring down the prices. I mention that again to the former Parliamentary Secretary to the Minister of Finance, the Hon. Member for Mississauga North (Mr. Fisher), who unfortunately with his rather convoluted explanations of the Federal Business Development Bank did not get around to the matter of reducing the federal excise tax on transportation fuels, or to the matter of allowing some form of rebate to designated single-industry communities that are beyond, say, a certain distance. Small businesses that bring goods into those communities could then apply for a rebate and reduce the cost of transportation. Should we be looking at another budget before the next election, which seems to be coming upon us at a rather rapid rate, I would hope that by raising these concerns the Government could pay closer attention in the next Budget to the plight of single-industry communities.

The next area I want to speak about concerns the native communities. Of the 32 communities in my riding, I have a rather large number of native communities. I am sure many other Members of Parliament have the same type of situation and are very concerned that this Budget does nothing for native communities. It does absolutely nothing. One of the greatest continuing failures of the Canadian Government is its failure to work with diligence to solve the problems of native communities or to help native communities solve their problems. Unemployment in most native communities within my riding ranges from 75 per cent to 90 per cent. The indicators of the quality of life in those communities are very different from the general indicators of the quality of life in Canadian society as a whole. Life expectancy is lower in native communities, a completely unjustified state of affairs. Infant mortality is higher and suicide rates are higher in those communities. Housing is abysmally poor. Medical and health care standards are much lower than they are generally in the Canadian society. Economic opportunities exist in many cases, but the access to capital, which would provide them with the ability to capture those opportunities, is extremely limited, if not non-existent. Training in native communities, because of the Government's failure to provide adequate resources to bring the development of human resources forward, is almost nonexistent; it does not appear in the Budget, Mr. Speaker. There is no mention in the Budget or any indication which could bring hope to those native communities. There is no doubt those communities are in serious difficulty. We have heard from Members who represent them time after time.

There are four general principles that I think would go a long way to help resolve the plight of native Canadians. The first one is the rapid settlement of aboriginal land claims. Access to land, water, forests and mineral resources is access to the wealth, a share of the wealth, of this country. This Government could make moves in some areas to provide perhaps downpayments on that access, which would bring a direct link to wealth in the native community.

Second, the Government has to provide access to capital. Without some form of developing resources readily available in some communities, native people will continue the cycle of welfare, unemployment insurance, limited seasonal work, back to unemployment insurance and then welfare. That access to capital is imperative. Many mechanisms have been suggested, but these suggestions have largely fallen on deaf ears. Given the choice of providing income maintenance in the form of welfare and unemployment insurance, the Government has failed to take advantage of many of the recommendations that have been put forward.

Third, the movement to Indian self-government is imperative. The entrenchment of the principles of native self-government in the Constitution must go forward, as well as the phasing out of the Department of Indian Affairs. Working diligently to support the development of the self-government concept for native people is imperative.

Fourth, a massive commitment to improve the quality of life in Indian communities is very important. There has to be a substantial investment in housing, health care, education, community services, and in income support systems for those native people who are, because of dislocation, age or some handicap, not able to participate in growing opportunities.

The Budget does not speak of native people. The Canadian Government has a special responsibility to the aboriginal peoples of this nation. Those people and that special responsibility have been completely ignored in this Budget. It is my

opinion, and I think this opinion is shared by many Members of the House, that the Government will fail to act until after the next election on many of the important principles on which the House could act now to put native people at least on an improved footing to share more meaningfully in the wealth and the benefits of this country.

It is an absolute tragedy that the Government failed to put forward its special responsibility in a prominent way in the Budget.

The last item I would like to raise, because of its prominence and importance, is the fishing industry on the West Coast of Canada. That industry is in a serious and difficult situation. There is the potential for massive dislocation of both fishermen and coastal communities which depend upon the fishing industry. There are some very serious problems which the Government is compounding, in my view. The failure of the Government to listen and to consult in an effective and meaningful way with the various participants in this industry has led to a very divisive situation in which a variety of user groups are now in conflict not only with the Government but with each other as well. This will never lead to a solution to the problem. Effective consultation is extremely important. It would be almost as important for the Minister to go back to square one to try to pull the groups together and find a common approach so as to resolve this problem.

● (1700)

The Budget failed to address the non-controversial aspects of strengthening and improving the West Coast fishing industry. Also no resources are allocated in the Budget for enhancement of habitat protection. We are facing the Kemano completion project, the Quinsom coal project and logging out of our river valleys. The Government could have acted on these things with the unanimous agreement of all user groups. A pittance is being put forward under the Salmonid Enhancement Program, whereas a massive amount of funding is required. We need enforcement in that industry. Additional resources should be put into enforcement in that industry, especially now that things are so difficult. Catch allocations are almost cut in half. There will be more and more pressure. We need more enforcement.

My last point concerns high seas interception. Why are we enhancing salmon stock if they are simply being picked up by Japanese and Asian fishing fleets in the mid-Pacific? There is serious concern about American interception of our resources. At this point in time, one non-controversial aspect for which the Government could provide funding is a very detailed research program into the effect of the high seas fishing effort of Asian fleets on Canadian salmonid resources.

It is unfortunate that the Government—and certainly it was in tune with solving problems on the East Coast—largely ignored in this Budget many of the important non-controversial aspects of the West Coast fishing industry. By and large, with the comments I have heard in the House and the observations I have made of the province in which I live and the riding which I represent, I certainly do not share the enthusiasm of the previous speaker for the document we find before us today.

Mr. Kristiansen: Mr. Speaker, I would like to ask the Hon. Member for Comox-Powell River (Mr. Skelly) a couple of questions. One concerns the subjects of unemployment and job creation which he mentioned in his remarks. Some of us have viewed with some consternation and puzzlement the continuing claims of the Government that it has created more jobs in a shorter period of time—I believe that is the claim—than almost any other government in the western industrialized world.

Perhaps his assessment or judgment is similar to mine. We are seeing something similar to a recycled old western movie where the cavalry continually goes by the gap in the canyon. There are many short-term jobs, so they are continually recycled and regurgitated. Actually they are not jobs in the normal sense of the word. That is my impression of many of these programs. As desirable as many of them may be, they have a short-term impact. Is the Hon. Member's assessment similar to that of my own? What is his experience with those programs in his constituency?

Mr. Skelly: Mr. Speaker, the question of job-creation programs points to several things. First, there is a great deal of political patronage involved in the business of job creation. That certainly has not given an opportunity for communities to put forward suggestions that would use those job-creation dollars to the best effect or give the biggest bang for the dollar. There have been some tragic examples of how political patronage has distorted the fair efforts of the Government to try to create meaningful jobs and economic opportunities in communities. Political patronage is a very serious flaw in the job-creation program.

Second, there is no effective mechanism for community consultation. Unfortunately there has been a cut-back of public servants who do the evaluation. There has been a failure to put forward a small amount of resources to make effective the consultation process. Sometimes a little seed money in a community through a job-creation program can create an enormous effect in terms of the community bringing forward a long-standing, solid economic program. I could point to the communities of Powell River and Alert Bay. In these areas small amounts of money have in fact helped. Certainly the Government does not go nearly far enough. I could point to another very successful program where we used Canada Works money in my riding. I was very pleased that the Government was able to assist us with this money to hire employment enhancement workers. The jobs of each one of those people were worth about $5,000 in Canada Employment funds. They created, along with the committees with which they worked, about $1 million per person worth of economic activity. I have tremendous praise for those three people. The cost was $15,000 and they generated roughly $3 million worth of activity.

The third factor is the single-industry town problem in which the focus of employment activity for Canada Works

Government grants tends to be in larger communities. Larger communities have economic opportunities which the smaller ones do not have. Unfortunately there is tremendous resistance. The Public Service establishes a set of priorities based upon blanket population and upon arbitrary allocation of resources. It is tremendously difficult to change those arbitrary plans and those arbitrary allocations so that the dollars are spent in communities where the need is greatest.

I am very pleased that the Hon. Member asked me his questions. I hope some of my answers might be taken as suggestions for improving job-creation programs.

Mr. Kristiansen: Mr. Speaker, I have a further question which concerns the new job-creation programs mentioned in the last Speech from the Throne. In my constituency of Kootenay West we have now been frustrated on three occasions by a provincial ministry, the parks branch of the Conservative Government of British Columbia. It has blocked three different Environment 2000 projects in that community alone. The branch has given as an excuse, although informally, "union problems". The unions concerned are unaware of such "problems". In fact, that provincial Conservative Government is using prisoners to do some of the work in those parks. This is why it does not want Environment 2000 involved. I wonder how widespread that experience is. We have one from the Nakusp Legion, another from the Kootenay Mountaineering Club and another from further down on the Arrow Lakes. We are facing that kind of problem throughout British Columbia.

Has the Hon. Member faced those situations in his riding? If so, what action would he suggest in order to try to turn them around and ensure that the provincial Conservative Government is not frustrating the few things which the Government opposite does?

Mr. Fisher: We are neck deep in good things.

Mr. Skelly: Mr. Speaker, the only thing in which the Hon. Member will be neck deep at the next federal election is a rope. That brings great joy to my heart. The question raised by my colleague is certainly a very valid one. Unfortunately, the people of British Columbia, more than those in any other Canadian province, are being deprived of federal funding or their share of the return of tax dollars for programs by one of the most vicious, anti-people governments which has been seen in this country to date.

I wonder whether the Leader of the Opposition (Mr. Mulroney) at some point might want to retract his statement that the provincial Government in British Columbia might be doing some things wrong. He is on the right track. It has probably deprived British Columbians of more in a shorter period of time than any other government in Canada.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, it is indeed a pleasure for me to rise today to participate in the debate on the Budget of the Minister of Finance (Mr. Lalonde). This Budget is really a program of action designed to lead Canada from recovery to expansion. I believe it is a very timely Budget in that it shows business and the various economic sectors in Canada the direction in which we are heading in terms of our economy and our economic plan so that businessmen can plan ahead with confidence and the knowledge that the programs are in place and that they can build upon these programs in the years ahead as they make long-term investments.

• (1710)

I am alarmed that during this Budget debate various Members of the Official Opposition have been making comments that are somewhat difficult to substantiate. They have made comments about the National Energy Program. One referred to it as an odorous program. They have failed to follow what has been happening with the National Energy Program. I pointed out in a question yesterday that over 4,000 oil wells had been drilled and completed in Canada in 1983. I am talking about oil wells, not gas wells. One province alone has over 11,000 gas wells that are capped because of lack of markets. Why would any driller want to drill more gas wells when there is such a surplus? I repeat, over 4,000 oil wells were drilled and completed in Canada in 1983. Compare that with the previous best year, 1980, when 2,600 were drilled and completed in Canada. There was an increase of 53 per cent. Something must be working, or we would not have had that increase. I further point out that in 1984 the number of wells drilled and completed as of February 4, 1984 was 11 per cent over 1983. The number of rigs drilling is up dramatically. Something must be working in the National Energy Program with the expansion that is taking place. It is irresponsible to cast such a cloud of doom and gloom over the energy industry in Canada when there has been a dramatic turnaround. The small oil companies and the companies providing allied services are contributing to our economic recovery.

I want to comment on some other matters mentioned this morning by Members of the Official Opposition. They complained about the lack of assistance in the Budget for farmers wishing to export, in this case the export of tobacco. It is mystifying, to say the least, how members of the Official Opposition can make such a complaint when it is they who opposed the legislation going through the House last year. With the makeup of the board of Canagrex, including the president of the Canadian Federation of Agriculture as chairman of the board, a director of the Ontario Flue-Cured Tobacco Growers' Marketing Board, a former chairman of the board, as well as other producers, I had hoped that members of the Official Opposition would have accepted this. I find it difficult to accept their comments which question the competence of those people in responsible positions, working in partnership with producers and processors to obtain a larger share of the export markets. This organization was put in place to exploit our export potential. It is not only for the benefit of farmers, but also for farmers working in unison with others in the food chain.

I find it somewhat difficult to accept the suggestion that adjustments in capital gains tax will not be of much value. One Member who spoke this morning indicated that if someone wanted to take back a mortgage he would not have the money

to put into an RRSP. Even though there may have been accumulative capital gain of $240,000 since 1972 that really is non-taxable under the new provisions, surely we must remember that there must have been a value there before V-day in 1972. As these farmers are retiring and selling their operations, they will have such funding and, if necessary, be able to take back a mortgage. There are other ways of taking advantage of RRSPs that will benefit any farmer who has had his investment tied up in his operation over the years and who wants to retire with the dignity and respect which he worked so hard to achieve.

I am very pleased to be associated with the Minister of Finance. I look forward to working closely with him in the months ahead. I respect him for the many bold initiatives he has taken in this recent Budget in consultation with Canadians across this country. I was amazed to see the number of national organizations that he consulted so that Canadians from one coast to the other can point out from prior Budget consultations what the effect will be of various changes that are required as we attempt to ensure that the recovery is maintained.

I want to dwell for a few moments on the commitment of this Government to the family farm operation. I am a farmer professionally. Well over half my riding is rural. I want to underline the provisions which will have a direct and extremely beneficial impact all across Canada. We worked hard on these special measures over the last many months to ensure that retirement funds in the farm sector are not subjected to attacks from inflation. I remind Hon. Members that the capital gains tax was originally brought in in the early 1970s to replace the estate tax, which created such a burden over the years. Little did those who advocated the capital gains tax system, even farm organizations, realize the inflationary spiral we would have during the seventies. That inflationary spiral was checked only when this Government brought in the six and five program that has been so effective in protecting retirement earnings in all sectors of our economy.

The Minister of Finance has taken pains to make the Government's intention clear with Section 31 of the Income Tax Act. As well, he emphasized that farm losses are not in any way restricted only to those farmers whose principal occupation is farming. I would like to examine some of these provisions in these areas in detail, the areas of capital gains, second several technical amendments providing for the transfer of family farms and, third, Section 31 of the Income Tax Act.

The tax-free rollover of capital gains for farmers building pensions demonstrates how well this Government understands the special position of farmers. Often a farmer does not have cash to put into an RRSP. The income which the farmer makes is usually put right back into the farm in the form of buildings, equipment and the acquisition of more land as he builds up his base to form an economic unit. This continual upgrading and expansion is the secret to his success as a farmer. Indeed, it is the key to this country's success as a leading and progressive agricultural nation.

The productivity of Canadian farmers is higher than that of any other nation on a one-to-one basis. This capital investment that is built up over the years has to be looked upon by the individual as a retirement pension when the proceeds of a sale of property are used to finance his retirement. However, it has meant that the farmers' retirement savings were vulnerable because of these large capital gains that have resulted from an inflationary spiral. The Budget proposal makes changes so that the farmers would be better able to provide for their retirement.

• (1720)

To qualify for the maximum benefit, the farmer must have owned the property as of December 31, 1983, dating back to 1972. It covers farm land, buildings and equipment used by the taxpayer, spouse or children, and includes shares in family farm corporations or in a family partnership.

We all realize that only one-half of any capital gain is taxable. We can look at how we would calculate the amount of the capital gains that qualify for special deduction. The taxpayer simply multiplies by $10,000 the number of years between 1972 and 1983 inclusive that he or she has been a full-time farmer. Let us say that an individual started up an active operation in 1976 and sold the land in 1985. This would mean that the individual was a full-time farmer for eight years during the 1972 to 1983 period. Given a deduction of $10,000 for each of these eight years, he could contribute a maximum of $80,000 of taxable capital gains to an RRSP. This would be $80,000 less any other contributions made to an RRSP or registered pension plan for 1984-85 in this example. Thus, he would be able to reap a tax-free capital gain of $240,000 from sale of the farm. This new measure permits savings of federal income tax of an estimated $70 million in a full year with savings on provincial income tax of about half that amount.

We note as well that a special provision will extend the benefit to those who would otherwise qualify but have passed the 71-year age limit for contributions to an RRSP. When the broad pension reform measures set out in the Budget paper, Building Better Pensions for Canadians: "Improved Tax Assistance for Retirement Savings", are fully implemented, and stage two which is planned for January of 1988 is in place, farmers and small business owners will be able to carry forward their unused RRSP deduction entitlements from one year to the next. This will enable them to transfer funds from the sale of a farm business into retirement savings plans when they retire, using tax deduction entitlements built up during their working years. This special tax-free rollover measure for capital gains built pensions that I have described will provide significant relief in the period prior to the full implementation of the broad pension reform measures contained in stage two which I have just mentioned.

As you can see, Mr. Speaker, this Budget proposal is made in recognition of the unusually large proportion of lifetime farm income that is accrued in the form of capital gains rather than annual income. This proposal will therefore allow farmers in particular more flexibility in planning their retirement

income in circumstances where their annual income may have been insufficient to allow for the adequate funding of an RRSP. Eventually, I personally would like to see this measure extended to other sectors of the economy in those cases where, like farmers, there is a disproportionately large portion of income in the form of capital gain and where that annual income is not adequate for the funding of retirement savings plans.

The second important innovation contained in the Budget is a provision which will facilitate the transfer of family farms from one generation to another. We must recognize that in the long term, it may take several generations to build up a viable farm unit. Consequently, as an operation expands and everything is invested back into it and the second or third generation comes along having accumulated these various blocks of land and property which make a viable unit, there must be some form of protection to ensure continuity so that the farm does not have to be disposed of at death. This pricing arrangement is not allowed under the present legislation if the transfer is made after the death of a parent as the family farm bequest or inheritance. The Budget proposes to make a change so that on the death of a farm owner after 1983, the transfer of farm property will be allowed to be made at any amount between the property's cost and its fair market value. In other words, it would put family farm bequests and inheritances on the same basis as transfers made prior to the death of the owner of the farm.

As the Budget papers point out, an additional change will expand the types of properties eligible for inter-generational farm transfers to include farm properties leased by a taxpayer to his or her family farm corporation or to a family farm corporation or partnership of his or her spouse or child. This change is applicable to transfers made after December 31, 1983, and will address those circumstances where the farming activity is carried on within the context of the family farm corporation but the farm property is owned personally and is leased or rented to the corporation. Tax-free rollover treatment will also be provided in a special case where a child who received a farm from a parent dies while the parent is still living. In this situation, the farm could be passed back to the parent without immediate tax liability. As you can see, Mr. Speaker, the Government is doing all it can to ensure that the family farm as an important economic unit will continue, not only as a way of life but as a viable business entity.

Back about 29 years ago, Mr. Speaker, I well remember taking part in a series of debates over a winter. The topic of one of those debates was: "Resolved that farming is no longer a way of life but in fact is a business". We have seen that come about very emphatically in the last few years. I remember another debate which resolved that "The present practice of unplanned urban expansion is detrimental to agriculture in Ontario". That occurred back in 1955 and the problem still exists.

I would like to bring us up to date from that time by touching on Section 31 of the Income Tax Act. It must be made clear that the original intent of that section was to make sure that the wealthy, professional people who were looking for a place to invest their money did not take advantage of their hobby farm operation as an income tax writeoff. This Budget addresses that situation and the Minister very clearly pointed out that it is not to be used and was never intended to be used for those individuals who make farming their full-time business but, in order to become established, have to use the money earned from off-farm work to in fact subsidize their operation and get it started.

In closing, Mr. Speaker, I wish to point out that this Budget is one that is intended to ensure that Canadians realize the level of stability that has been brought to Canada over the last two years of recovery and to point out that we intend to maintain that recovery. As we look at the various comparisons in the Budget papers, we note that the GNP will increase dramatically over the next few years and as that increases, the amount of indebtedness that we have been hearing so much about will decrease. As the Hon. Member for Lincoln (Mr. Mackasey) pointed out this morning, we must look at the total value of our economy as a whole, including the GNP.

Mr. McKinnon: Mr. Speaker, I would like to address a short question to the Parliamentary Secretary, and I will be brief. I hope he will be brief as well because there are other Hon. Members who wish to participate.

The Budget provides that there will be $25 in additional funds paid to those old age pensioners who are drawing the guaranteed income supplement and who are single and that those additional funds will begin to be paid on July 1 with a second equal payment on December 1 making $50 extra a month. The war veterans allowance has for many years been based upon a certain figure and when a veteran who is entitled to war veterans allowance draws a guaranteed income supplement and an old age pension, those are deducted from his war veterans allowance, leaving a top-up that is paid by Veterans Affairs. Can the Parliamentary Secretary to the Minister of Finance (Mr. Ferguson) assure the House that that top-up will remain at least at its present point, over and above the OAS plus the GIS?

● (1730)

Mr. Ferguson: Mr. Speaker, I will certainly look into that. The Budget deals specifically with the guaranteed income supplement but, as the Hon. Member pointed out, there is no reference at this time to the war veterans' allowance, but I hope we will be able to make the appropriate adjustments.

When I looked at the amount of the OAS and the GIS paid out in my constituency last fall, I was quite surprised that in a community of 9,000 people, the Government was giving senior citizens something like $4.7 million per year. This is made up of the old age pension and GIS payments. Normally the rule of thumb is that one-third of the amount paid out in old age pensions is paid in guaranteed income supplements. The amount of money the Government had paid out to senior citizens and pensioners is staggering. I hope that, as we look at the GIS increases and as we examine the war veterans' allow-

ance in more detail, no means test will be associated with it.

Mr. Lewycky: Mr. Speaker, the Parliamentary Secretary talked about recovery and dwelt on the situation of farmers. The only problem I find with his presentation was that he dealt strictly with retiring farmers—it is almost pie in the sky by and by. What about those farmers who need a few crumbs on the table immediately?

The Parliamentary Secretary is aware that the Speech from the Throne promised changes to the Western Grain Stabilization Plan, but there was nothing in the Budget to indicate funds will be available to assist farmers in this area. There is nothing about energy costs either. The Hon. Member spoke about the energy program. I know he is a farmer and has been involved with agriculture in all regions of Canada. Is he aware that among the small farmers, especially in western Canada, energy has become the number one cost? If he has farmers coming into his constituency office, as I do, their books will show that in 1981 and 1982 interest was the number one cost. Would he not agree that today energy costs are the problem that farmers are facing? There was nothing in the Budget about that.

The excise tax rebate of 1.5 cents per litre is not adequate. I am sure the Hon. Member is aware that today more and more farmers are using diesel fuel instead of gasoline and they need some kind of help. Would he not agree that the Budget should contain measures that will assist farmers immediately, not just when they retire? Pie in the sky by and by is not going to help those who are on the verge of bankruptcy at the moment. I am sure the Hon. Member has been in his riding during the past week.

The Acting Speaker (Mr. Herbert): Order, please. There is a certain repetition in the Hon. Member's question. The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Ferguson).

Mr. Ferguson: Mr. Speaker, I am delighted to respond to the question. I should draw to the attention of the Hon. Member that one of the reasons there was nothing in the Budget about this was that as of February 1, 1984 the tax on natural gas and natural gas liquids was removed. Of course, the Hon. Member realizes that natural gas is the base for the manufacture of anhydrous ammonia. The federal Government feels that it has gone as far as it can in that context.

The costs associated with the production of natural gas will not be the same in Ontario as in Manitoba, I am sure, but on the equivalent of 1,000 cubic feet or one million British thermal units, about 22 per cent of the cost of natural gas goes to the producing provinces—that may vary from region to region. In Ontario there is a $1.01 transportation charge and one 15-cent ownership charge goes to the federal Government. The utility company that sells the gas makes a profit of over $2 per 1,000 cubic feet. There is not much that the federal Government can do about these costs.

I should like to draw to the attention of the Hon. Member that the Farm Credit Corporation has provided a tremendous amount of funding for farmers over the last three years. The funding has gone from roughly $500 million in 1981 to $635 million in 1982. In the 1983 fiscal year we expect the fund will be well over $700 million, and perhaps as high as $730 million. We have put a tremendous amount of effort into this. I would also ask that farmers look at the legislation available to them so that they can make an income that will give them a return on their investment commensurate with that in the rest of society.

Mr. Fisher: Mr. Speaker, I do not have a question, I have a comment. I should like to take a minute to wish my successor in this job of Parliamentary Secretary to the Minister of Finance all the best. I know him from other work in the House. I know he has a tough job, but he has a lot of ability and he has a very good boss. I am sure he will be successful.

I should also like to take the opportunity to extend my thanks to representatives of the other Parties whom I have found to be very co-operative during the past two years.

Mr. McKinnon: Mr. Speaker, I have a supplementary question for the Parliamentary Secretary to the Minister of Finance. In his closing remarks to me a few moments ago he said that he thought a staggering amount was paid out in his constituency to old age pensioners. I doubt very much if that opinion is shared by the old age pensioners.

In his closing remark he also said that the war veterans' allowance top-up would be paid without a means test. He either does not know what he is talking about or he has just announced a radical change in government policy over the years. If that is so, would he reassure us that he is serious and knows what he is talking about and that we are now going to have the war veterans' allowance without a means test?

Mr. Ferguson: Mr. Speaker, I am sorry that my remark was taken out of context. I was referring to the means test referred to by the Hon. Member for St. John's West (Mr. Crosbie). This referred only to old age pensions in the past. It was only old age pensions and has nothing to do with the war veterans' allowance.

The Acting Speaker (Mr. Herbert): The period for questions has expired. For debate I recognize the Hon. Member for Carleton-Charlotte (Mr. McCain).

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, when farmers, fishermen and foresters have to deal with a Minister of Finance from an urban area and a Parliamentary Secretary who has been absorbed in the urban sprawl—I do not mean the Hon. Member for Lambton-Middlesex (Mr. Ferguson)—we find that there is not much understanding of the primary industries in the Government's taxing policies.

In the few minutes that I have I want to dwell on the tax changes which must be made in fairness to those farmers. They do not live on the delta or in the area the Hon. Member for Lambton-Middlesex has referred to with respect to hobby

farmers and professionals coming from the city and absorbing their land. The general farmer does not live in those areas nor does he have the opportunity to sell his land to either group. Therefore, I want to give some quotations from "Tax Topics" in respect of some decisions that have been made, some of which are judicial.

● (1740)

First of all, I would like to quote the following sample case:

The taxpayer grew up on a farm and purchased a quarter section of farmland in 1969 when he got married. He also purchased eight head of cattle and a horse. During the next few years he worked several months of each year off the farm as an electrician but, at the same time, he continued to build up his herd and to engage in other farming activities. In 1981, the taxpayer began working on a deal, which was completed in 1982, to purchase six quarter sections of land and certain farm equipment.

If anyone needed proof that this man had engaged in farming in a serious way, his final purchase certainly provided that proof to any intelligent individual in Canada.

The report continues:

The taxpayer claimed farm losses for 1976 and 1977 taxation years. During each of these years, the taxpayer earned employment income in excess of $20,000. The Minister restricted the farm losses to $5,000 for each of these taxation years and the taxpayer appealed to the Tax Court of Canada. The Court found that the taxpayer was a gentleman farmer until 1981 when he made the first steps to acquire the appropriate assets for land and machinery. The Minister therefore properly restricted the farm losses in the taxation years in issue. The taxpayer's appeal was dismissed accordingly.

This is not, Mr. Speaker, an intelligent application of the meaning of the Income Tax Act by the Department of National Revenue. However, it does reflect the remarks made by both the Hon. Member for Mississauga North (Mr. Fisher) and the Hon. Member for Lambton-Middlesex who tried to defend the Government's attack on farmers who did not deserve the insult of the Department of National Revenue's interpretation of their principal occupation. I appeal to two urbanites, the Minister of Finance (Mr. Lalonde), and the former Parliamentary Secretary to that Minister, to consider the text of a release dated December 19, 1983 from the Joint Committee on Taxation of the Canadian Bar Association and The Canadian Institute of Chartered Accountants, which I will quote. It reads:

A submission of the Joint Committee on Taxation of the Canadian Institute of Chartered Accountants and the Canadian Bar Association to Revenue Canada suggests that limits on the deduction for farm losses should be repealed.

This quotation is not from a farmer. It is from the legal and accounting experts of Canada who offer this advice to the Government. The quote continues:

The limits now penalize a person who expects to make a profit through farming but who also has other income, the brief notes. Since the Income Tax Act does not restrict deduction of losses from any other business except farming, the committee does not see the justification for such a restriction in the case of farm losses. If the farm has a reasonable expectation of profit, it is a business, the losses of which should be deductible.

And after a man purchases six sections of land and is still not considered to be a serious farmer, there has to be a check made by the Minister of Finance as to why. Another recommendation reads as follows:

A fisherman making a voluntary disposition and replacement of his vessel should be entitled to the same protection as another taxpayer who disposes of and replaces "former business property". That is, any gain on the disposition should be netted against the cost of the replacement vessel rather than being taxed immediately.

The difficulty is that the "urbanites" do not understand the primary industries and their problems. I would just like to refer to one other problem in the fishing industry. When a lobster fisherman files his income tax return, it is recognized by the Department of Fisheries—and the Taxation Department has been so informed—that the minimum bait expense for a lobster fisherman is $15 a trap. Now, Mr. Speaker, when a fisherman presents his return to the present Government with its capability to interpret, he is not allowed the $15 and is often taxed retroactively, in spite of the obvious expense.

I appeal to these "urbanites" who have prepared this Budget to take a look at the country boy and give him a little proper consideration. Take the interpretation capability out of the hands of Revenue Canada and amend these sections which allow hoodlums with a quota to penalize our primary industry.

[*Translation*]

The Acting Speaker (Mr. Herbert): It being 5:45 p.m., it is my duty, pursuant to Standing Order 64.(8), to interrupt the proceedings and put forthwith every question now before the House. The question is as follows: Mr. Lalonde, seconded by Mr. Ouellet, moves:

That this House approves in general the budgetary policy of the Government.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The House divided on the motion (Mr. Lalonde), which was agreed to on the following division.

(*Division No. 20*)

YEAS

Messrs.

Allmand	Bossy	Collenette
Appolloni (Mrs.)	Breau	Comtois
Axworthy	Bujold	Corbin
Bachand	Bussières	Corriveau
Baker	Caccia	Cosgrove
Beauchamp-Niquet (Mrs.)	Campbell (Miss) (South West Nova)	Côté (Mrs.)
Bégin (Miss)	Campbell (LaSalle)	Cousineau
Berger	Campbell (Cardigan)	Cyr
Blais	Chénier	Daudlin
Blaker	Chrétien	Dawson
Bloomfield		De Bané
Bockstael		de Corneille
		Demers

Messrs.

Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapointe
(Charlevoix)
Lapointe
(Beauce)
LeBlanc
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McRae
Munro
(Hamilton East)
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Parent
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Simmons
Tardif
Tessier
Tobin
Trudeau
Turner
Veillette
Weatherhead
Whelan
Yanakis—134.

NAYS

Messrs.

Althouse
Andre
Anguish
Benjamin
Blackburn
Blaikie
Blenkarn
Cardiff
Carney (Miss)
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clarke
(Vancouver Quadra)
Coates
Cook
Crosbie
(St. John's West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Ellis
Elzinga
Epp
Forrestall
Fraser
Fretz
Friesen
Gamble
Gass
Gilchrist
Gurbin
Gustafson
Halliday
Hawkes
Heap
Hees
Hnatyshyn
Hovdebo
Huntington
Jarvis
Jelinek
Jewett (Ms.)
Keeper
Kempling
Kilgour
Knowles
Korchinski
Kristiansen
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Malone
Manly
Mazankowski
McCain
McGrath
McKenzie
McKinnon
McKnight
McMillan
Mitges
Munro
(Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Oberle
Ogle
Orlikow
Paproski
Parker
Patterson
Reid
(St. Catharines)
Robinson
(Burnaby)
Roche
St. Germain
Sargeant
Schellenberger
Scott
(Hamilton-Wentworth)
Scott
(Victoria-Haliburton)
Shields
Siddon
Skelly
Speyer
Stevens
Taylor
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Wise
Wright
Young—100.

Mr. Speaker: I declare the motion carried.

It being 6.17 p.m. this House stands adjourned until tomorrow at two o'clock in the afternoon in accordance with the provisions of Standing Order 2(1).

At 6.17 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 7, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ROAD SAFETY

CALL FOR MANDATORY USE OF SEATBELTS IN BUSES

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, the seatbelt laws now in force in most provinces apply to passenger cars, but in most cases do not apply to school buses and commercial buses. Statistics have shown that seatbelts have proven themselves in the prevention of serious accidents and many traffic deaths. However, it is disturbing to pick up a paper and read about school bus accidents that have resulted in death and serious injuries to school children that could have been prevented if seatbelts were available.

In Vancouver last month, serious injuries to ten young special-needs passengers were prevented when a school bus, equipped with seatbelts, was hit by a car and flipped over. Because of the seatbelts no one was thrown around and suffered severe injuries.

Just as vulnerable to serious injuries and death are those passengers travelling on public buses each day here in Ottawa and other municipalities. These passengers, including those standing in the buses each morning and evening, are more vulnerable to any accident that may take place, because of the absence of seatbelts. I realize that seatbelt legislation comes under provincial jurisdiction. However, I urge the federal Government to take the initiative by urging its provincial counterparts to pass legislation to make seatbelts mandatory on all school buses and on all commercial buses across Canada.

* * *

EMPLOYMENT

DISTRIBUTION OF JOB-CREATION FUNDS

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, before the House rose for a one-week break, and again this week, Opposition Members were wailing about job grants on a "you got more than we got" basis. My riding of Parkdale-High Park was named by the Toronto *Star* on February 10 as the top money-receiving constituency in Metro Toronto. I am proud of that record because it meant more jobs for unemployed Canadians.

Who really got job-creation grants? Are the grants the property of MP's or ridings, or are they grants to assist unemployed Canadians in a region? The point of the Opposition's protest could be understandable if the funds were going into the pockets of MP's. They are not. The funds are going to community and municipal groups. These groups or municipalities, in putting forward projects, think in the context of their communities, not that of federal ridings. People provided with employment opportunities as a result of job-creation grants are not hired on the basis of Party affiliation or even what riding they live in.

This Government recognizes that people want jobs. Are the Opposition Members trying to tell them they should not have a job because a Liberal MP was on the ball and obtained a grant, while they played "poor me" politics? Maybe the Opposition should be thinking more about employment opportunities afforded by this Government to unemployed workers on the basis of need, not their residency location or political affiliation, rather than thinking of what MP got what.

The Opposition would have a scandal if they could give a concrete example of, say, a worker from a neighbouring riding such as Etobicoke Centre being rejected because he or she is not in the riding of—

Mr. Speaker: Order. Unfortunately, the Hon. Member's time has expired.

* * *

CROWN CORPORATIONS

GRANTS TO CANADAIR AND DE HAVILLAND

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, yesterday it was reported that another $550 million of taxpayers' money has been jettisoned into Canadair and de Havilland. The magnitude of that dollar amount is beyond the comprehension of most Canadians, especially to the two million unemployed.

I am sure the workers of de Havilland and Canadair are worried about mismanagement, the lack of controls, and the lack of accountability, because this could lead to their unemployment as well. These Government bailouts are like trying to fill a bottomless pit.

There is an alarming, growing trend in this country—Maislin, Dome, de Havilland, and Canadair. This is the list of financial disasters and failures that the Government opposite has seen fit to prop up with Canadian tax dollars. The

Government has gone wild with our tax dollars. It destroys small business and jobs, with taxation and regulation. It threatens to destroy the very fibre of our economic base with its lack of accountability and total disregard for managing the Government's purse strings.

Mr. Speaker: Order.

* * *

● (1410)

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—SOCIAL SECURITY POLICIES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, oh, the high priest of all things mean, tough, and nasty, the Hon. Member for St. John's West (Mr. Crosbie), finance critic for the Conservative Party, recently announced his Party's policy on family allowances and old age pensions. The Conservatives would go back to the days of means tested benefits, forcing senior citizens and poor women to suffer the indignity of detailed examination of all of their income and assets, by snooping public servants.

The CCF and NDP, and in particular pioneers such as the Hon. Member for Winnipeg North Centre (Mr. Knowles) and J. S. Woodsworth, fought long and hard for decent pensions and family allowances. We have called, for example, for an immediate 25 per cent increase in universal old age pensions and increases in the GIS to bring poor, elderly Canadians, a high proportion of whom are women, above the poverty line.

Given the new Conservative policy as announced by the Conservative finance critic, it is no wonder that Maureen McTeer recently said:

> Because of the type of people who supported the present leader, there is a nervousness . . . there is a tendency . . . to think the Party is moving backwards.

Under the mean, tough, and nasty hand of the Hon. Member for St. John's West and his Conservative colleagues, women and senior citizens will be the first victims. Burnaby women and seniors, beware!

* * *

EMPLOYMENT

RE-EDUCATION PLAN TO COPE WITH TECHNOLOGICAL CHANGE

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, a national advisory panel to the Minister of Employment and Immigration (Mr. Roberts) has developed a 10-year plan designed to help re-educate our nation in order to cope with technological change. The plan calls for the Government to take immediate action to implement programs to reduce illiteracy among Canadians, and to create programs to cope with growing job obsolescence.

The proposed scheme would provide employees with time off to take courses which would improve their skills or retrain them for other jobs. Employees would earn the time off as they now earn vacation pay or sick leave. A tax credit for employers participating in the program would mean that public funds could be used to help workers retrain. At the same time this would help relieve the unemployment rate by paying for unemployed workers to be hired on a fill-in basis. I urge the Government to give considerable priority to this proposal as it offers a progressive model for the lifelong learning process which I believe would benefit the Canadian work force.

* * *

AGRICULTURE

WESTERN GRAIN STABILIZATION ACT—DEMAND FOR AMENDMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Liberal Government is again betraying the western farmer. The Liberal Minister, when introducing the Western Grain Stabilization Act, told western producers that the fund would provide a cash flow in times of need. In 1982 western grain farmers suffered a loss of income, and they suffered another loss in 1983. Last year 154 prairie farms went bankrupt, with hundreds more on the verge of bankruptcy.

The complicated formula used in the Act covers too large an area and provides for a payout in the fifth year. This could be changed by the House in 10 minutes if the Government would bring in the Bill as it promised to do in the last Speech from the Throne. The stabilized fund now contains over $900 million, and the farmers need the money now. Their cash flow has seldom been worse. This hoarding of the farmers' money is aggravating and, worse still, the farmers are not even permitted to opt out and get their own money back.

Progressive Conservative Members of the House have urged the Government for months to provide a payout, but the Liberals have consistently refused. The Government has locked the farmers into the Act, refuses to let them opt out, and refuses to provide a payout. It almost seems as if the Government wants western farmers to go bankrupt.

The frustration and dissatisfaction of our farmers are so great that hundreds would opt out now if they could. I ask the Government to bring in the Western Grain Stabilization Act for amendment forthwith, and provide for a payout now. Yes, now!

* * *

[*Translation*]

BILINGUALISM

POSITION OF LEADER OF THE OPPOSITION

Mr. Pierre Gimaïel (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I am rising to speak in the House today because, after spending a week in my riding, I found that one of the major concerns of the people of Lac-Saint-Jean, a riding that is one of the Francophone

bastions of Canada, is what is happening in Manitoba, especially with respect to French language rights outside Quebec.

The point I wish to make, Mr. Speaker, is that it is high time the Leader of the Opposition clarified his Party's position once and for all. The Liberal Party of Canada which, over the years, has welcomed Canadians whatever their language, culture or race, is now asking the other major Party in the House, which claims to be the Party that might take over from the present Government, to do likewise. I wish they would stop telling Quebecers that their Party is open to the French fact and to official policies on bilingualism, because it is the same Party that convinced Manitobans their rights would be endangered if they were to give rights to Francophones! What the Conservatives of Manitoba have done is politically unacceptable, Mr. Speaker. The Leader of the Party should say so. He should discipline future candidates in his Party who supported the Provincial Conservatives in Manitoba, as well as members of his Party who, in the past, have taken a stand against this country's policies on bilingualism. If this is not done, Mr. Speaker, their Leader will have shown that he is not a man capable of holding the office of Prime Minister of Canada nor of leading his Party.

Some Hon. Members: Hear, hear!

* * *

● (1415)

[*English*]

THE LATE C. J. MACKENZIE

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I rise today to pay belated respect to a great Canadian who passed away last week when the House was not sitting. C. J. Mackenzie enjoyed a long life—he was on this earth for 95 years. Yet when one reviews his numerous accomplishments, it is hard to believe that one person could have done so much in such a short time. He was one of the greatest forces in Canadian science. He was, among other things, the head of Atomic Energy of Canada Limited in its infant years, and later the President of the Atomic Energy Control Board. But Chalmers Jack Mackenzie will be most remembered as the head of the National Research Council during World War II and the late 1940s.

It was during this period that the NRC, and Canada in general, established an expertise in scientific research that brought our country a world-wide reputation and a range of economic and non-economic benefits that Canadians enjoy today and will for decades to come.

Canada owes a great deal to C. J. Mackenzie. It is only fitting that this House commend his memory today.

EXTERNAL AID

MINISTER'S STATEMENT ON UNITED STATES FOOD PROGRAM

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, mankind has wrestled for centuries and aeons with the problem of matching food production with consumption and with world population. Yesterday at the United Nations the Minister of Agriculture (Mr. Whelan) dealt with that difficult problem to some extent, but in a way uncharacteristic of him. A good part of his remarks criticized the United States for its "payment in kind" program through which it has attempted to reduce the overburdening surpluses of feed grain and wheat in the American market, which were overhanging the rest of the world. The Minister labelled this an unchristian kind of approach.

I urge the Minister to rethink his attitude. Is he saying that the response of Third World countries to the crisis by reducing their birth rate is unchristian, that it is not the Moslem or Buddhist response? This is the only way that the United States has, with its system, of attacking that particular surplus problem.

Did the Minister describe the Canadian answer to surplus production through the handling of dairy production, eggs or poultry, as unchristian? No. he did not, but it is definitely controlled production. I think it is not the role of Canada to criticize other countries for applying a different system.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

OFFICIAL'S THREAT TO BUSINESSMAN—MANAGEMENT OF KITCHENER OFFICE

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the Minister of National Revenue. Yesterday in Kitchener a tape was played on which a tax collector, referring to a businessman, said:

> I want to see you in our office by noon tomorrow; otherwise we'll put you out of business.

This was confirmed by the head of the Kitchener tax office. The Kitchener tax office supervisor said that it was just one of those stupid things and the employee was reprimanded.

Evidence was heard, finally, regarding the collection process in Kitchener, as follows:

> —that this office has been far too soft in its collections approach and you haven't had any seizures in here and we're going to get some—that's where the real fun of collections is.

These are very, very serious allegations, Mr. Speaker. What steps have been taken to correct them?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, with respect to the first part of the question of the

Hon. Member, I want to tell him and the House that such conduct by an employee of the Department is totally improper and, as the Hon. Member has acknowledged, the man was reprimanded.

On the second point, I think it is important that we have effective collection action in the Department when money is owed to it. With respect to the more general problem of management in the district office, that problem has been dealt with.

Mr. Speyer: Mr. Speaker, I find the Minister's answer to be totally unsatisfactory. The part that concerns Members of the House on all sides, I think, is the comment "that's where the real fun of collection is", with reference to making seizures. That is the concern of Members on this side.

SEIZURE OF TAXPAYERS' GOODS

Mr. Chris Speyer (Cambridge): Mr. Speaker, does the Minister put responsibility on a person who is the head of collection services in Kitchener, who is saying that it is fun to seize the goods of other Canadians? Does he allow this to happen?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I think the Hon. Member maliciously refused to listen to my answer. I clearly informed him that such attitudes were not acceptable, that it was not the philosophy of this Government nor that of the Department, and that corrective action had been taken.

● (1420)

[*English*]

STATEMENT ATTRIBUTED TO COLLECTION HEAD IN KITCHENER OFFICE

Mr. Chris Speyer (Cambridge): Mr. Speaker, I ask the Minister what action has been taken with respect to the head of collections in the Kitcherner office who gave instructions to her employees that it would be fun to make seizures of taxpayers' goods. What corrective action has been taken with respect to her, the head of collections?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I informed the Hon. Member that such actions were not departmental policy. All employees, managers, and department heads in the Department are regularly informed of any unacceptable practices that may have occurred, and they have very specific guidelines on how they should deal with taxpayers.

[*English*]

JUDGE'S CRITICISM OF SEARCH CONDUCTED BY DEPARTMENTAL OFFICIALS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, as the Progressive Conservative task force crosses the country, more and more horror stories are being discovered. I would like to tell the Minister with respect to this matter that when the excuse is given that each of these malfeasant actions constitutes isolated instances, and we have hundreds and hundreds of isolated instances, it becomes a pattern of conduct.

I want to refer the Minister to a case in Saskatchewan where Judge Linton Smith was severely critical of the tactics of Revenue Canada with respect to a Canadian of Chinese descent in the case of the Queen versus Den Chow. The judge indicated that the search by the Department was unreasonable and illegal, that Mr. Chow had been browbeaten and tormented, that his home was taken over, and his privacy totally invaded by departmental officials. He was threatened with prosecution for drugs when they found innocent medications. There was evidence of malicious actions which were contemptuous of the dignity and privacy of a private citizen. Those were the findings of a judge.

Would the Minister tell the House what he is doing to prevent the employees of his Department from engaging in these kinds of activities? Is he going to wait until all of these investigations are complete? Why does he not take action now?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I did not wait for comments from Opposition Members before taking action within my Department. I would like to point out to the Hon. Member that whenever a case is brought to my attention, either by Members of this House or by taxpayers who get in touch with me in my capacity as Minister, I examine and review each case, and if there has been unacceptable behaviour on the part of employees of our Department, we apologize, both the individuals responsible and myself as Minister, to the people concerned. I can inform the Hon. Member that we regularly issue reminders of our policies on the attitudes people in our Department should have in dealing with taxpayers.

[*English*]

INSTRUCTIONS GIVEN NOT TO CO-OPERATE WITH PROGRESSIVE CONSERVATIVE TASK FORCE

Hon. Ray Hnatyshyn (Saskatoon West): Then, Mr. Speaker, will the Minister explain to me why he, on February 23, issued a directive to all regional offices instructing all employees of these offices not to co-operate with the Progressive Conservative task force which is crossing the country so that, for a change, we can hear what the people want to tell the Government of this country? Why has he sent out this directive prohibiting employees from co-operating with our

task force? Is this his idea of trying to deal with the serious allegations against his Department?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the answer I gave the Chairman of the Progressive Conservative Task Force that is now travelling around the country, was given in the light of the rules and guidelines that ought to govern the work of parliamentarians. The Progressive Conservative Task Force and the Progressive Conservative Members themselves have decided to play politics with a matter as serious as the Income Tax Act and its administration. This is an obvious sign of their irresponsibility, and I refuse to play their little game.

* * *

[*English*]

STATUS OF WOMEN

EFFECT OF TECHNOLOGICAL CHANGE ON WOMEN'S EMPLOYMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister responsible for the status of women. The Minister knows, I am sure, that unemployment among women is estimated to rise to something in the order of 35 per cent by the year 1990, as a result of technological change. I am sure the Minister is also aware that there is estimated to be a loss of something like one and a half million jobs by the year 1990 as a result of this same technological change, and that most of those who will lose employment opportunities are women. In view of this problem, can the Minister explain why, given that 1990 is only six years away, there was not one single program in the most recent Budget of the Minister of Finance dealing with the question of job loss for women between now and the year 1990?

● (1425)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I find it rather unusual that the Hon. Member takes this new-found interest in women, but I welcome it. I also would like him to know that the figures he is bandying about are really guesstimates. There is no really true number out there. No one really knows. The fact of the matter is that as women we are going to be profoundly affected by technological change and we must be prepared for it. There is no new funding in the Budget because there is already a tremendous amount of funding in place. I suggest the Hon. Member familiarize himself with government programs which address the problems of women.

OUTREACH PROGRAM FUNDING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am familiar with the programs, as are many other people, particularly the women affected. Surely the Minister knows, having looked at the most recent statements of the Minister of Finance and others, that the programs beneficial to women have been cut by something like $2.4 million, and there will be a net loss of 25,000 job placements for women as a result of cuts in the Outreach Program. In March of 1983 the Minister of Employment released a study of the Outreach Program in which it was stated, as a primary recommendation, that the Government should affirm the legitimacy of the program and make it a part of the permanent national employment system, and that there should be a commitment made for long-term funding.

How does the Minister square her so called interest in providing employment for women who are, as she admits, going to lose their employment opportunities during the course of the next six years as a result of technological change taking place, with the fact that there has been a cut in the money to be spent under the Outreach Program, and no additional funds provided under any other program to try to provide employment opportunities or even training for those women?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Again, Mr. Speaker, I have to state once more that the Hon. Member is obviously out of touch. There has not been a cut in Outreach Program funding. Indeed, we have solidified the Outreach Program. I suggest he update his facts.

PARTICIPATION OF WOMEN IN EMPLOYMENT CREATION PROGRAMS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Minister suggesting there was no $2.4 million cut? Is she suggesting for one moment that that will not result in 25,000 jobs being lost to women who otherwise would have been employed? On November 1, 1983, the Minister of Employment stated that employment among women was not a priority. He went on to say that the numbers of women who participate in government job-creation programs was way below their proportion in the labour force. That condition continues today.

Does the Minister think it reasonable that women, who make up 52 per cent of the population, and 42 per cent of the labour force, should have been employed in only 31 per cent of the Canada Works projects and only 20 per cent of the NEED Programs? Will the Minister take steps to guarantee that half of the $150 million allocated for Canadian youth will be directed to employment opportunities for young women?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): I am delighted the Hon. Member has made reference to the youth programs because it is in this particular category that the participation of females is particularly high; it approaches the 50 per cent rate. We do take measures in our job-creation projects to ensure women are hired. However, the Member does play fast and loose with figures. The facts are that the male unemployment rate has risen much faster than the female unemployment rate, and therefore it is logical that there would be more males employed in job-creation projects.

However, I assure the Hon. Member that I am concerned about the number of jobs available to women and I am working very closely with the Minister of Employment and Immigration to make sure that affirmative actions are in place in those job-creation projects.

* * *

• (1430)

CROWN CORPORATIONS

CANADAIR AND DE HAVILLAND—LONG TERM VIABILITY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is for the Prime Minister. Canadians are shocked at the continuing drain on the public purse to bail out de Havilland and Canadair. The most recent figures bring the losses to some $2 billion between the two companies. The bailouts total $1.25 billion. Many employees of de Havilland and suppliers to de Havilland are very concerned about the continuing viability of the company. they are worried by the continued evidence of mismanagement and continuing weakness of those companies. They are concerned that the brave words of last year just are not being translated into action.

Can the Prime Minister give these people any assurance that there are some plans to assure the long term viability of these companies so they can look at these sources of employment from a long term point of view?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Hon. Member is asking me to say there are long term plans for the viability of those plants. I am happy to see that he and his Party are now supporting those enterprises. I remember a few months ago his colleagues, and I believe he himself, were suggesting it was scandalous that we were keeping those plants open. Now he is saying we must have long term plans in order to keep them open. That is what the management is presently engaged in doing. The Hon. Member will realize that the payments in the Supplementary Estimates are payments of debts. They are not enough to keep the plants open forever. We will have to come before Parliament with long term plans if indeed those plants are to be kept open.

What does the Hon. Member want—long term plans without any money at all from the federal Government? I do not know what he is suggesting, Mr. Speaker. It is obvious that these plants, which were in the private sector, were very heavily in debt. That is why the private sector wanted to dump them. They wanted to dump them, Mr. Speaker. The Hon. Member should realize the truth. The Government was not in the market for aeronautic industries. These plants were going to be closed by the private sector. In order to keep this technology alive in Canada we rescued them. We would like nothing more than to be able to give them back to the private sector. Those are the facts that the Hon. Member should realize.

Mr. Wilson: Mr. Speaker, when I raised this matter before, I said it was scandalous the Government kept pumping money in without providing the attention and management to solve the problem. That is what I was criticizing. The Prime Minister must realize there are suppliers and employees of these companies in Toronto and Montreal who are very worried that these companies will be closed down by the Government because it simply cannot afford to keep them open.

BUSINESS PLAN FOR CORPORATIONS

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my supplementary question is for the President of the Treasury Board. Is there a business plan in place whereby the Government can assure these workers and suppliers there is a long term future for de Havilland and Canadair? Can he also tell the House that when he approved this latest amount of $550 million he reviewed those plans personally to assure himself that there was a long term proposal for the companies?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, this additional expenditure being proposed to Parliament was reviewed, not only by myself but by Cabinet as a whole. The Minister responsible for the Canada Development Investment Corporation, the Senator in the other place, will be appearing before the appropriate committee to defend this Supplementary Estimate. At that time he will be in a position to go into detail about the plans in question.

I welcome what my hon. friend now seems to be saying about his and his Party's willingness to make sure those companies continue to operate assuring the existence of the jobs. What a conversion, Mr. Speaker. St. Paul on the road to Damascus has nothing on my hon. friend.

* * *

[*Translation*]

CROWN CORPORATIONS

REQUEST FOR FINANCIAL AID FOR AIRCRAFT COMPANIES

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is also directed to the President of the Treasury Board and concerns a request by the two aircraft companies for a total of $500 million. Senator Austin has said he would be able to submit a full report on the financial restructuring of this company by the end of March. In that case, it would seem reasonable to ask Parliament to appropriate $500 million at some other time. Can the Minister give the House the assurance that he will wait until the report is submitted, which Senator Austin said he would do, before requesting $500 million for these two companies, since Canadians are not concerned about how important it is to keep this industry alive in Canada, but about the manner in which it has been managed during the past two years. In the circumstances, can the Minister give the House the assurance that the Government's request for $500 million to give the two companies a financial boost will not be made until the report on future plans is known to the general public?

Mr. Lalonde: The Conservatives wanted to close down Canadair!

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, according to my information, Senator Austin intends to appear before the Committee with the promised information. It would therefore be more appropriate if the Hon. Member would ask for the information at that time. I am interested in what the Hon. Member has to say, because I feel his comments differ from what the Hon. Member for Etobicoke said a few weeks ago. I am also very pleased to have his support for Canadair and to receive advice from the Opposition.

Mr. Lalonde: They wanted to close down Canadair!

REQUEST THAT MINISTER PROVIDE FINANCIAL UNDERTAKING

Hon. Roch La Salle (Joliette): Mr. Speaker, I want to thank the Minister for being so pleased to hear us today, but my question is: Can the Minister give the House the assurance that no supplementary funding will be granted the companies before a report or recommendations by Senator Austin regarding long term projects is tabled? We want this industry to be viable. We want it to be profitable, now more than ever before. However, we want to know and Canadians want to know, before re-investing $500 million, what the exact plans are for these two companies, and if those plans are reasonable, you can count on our co-operation.

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, as I said before, Senator Austin intends to appear before a number of committees to give the information being sought by the Hon. Member. If Hon. Members are not satisfied with the information, they have the option of not approving the requested appropriations, but I am sure there will be sufficient information to convince even the Hon. Member that the jobs in these two companies are important to this country.

* * *

[*English*]

STATUS OF WOMEN

LOAN PLAN ASSISTANCE FOR PART-TIME STUDENTS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Minister responsible for the status of women and concerns the problems faced by women in the post-secondary educational system. The problems are particularly severe for women who are part-time students, whose numbers increased by a startling 250 per cent over the last decade. Most women attending post-secondary institutions on a part-time basis are doing so because full-time studies are not accessible to them.

Does the Minister know that the federal loan system to part-time students discriminates very sharply against part-timers, most of whom are women? Has she done, or will she do, anything to ensure that the federal loan plan is amended immediately so that they will be treated as fairly as are full-time students?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is a problem which I have discussed with the responsible Minister. I must clarify that it discriminates against part-time students, not specifically against women, though women are the unfortunate recipients. It is something which requires some consideration.

I congratulate Hon. Members opposite for bringing up the subject of women today on the eve of International Women's Day. It is refreshing to have the subject discussed in the House.

Mr. Deans: We are always bringing it up. It is time you listened.

REPAYMENT REGULATIONS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Minister does not seem to be aware of the fact that women constitute the bulk of the part-time student population. Is she aware of the fact that the part-timers must start repaying their loans immediately, that there is no moratorium on interest, and that they do not get the $50 allocation for books? Is she aware of the discrimination in the Student Loan Act? What is she going to do about it?

• (1440)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am painfully aware of that fact, as my sister suffers under those consequences. I reiterate that my concern is her concern, and it is something that I believe we should do something about. But again, I state very clearly that the law is not there to discriminate specifically against women. It does discriminate against part-time students, and unfortunately women are the ones who suffer most. But 'twas ever thus in our society.

* * *

NATIONAL DEFENCE

CONTRACT FOR PURCHASE OF RIFLES

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, my question is directed to the Minister of National Defence. On February 7 the Minister announced a contract for the purchase of 81,000 new rifles for the Canadian Armed Forces. At the time he stated to the press that he hoped this would help the re-election of the Member for Kitchener and other Liberal

Members. I think we now understand why he made that statement.

It turns out that these rifles are costing the Canadian taxpayer $1,314 each, while the U.S. Army, for approximately the same number of identical rifles, is paying $660 per rifle. That is nearly half.

Can the Minister possibly explain how he could sign a contract that results in Canadian taxpayers paying twice as much in Canadian funds as the U.S. Army for an identical rifle?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I am very pleased that the hon. gentleman is paying attention to what is happening in the Department, especially when we are dealing with something as important as the replacement of the small arms presently used by the Canadian Forces.

I might point out to the hon. gentleman that he has indeed made the mistake that was made by the journalist who wrote that story, namely, simply to do a division of the number of rifles into the total price of the contract. What the hon. gentleman does not know is that the contract price includes the amounts that have been invested in Diemaco in order to set up a Canadian source for small arms. The company is receiving $15 million to be able to provide a source of small arms in Canada for an indefinite period in the future. In addition to that, the amount of the contract involves the payment of a licensing fee to Colt. That fee is paid, of course, to secure for Canada the licensing of the technology in order to ensure that Canada has a source of the best small arms available in the international arena and that we are also able, as a result of the transfer of that technology, to go into the international arena and market that particular rifle with our allies if we are able to compete with other suppliers.

I might point out that, as a result of the expenditure of public funds, we are also creating over 1,900 jobs in Canada. I am sure that the Canadian people, including the Member for Kitchener, are appreciative of that.

Mr. Andre: I wonder how the Minister will compete internationally with a rifle that costs twice as much to make in Canada as in the United States. Aside from that, the Minister has his figures wrong. It is 1,900 man-years, or 150 jobs, which works out to $355,000 per job. On the surface of it, it would be cheaper to buy the rifles from the same place that the U.S. Army is buying them—

Some Hon. Members: Oh, oh!

Mr. Andre: —and to give 150 Canadians a quarter of a million dollars each, and we would still be money ahead.

REQUEST THAT MINISTER TABLE CONTRACT

Mr. Harvie Andre (Calgary Centre): Mr. Speaker, given that this contract was not a result of competitive bidding, and given that it is an outrageous figure to be paying for rifles when the Americans pay half the price, would the Minister table that contract and table the background studies? Would he give some substance to this vague contention of his that somehow it makes economic sense to pay twice as much for rifles for our Army as for the U.S. Army? Can he table the documents to back up his contention because, frankly, his credibility and that of his colleagues is in doubt with the Canadian taxpayers?

Hon. J-J. Blais (Minister of National Defence): Mr. Speaker, I am surprised that the hon. gentleman is asking the question because, if he had seen what we have been doing in terms of military procurement in the recent past, he would have seen that we have concentrated on the creation of jobs in Canada. When I hear the Opposition saying on an ongoing basis that we should spend more on defence, are they saying that we should be exporting more dollars into the United States in order to purchase armaments in the United States to the detriment of the creation of Canadian jobs?

Additionally, the hon. gentleman is wrong when he says that this procurement was not done on a competitive basis. We identified two finalists, the Belgians and the M-16 technology, we created the competitive environment, and we made a selection. After selecting the Diemaco company and the Colt technology, we went on and negotiated with Diemaco. The deal which we made is one that is good for the Canadian Forces and for the creation of jobs in Canada.

REQUEST THAT MINISTER TABLE BACKGROUND DOCUMENTS

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, will the Minister of National Defence table the contract, and table the background documents?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I am pleased to hear the representations of the right hon. gentleman and I will give them due consideration.

PROPOSAL TO BUILD HOSPITAL AT CFB ESQUIMALT

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is also directed to the Minister of National Defence. On February 24 the Minister announced the construction of a new hospital and dental clinic at Canadian Forces Base Esquimalt. Construction is to be completed by mid 1985. Could the Minister explain to members of the House why this item did not appear in Supplementary Estimates or the Main Estimates which were tabled here three weeks ago?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, it is because the expenditures had been forecast. Indeed it is a highly technical question. I would be pleased to take notice of it, review it, and provide the hon. gentleman with additional details if such are required.

Mr. McKinnon: Incidentally, this item appeared in the 1981-82 Estimates at a cost of $6.4 million. Since then it has gone up to $11.8 million, an increase of 84 per cent over $5 million, on a relatively small contract.

OMISSION FROM ESTIMATES

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I am curious to know why it is not mentioned in the Supplementaries or in the Main Estimates. Otherwise, could the Minister assure the House that there is not now a large number of similar Treasury Board agreements that may or may not be mentioned in the Estimates? The Estimates have now gone for consideration by the committee and I am questioning whether we can believe that what is in the Estimates actually represents the spending of the Department of National Defence, or is this just some kind of giant make work project for MPs serving on the standing committee?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I thought the hon. gentleman was rising to commend me for spending money in his province and his general area. The hospital was announced for the riding of Victoria.

An Hon. Member: Esquimalt.

Mr. Blais: It is in Victoria, it is Esquimalt, and it is in his area. Undoubtedly the hon. gentleman from Esquimalt-Saanich is very pleased about this amount being spent within his riding.

In terms of the specifics, as to whether it is in the 1981-82 Estimates or the 1983-84 Estimates, I will be before the committee, if not next week, the week after, and I would be very pleased to discuss the whole matter in detail with the hon. gentleman.

* * *

ABORIGINAL RIGHTS

ROLE OF NATIVE LIBERAL CAUCUS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I wanted to ask a question of the Minister responsible for the Status of Women, but while I am waiting for her return I will direct a question to the Prime Minister. Yesterday, two days before the constitutional conference opens, the Prime Minister said that the Cabinet had not yet made up its mind on whether it would advocate entrenchment of aboriginal rights in the Constitution.

I have a letter today from a Mr. Tom Pelletier inviting members of the Native Liberal Caucus to meet with government Members to discuss constitutional issues and to advise the Government on them. The letter places all of this in the context of campaign readiness for the next election.

Why is the Government dealing with the aboriginal peoples and constitutional questions on a partisan basis, when the aboriginal peoples have recognized leaders to speak for them? What advice does the Government expect to get from the Native Liberal Caucus that it could not receive from more representative leaders?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not recall having met this Mr. Pelletier personally, but from what the Hon. Member quotes in his letter, I see nothing offensive in it. If he is a Liberal who is trying to get Liberals to move in the direction that the Hon. Member suggests, I cannot see how he would be objecting to that either.

* * *

INDIAN AFFAIRS

DISCRIMINATION IN INDIAN ACT AGAINST WOMEN

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would like to direct my supplementary question to the Hon. Minister of Indian Affairs and Northern Development. Yesterday, in response to my question about Indian Act discrimination against Indian women, the Prime Minister said that this had been ended by the Charter of Rights. Since Indian women still lose their status when they marry non Indians, does the Minister agree with the Prime Minister that discrimination has been abolished, or will he try to educate the Prime Minister on this important issue? Will he bring in a Bill that will end this discrimination?

• (1450)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, I want to tell the Hon. Member how much I appreciate his statement about support for such a Bill. I assume he is committing his Party to it. I know the Prime Minister is supportive of a Bill of this nature. I have had a chance to discuss it with the Prime Minister and with my colleagues. I will be talking about this initiative which the Hon. Member outlined, with the Indian leadership during the course of the next few days.

* * *

AGRICULTURE

INCREASE IN FARM BANKRUPTCIES

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my question is directed to the Minister of Finance. If we are to judge him

from his most recent Budget, it would appear that he believes the Canadian agricultural economy is sound. Does he understand that in the last four years since the Liberal Government came into power, agricultural bankruptcies have increased over 400 per cent and, more disturbingly, that in January, 1984, farm bankruptcies had increased over 60 per cent year over year? Is he aware of these facts? If so, why did he not take them into consideration in his last Budget?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have seen those figures. If the Hon. Member looks at the percentage of bankruptcies in the farming sector compared with those in the industrial sector, for instance, he will find that the agricultural economy has performed remarkably well under difficult circumstances. As far as possible measures are concerned, the Hon. Member knows that there is a Bill before the House which was introduced by my current Parliamentary Secretary, as well as one which was introduced by the Government under the Bankruptcy Act, which would help farmers. I hope this Bill receives early and complete consideration by the opposition Parties.

PLIGHT OF FARMERS WITH HIGH INTEREST RATE LOANS

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, my supplementary question is directed to the same Minister. I know he will be aware, despite his protestations, that those figures represent only the tip of the iceberg and that general farm economy indicators show that there are serious problems, problems which will spread across the country and create havoc in the agricultural industry unless the Government responds.

Is the Minister aware that there are over 8,000 Canadian farmers locked into loans with interest rates up to 16.75 per cent, with the Farm Credit Corporation? Is he taking into consideration with his colleagues some relief measures for these people who are locked into these high interest rates, people who were given a program by the Government for relief of up to 4 per cent and are now, after having been considered to be in distress, faced again with high interest rates of 16.75 per cent? Is he prepared to do anything to help them?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I think the Conservatives could be helpful by supporting the Bill under the Bankruptcy Act which is before the committee and getting it back into the House and passed soon. In addition, the Hon. Member will remember that we introduced measures to help farmers in difficulty, and that several tens of millions of dollars have been used for that particular purpose.

WESTERN GRAIN STABILIZATION FUND

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of Transport. He will know that there is now nearly $1 billion in the Western Grain Stabilization Fund and that there is some concern with regard to the operation of the Fund. Is the Minister satisfied with the present formula for payout of moneys from the Western Grain Stabilization Fund? Bearing in mind that a study is under way at the present time, could he indicate to us how soon some amendments might be introduced, and what form those amendments might take?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I think the Hon. Member knows that in an exchange in the House before Christmas I expressed the same concern as he did, that the present operation of the Fund does not allow an effective payout during a time when there has been a reduction in farm income. As a result of that, my colleague, the Minister of State for the Canadian Wheat Board, is presently working on a number of proposals which should be considered by Cabinet in a very short period of time. We hope they will relieve the present situation.

INFLATION FACTOR

Mr. Arnold Malone (Crowfoot): Mr. Speaker, does the Minister anticipate a short period of time? Would it be before the start of the next crop year? In making any changes to the Western Grain Stabilization Fund, would he consider the inflation factor and increases in production which come about either by the opening of new lands or by an increase of efficiency on the part of farm producers?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I think the Hon. Member has presented two very important considerations which will be taken into account during that examination. I cannot give him a precise period of time in which the changes might be made. It all depends upon agenda and timing. However, I can tell him that we consider it to be a very serious matter and one to which we are paying close attention.

* * *

FISHERIES

ATLANTIC SALMON STOCKS—QUOTA ALLOCATED TO GREENLAND

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I had a question for the Minister of Fisheries and Oceans, but I do not know whether he has left the House or has gone fishing. I guess he has gone fishing. Oh, here he is!

An Hon. Member: Holy mackerel!

Mr. Nielsen: My cod!

Mr. Crouse: The Minister is aware from his own statements that our Atlantic salmon stocks have been seriously decimated. We learned only yesterday in committee that the Greenlanders

have caught something like 600 tons of salmon out of a quota of 1,200 tons. At three pounds per salmon, this works out to something like 441,000 salmon. What plans, if any, is the Minister making to reduce not only this quota but the interception and massive slaughter by Greenlanders of Canadian salmon?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member has brought a very important issue to the attention of the House. As he noted, Greenland catches salmon, half of which originates in Canadian waters and half in Europe. I think he would agree with me that the only sensible way of approaching that problem is for there to be a joint effort by Canada and Europe to try to get Greenland to reduce its fishing of the salmon resource.

REQUEST THAT MINISTER NEGOTIATE WITH GREENLAND FISHING INDUSTRY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, as the Minister has stated, some of the salmon caught by Greenlanders originates in Europe, and some in Canadian waters. However, there is a different fishing season for European salmon as opposed to Canadian salmon.

Has he given any thought to meeting with representatives of the Greenland fishing industry in the hope of convincing them to rearrange their salmon fishing season so that more European salmon are caught, as opposed to catching Canadian salmon carrying a Canadian passport, before the day arrives when we have absolutely no salmon industry left for Canadians?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, the information of the Hon. Member does not coincide with mine. My information is that it would be very difficult to make a distinction between European stock and Canadian stock. Perhaps the Hon. Member would suggest that we offer Greenland some fishing allocations off the Scotian shelf in return for reducing its salmon fishing. Perhaps that is one thing upon which the Hon. Member could reflect.

* * *

NATIONAL REVENUE

INCLUSION OF TIPS IN TAXABLE INCOME

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of National Revenue. By now I hope he will be aware of the two waitresses who were reported in the *Winnipeg Free Press* to have been driven into bankruptcy by the actions of his Department and the retroactive inclusion of tips in taxable incomes. Could the Minister indicate at this time whether he will do anything about that policy? When will his Department start to pick on people its own size, go after some of the big boys who are not paying taxes when they should be, and leave waitresses and other low-income Canadians alone?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, should the Hon. Member take time to ponder over his allegation, he will realize that it is totally irresponsible. He seems to think that a group of taxpayers does not pay enough income tax, but that does not justify him saying that other taxpayers ought to be relived of their responsibility to pay their taxes. I would urge him not only to read the Income Tax Act but also to examine the standard returns sent to taxpayers on which it is clearly indicated that all income must be declared, whatever the source. Unfortunately, some people disregard that basic principle from which the fairness of our income tax legislation stems. Naturally, after those people have had their returns audited, they may be forced to pay penalties and additional taxes as well. I am convinced that the Hon. Member is not suggesting in any way that the Minister of National Revenue should arbitrarily dispense any group of citizens whatever from their obligations under the Income Tax Act.

* * *

● (1500)

[*English*]

WESTERN GRAIN TRANSPORTATION ACT

EFFECT ON TRUCKING INDUSTRY

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I would like to address a question to the Minister of Transport. The Minister will know that, with the application of the new Western Grain Transportation Act, a serious dislocation has been caused in the trucking industry, particularly in British Columbia. It has created some problems with regard to producers who rely on the movement of specialty crops, all as a result of the method of payment. What action is the Minister prepared to take to correct this problem, which is not only having a very serious impact upon the trucking industry but also a serious impact upon the producers who have relied upon the trucking industry to move these specialty crops?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I thank the Hon. Member for drawing this problem to the attention of the House. It has also been brought to my attention. I believe it is serious. It demonstrates that there are some anomalies in the workings of the Act, particularly as they affect trucking firms which are supplying service from the West Coast. The new Grain Agency Administrator has authority under the Act to negotiate new arrangements with trucking firms. Unfortunately, he does not have the money to do so. That is something that I will have to take up in terms of my own budget and determine whether there is some way to respond to that. I have a very deep concern about it. I intend

to respond to it. I hope the Hon. Member might provide some assistance in helping me to work out a solution.

* * *

PETITION

MR. ROCHE—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. for Edmonton South (Mr. Roche) on Tuesday, March 6, 1984, meets the requirements of the Standing Orders, as to form.

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POINTS OF ORDER

MR. MUNRO (ESQUIMALT-SAANICH)—NOTICE OF QUESTION OF PRIVILEGE TO BE RAISED

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, as it is appropriate on the first possible occasion to raise a question arising out of Question Period, I would like to stand today on a point of order to reserve my right to raise a question of privilege if I discover from my research that the reply given by the Minister of State for Economic and Regional Development (Mr. Johnston)—

Mr. Speaker: Order. If the Hon. Member has a question of privilege, he can serve notice to the Chair tomorrow prior to the commencement of proceedings and he will be recognized. If he has a point that he wants to raise now, he can state it. There is no point of reservation.

MR. McKINNON—CHANGE IN RECORD OF STATEMENT BY MR. FERGUSON

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I rise with some regret to raise a point of order concerning the recording of the debates in this House as reflected in today's copy of *Hansard*. A change has been made to an intervention by the Parliamentary Secretary to the Minister of Finance (Mr. Ferguson). What I do not like is that he made a change after we had had a disagreement as to whether he knew what he was talking about when he made the statement. Subsequently he changed the statement, obviously when he was given a copy of the "blues". Of course, I received a copy of the same "blues" and it was as he said it in the House. This morning I checked the electronic transcript of the proceedings in the House of Commons yesterday afternoon when the Member in question said:

> I hope that, as we look at the GIS increases and as we examine the war veterans allowance in more detail, no means test will be associated with it.

That caused me to rise in my place during the Question Period and question him on that. I said, and I quote:

> In his closing remark he also said that the war veterans allowance top-up would be paid without a means test. He either does not know what he is talking about or he has just announced a radical change in government policy over the years. If that is so, would he reassure us that he is serious and knows what he is talking about and that we are now going to have the war veterans allowance without a means test?

The Parliamentary Secretary replied:

> I am sorry that my remark was taken out of context. I was referring to the means test referred to by the Hon. Member for St. John's West (Mr. Crosbie). This referred only to old age pensions in the past.

That is all very well on a point about debate at that time, but I object very much to having a gentleman in the House set about to win a debate by changing the record when presented with the "blues", which are not there to enable a Member to change the meaning of what he said but rather to make small and non-argumentative corrections of errors that may have slipped into *Hansard*. I think the Hon. Member owes the House an apology and I hope this will not happen again.

Mr. Speaker: The Chair will look into the matter raised by the Hon. Member for Victoria and reserve comment for the present time.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, if this was taken wrongly by the Hon. Member, I should say that I fully realize that the war veterans allowance is income tested as is GIS, and there are references in there to both OAS and GIS. If I made a mistake, I apologize for it. I know the difference between the two. We are dealing with it from our constituency office. If it came out that way, it certainly was not the way it was intended. I apologize to the Hon. Member if it was taken out of context. I hope it will be taken in that context.

Mr. McKinnon: Mr. Speaker, I certainly will accept the apology of the Hon. Member. Thank you very much.

MR. KEEPER—QUESTIONS FOR MRS. EROLA

Mr. Cyril Keeper (Winnipeg-St. James): Mr. Speaker, I rise on a point of order arising out of Question Period. This is International Womens' Week. The Minister responsible for the Status of Women stayed in the Chamber for only half of the Question Period. We had further questions for her.

Mr. Speaker: Order. The Hon. Member does not have a point of order.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. FLIS—RELEASE OF MYKOLA HORBAL FROM SOVIET LABOUR CAMP

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, pursuant to Standing Order 71, I have the honour to present the following petition. The petition of the undersigned residents of Canada, concerned about the human rights violations

in the Soviet Union, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that Your Honourable House will therefore provide a remedy, humbly sheweth that they urge the Canadian Government to make representations to the Government of the Soviet Union concerning the release of Mykola Horbal, a Ukrainian poet, composer and musician who is now incarcertated in a Soviet concentration camp. In the opinion of the petitioners, the simple desire that people in the Ukraine enjoy the same human and national rights as do people everywhere in the free world does not constitute a criminal offence.

Wherefore the 450 signees petition for the release of Mykola Horbal, and as in duty bound, your petitioners will ever pray.

* * *

• (1510)

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 327, 328, 329, 376, 544, 616 and 684.

[*Text*]

MIRABEL INTERNATIONAL AIRPORT

Question No. 327—**Mr. Stevens:**

In (a) 1978 (b) 1979 (c) 1980 (d) 1981 (e) 1982 (f) 1983 what was the total number of passengers (i) enplaning (ii) deplaning at Mirabel International Airport?

Hon. Lloyd Axworthy (Minister of Transport): (i) Enplaning passengers at Mirabel International Airport: (a) 1978: 738,500, (b) 1979: 750,900, (c) 1980: 674,300, (d) 1981: 608,900, (e) 1982: 596,500, (f) 1983: data is not currently available.

(ii) Deplaning passengers at Mirabel International Airport: (a) 1978: 771,500, (b) 1979: 800,300, (c) 1980: 733,000, (d) 1981: 635,900, (e) 1982: 616,900, (f) 1983: data is not currently available.

Note: The data shown above represents revenue passengers carried on total unit toll and total charter services using aircraft over 18,000 pounds (8165 kg).

TORONTO INTERNATIONAL AIRPORT

Question No. 328—**Mr. Stevens:**

In (a) 1978 (b) 1979 (c) 1980 (d) 1981 (e) 1982 (f) 1983 what was the total number of passengers (i) enplaning (ii) deplaning at Toronto International Airport?

Hon. Lloyd Axworthy (Minister of Transport): (i) Enplaning passengers at Toronto International Airport*: (a) 1978: 6,170,300, (b) 1979: 6,999,500, (c) 1980: 7,234,100, (d) 1981: 7,232,000, (e) 1982: 6,746,100, (f) 1983: data not currently available.

(ii) Deplaning passengers at Toronto International Airport*: (a) 1978: 6,192,200, (b) 1979: 7,041,100, (c) 1980: 7,288,500, (d) 1981: 7,305,300, (e) 1982: 6,787,800, (f) 1983: data not currently available.

Note: The data shown above represents revenue passengers carried on total unit toll and total charter services using aircraft over 18,000 pounds (8165 kg).

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* Lester B. Pearson International Airport

DORVAL AIRPORT

Question No. 329—**Mr. Stevens:**

In (a) 1978 (b) 1979 (c) 1980 (d) 1981 (e) 1982 (f) 1983 what was the total number of passengers (i) enplaning (ii) deplaning at Dorval Airport?

Hon. Lloyd Axworthy (Minister of Transport): (i) Enplaning passengers at Dorval Airport: (a) 1978: 2,796,500, (b) 1979: 3,084,400, (c) 1980: 3,156,600, (d) 1981: 3,112,300, (e) 1982: 2,716,900, (f) 1983: data not currently available.

(ii) Deplaning passengers at Dorval Airport: (a) 1978: 2,788,300, (b) 1979: 3,078,000, (c) 1980: 3,147,800, (d) 1981: 3,107,100, (e) 1982: 2,721,100, (f) 1983: data not currently available.

Note: The data shown above represents revenue passengers carried on total unit toll and total charter services using aircraft over 18,000 pounds (8165 kg).

CANADIAN INTERGOVERNMENTAL CONFERENCE SECRETARIAT

Question No. 376—**Mr. Howie:**

1. In the current fiscal year how many persons are employed in the office of the Canadian Intergovernmental Conference Secretariat and what is the total estimated cost of salaries?

2. For each of the two preceding fiscal years what amount was spent for salaries?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): 1. There are 28 persons employed by the Secretariat. The estimated salary costs including overtime will be $833,000. Three provincial secondments are included in this cost as the Secretariat reimburses the provincial governments for the cost of these salaries.

2. 1982-83—$707,000 (includes three provincial secondments), 1981-82—$781,000 (includes seven provincial secondments).

PROPORTION OF FEMALE EMPLOYEES IN PUBLIC WORKS CANADA

Question No. 544—**Mr. Howie:**

As of the last date for which information was available, what proportion of the employees of the Department of Public Works were women?

Hon. Roméo LeBlanc (Minister of Public Works): As of January 27, 1984—23.7 per cent.

Order Paper Questions

WAITING PERIOD FOR PENSION REVIEW

Question No. 616—**Mr. Towers:**

To the knowledge of the Government during what average period is a veteran required to wait after having made an application for a hearing to the (a) Pension Review Board (b) Pension Commission (c) War Veterans Allowance Board (d) Bureau of Pensions Advocates?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): (a) Pension Review Board: nine months, (b) Canadian Pension Commission: 10 months, (c) War Veterans Allowance Board: appeal cases, two months and five days, review of cases, one month and 24 days. (d) Bureau of Pensions Advocates: five and a half months.

CANADAIR CL-215 AIRCRAFT

Question No. 684—**Mr. Clark (Yellowhead):**

Is the Government considering the establishment of a Crown agency, or other Crown emanation, to operate Canadair CL-215 aircraft in the Northwest Territories or other locations and, if so, for what reason?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): No consideration is being given at present.

[*English*]

Mr. Cook: Mr. Speaker, I wish to bring to the attention of the House, and particularly the Parliamentary Secretary, Question No. 717 which stands on the Order Paper and was placed on the Order Paper covering the period of February 26 to March 3. I would not wish to impugn the reputation of any Cabinet Minister of the Government. However, they are involved in a leadership campaign. There have already been allegations made as to the misuse of government aircraft, so I would mention to the Parliamentary Secretary that although I do not expect the question to be answered today, I expect it to be answered next week. Each and every week between now and the leadership convention the same question will be placed on the Order Paper. If the Parliamentary Secretary cannot find it in his heart to answer those questions week by week, then the Canadian public can make a judgement as to the illegal, improper and expensive use of taxpayers' money in a narrowly political campaign. I give the Parliamentary Secretary fair warning. Please have my question answered week by week so that the Canadian public will know what is going on.

Some Hon. Members: Hear, hear!

Mr. Evans: Mr. Speaker, we certainly want to answer the Hon. Member's question, but I think he said that the question was put on the Order Paper during the week when the House was not sitting. This week is the first week we are back from our winter break, and that means that we have had notice of this question for only three days. We will do our best to answer that question and subsequent questions that Hon. Members in the Opposition put before us, but I think it is only reasonable to expect that a little bit of time should be given in order to answer questions that are put on the Order Paper. Three days are certainly not adequate.

Mr. Cook: Mr. Speaker, the Parliamentary Secretary overlooked the entire nature of my remarks. I was putting him on notice that I wanted the question answered. It actually appeared on the Notice Paper yesterday. I did not expect an answer today, but I wanted him to know that I will be rising to my feet after a length of time has gone by without an answer to that question.

Mr. Speaker: The Hon. Member has made his point.

[*Translation*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

[*English*]

Mr. Speaker: Shall all notices of motions for the production of papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

Hon. Roy MacLaren (Minister of State (Finance)) moved that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

He said: Mr. Speaker, in introducing Bill C-21, an Act to provide borrowing authority for the fiscal year 1984-85, I wish to place the terms of the Bill within the context of the two most recent Budgets, the April 1983 Budget and the Budget of last month. The Budget of last month does not represent any departure from the fiscal policy developed in last April's Budget. In fact, it represents a confirmation and continuation of that fiscal policy.

The objective of both Budgets has been to encourage an investment-led expansion of economic activity that will create

the employment that I am sure all of us in the House seek without the resurgence of inflation that has hindered our economic growth in the past. Our objective has been pursued both through short-term demand side policies designed to provide immediate stimulus and jobs and through longer term supply side measures which have been designed to increase investment and productivity in the Canadian economy. A fundamental dual strategy has included the acceptance of higher deficits in the period from 1982 to 1984 while simultaneously putting in place specific policies to help ensure that the federal deficit declines with economic recovery and expansion.

In the most recent Budget, Mr. Speaker, there were only minor changes made in the economic and fiscal projections contained within last April's Budget. The stability in our fiscal forecast is an indication that we are fully committed to the fiscal strategy set out last April and confirmed in the most recent Budget. This continuity in fiscal policy will also help provide the public with greater assurance about the future, including our commitment to medium-term deficit reduction.

Interest rates, exchange rates, business investment plans and many other important economic variables obviously depend to a great extent upon the public's expectations about the short to medium-term future. I wish to say a word about that point before turning to the terms of the Bill itself. The Budget of last month gives Canadians every good reason to expect that economic recovery will be followed by solid expansion. We in the Government are not relying on "quick fixes". We have put policies in place that will contribute to the completion of recovery and the introduction of rapid expansion in our economy. Most of the jobs required over the next several years must come from the private sector and not from government. That was a key element in the Budget of last April and again in the Budget of last month.

A principal point in our strategy to facilitate a sustained expansion is policies to promote business investment. The recent Budget contains measures additional to those of last April's Budget designed to support business cash flow which will facilitate additional investment. The small business tax rate now applies to more businesses. This will increase after-tax earnings, and the tax simplification that was introduced in last month's Budget will reduce administrative costs faced by small business.

In the energy sector, and additional year of suspension of the incremental revenue tax will increase the after-tax earnings in the petroleum sector. Over the longer term, the imaginative and far-reaching pension reform proposals contained in last month's Budget will increase the savings rate, providing a larger pool from which to finance private investment.

The major policies designed to bolster business investment were announced in last April's Budget. The Budget of last month is a continuation of the proposals set forth in last April's Budget. Those included a liberalization of the investment tax credit, the share-purchase tax credit, the indexed share investment plan, extended loss carryforwards, research and development tax incentives, and the suspension of the incremental oil revenue tax. The legislation for those policy initiatives has now been passed. Also announced in last April's Budget were a number of spending initiatives designed to support private investment, such as the Special Recovery Investment Fund, technology policy initiatives, and an expanded mandate for the Federal Business Development Bank. These policy initiatives will have a significant effect on business cash flow and investment in the time immediately ahead.

● (1520)

In the current fiscal year, financial requirements, excluding foreign exchange transactions, are now expected to be $27 billion, little different from the projection made in our Budget of last April. The economy has in fact been expanding in much the way the Government expected that it would in the projections offered a year ago. Indeed, in several respects the performance of the economy has exceeded those forecasts. Our fiscal plan is on track.

I should like to remind the House, however, that forecasting is an art, not a science. The precise estimate of financial requirements provided in last month's Budget should be interpreted as the most probable outcome, with some variations naturally occurring above or below the forecasted line. The difficulties in providing a highly accurate forecast are heightened when it is done before the close of the fiscal year. Given the arbitrary cut-off date for the fiscal year, relatively short delays in receiving revenues can have a significant impact in year to year movements in financial requirements. Similarly, expenditures may be deferred from one fiscal year to the next simply because of a month or two delay in letting contracts of a major character or in the delivery of material.

For the 1984-85 fiscal year, financial requirements, excluding foreign exchange transactions, are projected to be $25.5 billion, or roughly $1.5 billion less than the estimated requirements of the current fiscal year. This substantial decline in financial requirements reflects an acceleration in the growth of budgetary revenues, a slower growth in budgetary expenditures and a small decline in the net source of funds from non-budgetary transactions.

Having noted the reduction in the financial requirements for the 1984-85 fiscal year, I should like to turn now to the question of the borrowing authority itself.

Under the Financial Administration Act, statutory borrowing authority must be obtained from Parliament. Accordingly, the Bill currently before the House seeks new borrowing authority of $29.5 billion. This is an amount equivalent to the $25.5 billion financial requirements set out in the Budget, plus a non-lapsing contingency amount of $4 billion to be carried forward for possible use in the fiscal year 1985-86.

As Hon. Members know, the request for a non-lapsing contingency amount is not new; there is nothing unexpected or radical in the provision. In the past, however, there has been some misunderstanding of the purpose of this important provision of the Bill. Perhaps that misunderstanding can be reduced

if I outline the background related to prior requests for amounts and the reasons for the $4 billion in the new Bill.

Throughout the mid-1970s, when new borrowing authority was sought by way of appropriation Bills which was our practice at that time, a contingency amount was always included. Likewise, in more recent years when borrowing authority has been sought by way of special Bills, a non-lapsing contingency amount has always been included. Recently the contingency amount has been in the order of $4 billion. I want to stress that this amount is intended to cover contingencies only; it does not permit spending beyond what has been approved by Parliament. It does not run counter to an authority given on an on-going basis by Acts of Parliament. Examples of the latter are unemployment insurance benefits, public debt charges, and transfers to Provinces.

The contingency amount is largely designed to cover two special situations of critical importance. The first is the need to accommodate the impact of large and unpredictable foreign exchange operations on our financial requirements, and the second is to ensure that the Government will be able to continue its regular debt program if the House is not in session or if it has been dissolved.

In the case of foreign exchange operations, either upward or downward pressure on the Canadian dollar can give rise to the use of the borrowing authority. In the case of downward pressure, official holdings of foreign exchange are depleted, creating a possible need to undertake foreign borrowings. In the opposite case, foreign exchange is acquired through the sale of Canadian dollars, thereby adding to cash requirements.

In the past, the Government has always acted responsibly in utilizing such contingency amounts when they have been provided. We on this side of the House recognize the need to resolve any uncertainty as to how long non-lapsing contingency amounts authorized in previous Bills and that requested in the Bill before us should remain outstanding. As a result, Clause 3 of the Bill before us is designed to eliminate any such uncertainty. It provides that any unused borrowing authority carried forward from previous fiscal years shall expire either on April 2 of this year or when the Borrowing Authority Act, 1984-85 comes into force, whichever is the later date. Consequently, with the passage of the Bill before us, the only contingency amount outstanding would be $4 billion. It is intended that once new borrowing authority is obtained for the 1985-86 fiscal year, any remaining unused portion of the $4 billion contingency amount would be cancelled.

We believe that the Government should proceed in this way on a regular basis. Thus we envisage an on going process which provides a non-lapsing contingency amount which would give the Government some flexibility but, at the same time, would be unavailable to be carried forward beyond the coming into force of the new authority. Such a scheme is fiscally responsible. It would ensure that Parliament has an opportunity to debate borrowing authority for each fiscal year. The method of providing some contingency which is subsequently cancelled annually provides a reasonable balance between the responsibility of Parliament to review the granting of borrowing authority and, at the same time, provides sufficient flexibility to ensure an orderly debt program.

Let me explain in a little more detail why providing some flexibility with respect to borrowing authority is important. The Government, like any responsible corporate borrower, must be in a position to conduct its borrowing operations without any timing constraints. In this way it is possible to take advantage of market opportunities so as to minimize overall debt charges. In view of the size of the federal financial requirements and the relative size of the Government's debt operations in capital markets, timing can be of critical importance. The level of outstanding government debt will increase by an average of about $2 billion every month. In addition, previously issued debt is coming due and must be refinanced. Each new issue is carefully tailored to meet the prevailing market conditions and investor demand. Any disruption in the ongoing borrowing program might lead to unnecessary disruptions and erratic pressures in capital markets. In turn, this could lead to pressures on interest rates, higher debt charges for the taxpayer and higher borrowing costs for both individuals and businesses across our country.

● (1530)

Clearly, given the size of the Government's financial operations, even a savings of a small fraction of 1 per cent can involve significant dollar amounts. Because of the relative importance of public debt charges in total government expenditure, it is our primary goal to minimize such charges. This goal can only be achieved if ample borrowing authority is always available so as to ensure that the large borrowing operations of the Government do not interfere with those of other levels of Government, provincial or municipal, or the private sector. We have a collective responsibility to see that the goal of minimizing public debt charges is vigorously pursued.

Another factor requiring the ongoing availability of borrowing authority concerns the impact of exchange market operations. Of special importance in this connection is the possible situation when the Canadian dollar is under heavy pressure and U.S. dollar working balances are low, thereby requiring that they be supplemented by drawing on the standby lines of credit which the Government maintains with Canadian and international banks. Toward the end of March when the borrowing authority is nearing exhaustion the Government may find itself in a position where it is unable to utilize either of its two standby lines of credit, if the need arises. Should such a situation materialize, the only alternative may be higher domestic interest rates.

Finally, I would note that the first fiscal quarter is usually a period of particularly heavy seasonal cash requirements because of tax refunds and other factors. Such a cash drain may be financed by market borrowings. Also, there is a large marketable Canada bond issue maturing on April 1. When the $967 million in maturing bonds is refunded in mid-March, there may be an opportunity to raise new cash. This can only

be done if there is sufficient borrowing authority available to the Government.

As a matter of interest to Hon. Members, Mr. Speaker, I should like to outline how the Government has made use of the borrowing authority which was conferred on it by Parliament for the current fiscal year. The total mount of authority provided for 1983-1984 was $26.7 billion, which was equivalent to the financial requirements projected in the April, 1983 Budget. This borrowing authority consisted of $2 billion of non-lapsing authority carried forward from the Borrowing Authority Act, 1982-1983, $14 billion from the Borrowing Authority Act, 1983-1984, and $10.7 billion from the Borrowing Authority Act, 1983-1984 (No. 2). To date in the fiscal year, domestic borrowing operations have used about $26 billion of borrowing authority, composed of: $11.5 billion through the issue of Threasury bills, $8.5 billion through the issue of marketable bonds, and $6 billion through net sales of Canada Savings Bonds. However, total use of borrowing authority so far this fiscal year has been reduced by net redemptions of foreign denominated loans. Three foreign loans have matured so far in 1983-1984. The foreign exchange reserves which were used to redeem these loans were partially replaced when the Government borrowed U.S. $500 million in the Eurobond market in October, 1983.

On balance, therefore, foreign borrowing operations have reduced total use of borrowing authority by about $500 million this fiscal year. This means that a total of $25.5 billion of the $26.7 billion of borrowing authority provided by Parliament has been used to date. There is currently about $1.2 billion of unused borrowing authority. The Government expects to use most of this remaining authority by the end of this fiscal year.

While it is obviously desirable that Parliament have adequate time to study the new borrowing authority Bill, its early review would result in an efficient use of parliamentary time. The Estimates have been provided to the House and the debate on the Budget was completed yesterday. Thus the essential prerequisites for determining the level of borrowing authority, which are the planned sources of revenue and expenditures, have now been provided in complete detail and should contribute to the orderly completion of the debate on the Bill now before us.

To sum up, dealing with this Bill in a responsible manner will benefit the taxpayer by helping to minimize public debt charges and avoid unnecessary pressures on financial markets and interest rates. It will also facilitate policies to support the smooth functioning of the exchange markets. I have great confidence in the resourcefulness and strength of Canada's financial markets. They are among the most efficient anywhere in the world. During the recent years of difficult international economic circumstances the Government has been able to meet its financial requirements without any evidence of crowding out other major borrowers from domestic markets. At the same time, we have benefited from an appreciable decline in interest rates. The projected medium-term decline in the financial requirements of the Government should help to provide the necessary room for other major borrowers during a period of sustained economic recovery which Canada is currently experiencing.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Minister in explaining his Bill said that the Bill represented a continuation of the Government's plan for the economy. Well, Sir, that is exactly what it is. It is a continuation of the Government's plan for the economy to put the economy into irreversible insolvency. Indeed, Sir, these borrowing Bills which keep coming before us time after time after time, should be named now no longer "borrowing authority Bills", but rather "Liberal national insolvency Acts". This Bill should be named "Liberal national insolvency Act No. 1 for the second session of this Parliament".

The amount of this Bill, Sir, strikes a new level in borrowing demand. This Government is coming to the House and asking that the House approve its going to the markets for $29.5 billion of authority. That is $10 billion higher than any other previous demand. It is the highest demand on Parliament in the history of Parliament. It is unconscionable. It is improper. It cannot be supported by any thinking Member of the House. This House should rise up, Sir, and demand an end to this, not only on behalf of us as Hon. Members and of our constituents, but on behalf of our children, our children's children and our children's children yet unborn or even thought of.

• (1540)

The amount of debt this Government has incurred must be put on record. When this Government took office after the February 18, 1980 election, our net debt was $68.595 billion. That was an enormous amount bearing in mind there was only $17 billion owing when the Prime Minister (Mr. Trudeau) first took office in 1968. However, since March of 1980, this Government has pushed the net debt to the point that by March 31 of this year it will approach $151 billion, an increase of at least $92 billion in this Parliament alone. This Parliament, Mr. Speaker, will go down in history as a Parliament of spendthrifts, wasters and profligates, a Parliament that should have been turned out. When we retire from this place, how can we look at our grandchildren and say we sat in this House and did this to them? Yet that is what this Minister and this Government are asking us to do. By the end of the next fiscal year, Mr. Speaker, by March of 1985, if this borrowing plan carries on, this country's net debt will be $180 billion. Having put the nation in this position of bankruptcy, how can we face the nation?

Today our dollar is under attack on world markets. When I came to the House our dollar was trading at 79.3 cents U.S. It has been under attack and is slipping badly. Yesterday the Minister of Finance (Mr. Lalonde) was quoted as saying that he was not going to lose any sleep over that.

Mr. MacLaren: Nor are you.

Mr. Blenkarn: He does not care about the confidence the world places in Canada, or the confidence the people of Canada place in this Government. He is not going to lose any sleep because the Germans can keep interest rates down and

their currency gets stronger. He is not going to lose any sleep because the Japanese can keep their interest rates significantly below ours and their currency gets stronger. He does not care that the British can get their interest rates well below ours and their currency gets stronger. No, he is not going to lose any sleep over the condition of the Canadian economy. He is just going to borrow more and spend more, as the Minister said, at least $2 billion a month more. He will roll over the existing debt on shorter and shorter terms so that now it will all be due in less than three years. And we as Members of a responsible Parliament should stand by and allow this condition to continue. It is a travesty on the concept of Parliament from the very beginning.

I suppose part of the problem with our dollar is that the world now knows that the Prime Minister has resigned. People had some confidence in him, thought he was a good leader. But they look at this Cabinet—we cannot see them here today—and they see yesterday's men. They know that if any one of them takes the leadership of the Liberal Party things will get even worse. They do not have a fresh idea or a fresh way of approaching the problems. The Minister said today that we must have the flexibility to keep the market going so that we can borrow more and more. Every week the Government will borrow 500 million fresh bucks, every business day $100 million more will go into the maw of this Government. The Government has to borrow 31 cents of every dollar it spends. The blue book we received the other day should not be a blue book; it should be a red book, because it is a red ink Government all the way.

This cannot be allowed to continue, Mr. Speaker. We saw the other day that Statistics Canada could not figure out what happened to $6.6 billion which was supposed to be in the current account surplus. They wondered about that, and StatsCan made the observation that the $6.6 billion, known as errors and omissions, seems to have gone to finance illegal drugs, U.S. real estate and stocks. They suspect a lot of money is being laundered through Canadian subsidiaries in countries with friendly tax regimes such as the Cayman Islands and the Bahamas.

Well, what is happening? Not only has the world no confidence in Canada, but a lot of Canadians have no confidence in Canada because they have this Government here and it borrows and spends and wastes. They are taking their cash out of Canada despite our trade surpluses. That is why there are errors and omissions of this nature. They are not errors or omissions, they are people taking their cash out of this country because this Government gives them no confidence. That is why conditions in the U.S. are far better than here. The U.S. federal reserve estimates that U.S. industry is operating at 79.9 per cent capacity. American unemployment is significantly lower than ours. American business has optimism. And now we are faced with being crowded out because as American business expands, it borrows and we will not be able to tap the American money market as we have in the past. We will have to depend on Canadian savings, which are running away from Canada. It is not a simple matter, but it has to be addressed and cannot be left to this Government, which will carry on in its usual fashion. We will get the usual borrowing authority Bill, the usual $29.5 billion of demand on the credit markets of the country.

Within 100 days or so, Mr. Speaker, the Government is going to select at the Liberal Convention a new Leader. That person will presumably form his own Cabinet and will either go to the country for a mandate, as he properly should, perhaps in August of this year, or he will try to hang on by his fingertips for the balance of time constitutionally available to this Parliament. In any case, Sir, this House can meet on the first Monday after Labour Day of this year. The House should have until then to determine how it organizes its priorities and spending demands and to take a fresh look at where we are taking our families, our children and our children's children.

• (1550)

We are going to have a new Government, whether a Liberal Government or a real new Government created by Members on this side in this Party. There is going to be a new Government in the country very shortly. That being the case, there is no justification for voting borrowing authority beyond the life of the Government. It would be improper for the House to vote borrowing authority to carry the Government beyond October 31 of this year. The House should give the Government no more than $15 billion in borrowing authority. The Government has $4 billion to $5 billion in the bank now. The reason this Bill expires on April 2 is that the Government intends to borrow by then the additional $1.2 billion for which it has authority. The Government will go into the new fiscal year with a good hunk of dough in the bank. If it has borrowing authority for $15 billion, under all circumstances it should have more than sufficient to carry it, even with the squandering, wasting and throwing away of money which the Government has done.

Therefore, the very best we can do at this point is to limit the borrowing authority to carry this wasteful Budget only until the end of October. All it requires is $15 billion, and that is where we ought to cut this Bill off.

I have spoken before about wasteful and profligatory spending. The chief economist of the Conference Board, Tom Maxwell, said, as reported in the Montreal *Gazette:*

> The question . . . is no longer whether we are dead in the water but when?
>
> He said that what's happened in the U.S. over the past four years shows how difficult it would be for Ottawa to solve its debt problem, if it decides to try.

We have to try to cut back our expenditures.

I would like now to quote Paul Volcker speaking to the American budget committee. Speaking of the American government, he said:

> In essence, the demands of the federal Government limit the rate of growth of other credit-absorbing sectors of the economy. The rationing device is interest rates held higher than would otherwise be the case. Under the circumstances, the more rapidly the economy grows and generates private credit demands, the greater the risk of rising interest rates.

He went on to say:

> We cannot reasonably escape from these problems by "monetizing" the Treasury debt through excessive expansion of bank credit and the money supply. The federal reserve could, in concept, take an approach which inflated all the numbers. But it cannot increase savings and reduce the savings-investment imbalance by undermining confidence. What must be done is to deal with the source of the problem—the excessive deficits. While it is already late to make significant changes for fiscal year 1984, action now affecting fiscal 1985 and later years can only work in the direction of moderating potential pressures, if sufficiently forceful. The market could then well anticipate the time the actions become effective. At the least, the risks of eroding confidence and new market pressures should be relieved . . . The large deficits now being projected can be self-perpetuating.

Mr. Volcker went on to say that the credit crunch, the tight money period, and the recession we had did much to eliminate inflation. All that will be lost if we continue trying to borrow and to print ourselves rich. We cannot run this country on a VISA card any more than you and I, Mr. Speaker, can run our families' household budgets using a VISA card to buy the groceries.

People have asked what we are going to do. First of all, we cannot continue any longer having 31 per cent of the expenditures of the Government financed with borrowed money. We have to consider where we are, where we have been and what our spending priorities are. The Budget provides for a 22 per cent increase in moneys going to Crown corporations.

Two days ago in the Supplementary Estimates we got the next tab for Canadair and de Havilland. By the end of this fiscal year, through the past 15 months, we will have paid to those Crown corporations $1.25 billion. We have not come to grips with the issue yet. In Question Period today the Prime Minister said we will have to spend more money. That is waste. There is something wrong. We cannot continue this way. We do not have the savings in the country to continue this way. We cannot operate with that kind of expenditure. We cannot operate with expenditures which contemplate giving the Post Office $1 billion over a two year period. We cannot operate with the Canadian Broadcasting Corporation becoming larger and larger. It now costs $900 million a year. I doubt if we can continue to pay people to insulate their homes or change their furnaces. I do not believe I should receive a grant to buy a heat pump because it may save me some oil and put some money in my pocket, whether or not that grant is taxable. I do not believe I should tell my constituents, or you, Mr. Minister, should tell your constituents that the country should go into the credit markets of the world and create massive deficits to buy me a heat pump. That is what we have in legislation and that is unconscionable.

I believe that without interfering with social programs at all we could cut $5 billion from our Budget deficit. I received a letter from a former civil servant. He says:

> I am not alone in stating this inasmuch as 35 years of service culminating by promotion to upper levels of management has provided ample opportunities to observe waste, sloth and over staffing especially abroad at Embassies and High Commissions to say nothing at this time of UN offices where we are represented.

● (1600)

The Government says that there is nothing that it can do. That is unacceptable to me, my children and my grandchild.

We have proposed that the House of Commons establish a committee of the House to set priorities for the expenditures of Government. We believe that the social programs, such as pensions, family allowances, the child tax credits, the health care provisions and the educational provisions rank first. While there are many other expenditures which may be necessary, surely there is a time for priorizing. Surely there is a time to ask if we can afford the amount that is being spent on art, for example, when the Government must pay interest rates which exist today. Can we really afford a broadcasting system such as we have when the Government is paying the bank what it is currently paying? Can we really afford to go to the markets every week to auction Treasury bills at $2 billion each to pay for the losses in Devco, Canadair or de Havilland?

We are elected to make decisions. The present system prevents Members of Parliament from making decisions with respect to priorizing the expenditures of Government. There is no mechanism for deciding whether matters which come before the Broadcasting Committee take higher priority than the expenditures that are proposed in the Department of Regional and Industrial Expansion. There is simply an alphabet soup of programs for which there is no priority. The existing programs seem to expand every year. There is no zero based budgeting. No attention is being paid to the future or to serious current planning and budget controls.

Our Party has made a pledge to this country. Let me quote from a speech made by my Leader to the Young President's Organization at the National Club in Toronto on February 23. He said:

> We need to take a hard look at current planning and budgetary controls.
>
> Ask any civil servant involved in the process, and he or she will tell you that the current system, while a major improvement over its predecessor, still encourages padding of stated requirements and unnecessary spending to consume reserves.

One reason why the Minister has so many demands on money in the first quarter of the year is to pay bills that were incurred in the last quarter of the fiscal year. Departments scramble over themselves to spend all the money in its Estimates. Yet there is no effort made by Treasury Board, the Finance Committee or any committee of the House to control that kind of spending.

My views about whether the Government can carry on in this fashion have been expressed by others. For example, the present Secretary of State for External Affairs (Mr. MacEachen), in his previous capacity as Minister of Finance, said on June 28, 1982, as recorded at page 18883 of *Hansard*:

> Some say the government should print more money. Others say it should let the deficit rip.
>
> But that would fail miserably. Inflation and unemployment would get worse. Interest rates would rise even more. Canada would price itself out of world markets. Recovery would be postponed.

His deficit program in June of 1982 was $25.25 billion.

What has the Government done? The deficit rips, the borrowing rips and the demands get larger and larger. We are being asked to rubberstamp a borrowing Bill for $29.5 billion. We cannot as the House of Commons in good conscience allow

this Bill to pass in its present form. I have suggested that the Bill be reduced to $15 billion and that Parliament work together, as it should, to priorize government expenditures. All the Liberal members will not be involved in their convention. A number of them will be here since they have responsibilities to their ridings as elected Members of Parliament. That is what they are being paid for. We can sit down together to discuss government expenditure priorities. We can work on the problem of government expenditure programs, as parliamentarians should. We can develop recommendations for the new Government of Canada, whether Liberal or Conservative, because problems must be faced by Parliament. I suggest that it is totally irresponsible for us to pass this Bill in its present form.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, today we are debating Bill C-21, an Act to provide borrowing authority to the Government of Canada. The Bill asks for authority to borrow $29.55 billion for the fiscal year 1984-85. Page 5 of the Budget Speech indicates that the Government's borrowing requirements for the full year would be an additional $25.6 billion, leaving a discretionary $4 billion for unforeseen contingencies. I suppose such contingencies would include intervening in the foreign exchange market to support the dollar, which is where many billions of dollars have gone in the past.

My speech follows that of the spokesman for the Official Opposition, the Member for Mississauga South (Mr. Blenkarn). He pointed out some of the problems in granting such a large amount of money for such a lengthy period. He has proposed to reduce that amount by half on the assumption that, since the Government will no longer exist six months from now, half of the spending authority should be quite adequate. I presume that the adequacy of the amount will be argued in Committee of the Whole.

I would like to spend a few moments at the outset of my remarks to consider the assumption that there will be a new government. Apparently my friend from Mississauga South assumed that there would be a new Progressive Conservative government and left the impression that there would be a great change as a result of such a switch in label. I found that very interesting, as I am sure many people in Canada did, because it has been the primary topic of conversation throughout the country. The perception has been left that the Conservatives would gain control of the public debt and bring matters into a manageable form. This caused me to obtain some of the tables showing past perfomance in this area. I received a publication from the Canadian Tax Foundation entitled *The National Finances*. It was an analysis of revenues and expenditures of Governments of Canada up to 1982-83. It contains an interesting table on page 156 which goes through the years from 1940 to 1982, at which point the table ends. It takes public debt and shows it as a percentage of the gross national product of the country for each year. I will not read the entire table into the record, but there are some periods of time which might be of interest to those who look at public debt over the long term.

• (1610)

Immediately after the Second World War we had, as would be predicted having spent a great deal of money in the war effort, a net debt of 113.1 per cent of the GNP. We came out of the war years with a total debt of more than one year's GNP. That was a tremendous debt. We went into the war attempting to fight deficits, trying to keep expenditures down, and suddenly, when faced with the prospect of war, the purse strings were loosened and expenditure took place. Full employment occurred and we incurred a debt as a percentage of GNP of 113.1 per cent. We worked very hard at reducing that debt in post-war years until about 1964-65 when it was down to about the 30-per cent range.

Having watched the Liberal Government over the past five years or six years, I thought it always increased national debt in relation to gross national product. However, I have to confess that the facts show otherwise for the period from 1965 to 1977-78. It actually declined. The public debt as a percentage of the GNP was down to the 13-per cent to 15-per cent range for a few years in the middle seventies. In 1978, the net debt was 19 per cent of that year's GNP. Given the rhetoric we have been hearing in the House and the perception on the streets, on public television and in other media, one would think that in the 1979 interim when we had a Conservative Government that percentage would have been under attack and would have gone down from the 19 per cent with which we were left after the high-spending Liberals were defeated. It did not happen. At the end of 1979 when the Conservative Government fell, rather than being 19 per cent, our percentage of debt to gross national product was 24.2 per cent. There was a rapid increase in just nine months or ten months of Conservative Government. Our debt began to get out of hand in 1979. It started with our friends, the Conservatives. Granted, it was continued by the Liberals. It continued to remain in the middle 20 per cent range. Today we are approaching 30 per cent of our GNP being net debt. However, the big change occurred when we had a Conservative Government.

It was with a great deal of dubiousness that I sat and listened to the speeches of my friends to my right. They told us that they and only they would get public debt into perspective. The facts of the matter are that the only time in the last few years when they had that power, they abused it or gave up the chance, and it jumped from 19 per cent to 24.2 per cent.

Mr. Blenkarn: You know better than that.

Mr. Althouse: Read the record.

Mr. Blenkarn: Read the record yourself.

Mr. Althouse: Relying on Progressive Conservatives to get the public debt in order is a rather unlikely scenario.

My own Province of Saskatchewan has a long history of CCF and NDP Governments. I would like to look briefly at how they handled deficit financing. After the war like many provinces, particularly western prairie provinces, when the CCF under Tommy Douglas came into power, Saskatchewan

inherited a Liberal and Conservative nightmare of spending. There was a large public debt. It took eight years to reduce that public debt so that subsequent budgets would be break-even budgets without going into deficit financing. That tradition continued until the defeat of the NDP by the Progressive Conservative Party. In two short years that little Province of Saskatchewan with approximately one million people had in excess of $600 million of debt. The estimates indicate that the budget which will be levied in that province shortly will show an increase in the deficit one more time, again under a Progressive Conservative Government, the very people who have been saying that they know how to handle public debt and deficits. They certainly do! They are the growth Party—the Party that is able to make deficits grow very quickly. That Party's slogan in the last Saskatchewan campaign was, "There is so much more we can be". It is becoming very clear what that slogan means—further in debt.

The per capita debt for the Province of Saskatchewan in the last year rose from just over $4,000 to just over $5,000. That was an increase of more than $1,000 per capita or an increase of 25 per cent in the gross debt of the province in one year of Conservative Government. They know how to handle the situation! Therefore I understand why the rhetoric continues without reference to the facts.

I listened to my friends on both sides of the House who spoke before me. There are places where the public debt incurred by these Governments could be reduced in ways which would add to the gross national product instead of detract from it by way of increasing the amount of interest payments on the public debt that taxpayers have to come up with. Better management is not something that is easily described, but certain things have gone on of which the public is well aware that do not indicate careful management and good husbandry. We only have to look at the Canadair debacle where $1 billion went down the tube. The Auditor General was critical of the handling of the situation. All Hon. Members of the House have been critical of it as well. It proceeded for several years and no one seemed to take any interest in solving the problem until $1 billion or more of taxpayers' money had gone into that particular operation.

There are incentive programs offered which are of questionable value to Canadians. I will not spend a great deal of time talking about some of the ones to which the Hon. Member for Mississauga south referred. He raised a question as to whether public funds should be used to help him finance buying a heat pump. He can question that kind of spending. We all do. At least that particular expenditure results in increases to GNP and employment, unlike many of the incentive programs supported by both the old Parties which do not necessarily produce more jobs or increase the GNP. One of the more visible ones in that category would be the Petroleum Incentives Programs, the PIP grants, which have often been described as a colossal waste of money, something like $1.6 billion plus each year to drill holes in various parts of Canada Lands in an attempt to find oil. I think the track record has been oil in two of those holes to this point. Some gas has been found, but very little oil. Oil has been found in sites where it is economically impossible at this point to bring it to market. These are very questionable expenditures.

● (1620)

Some of the Liberal slush funds that have been discussed in this House in the last three or four months are very questionable in terms of adding to the gross national product or adding to employment opportunities, even though that was the designation of many of these. A great many of them have dubious value in terms of supplying long-term employment.

I turn now to some of the really big ones, such as deferred corporate taxes. What we have here is bookkeeping operations where we accelerate depreciation that really does not occur. We are giving a benefit for an expense that never really occurs. We are in effect allowing corporations to depreciate assets, which normally depreciate over 10 or 20 years, in two or three years and to set aside the funds for their own use. The problem that this raises is that it gives a direct benefit to those kinds of operations, an advantage of sourcing funds at virtually a zero interest rate as opposed to the sourcing abilities of small businessmen who are not always in a position to have that amount of funds available to them by way of accelerated depreciation. The beginning business and the small businessman is put at a disadvantage compared to the large corporations which are able to accumulate something in the neighbourhood of $22 billion or $23 billion in funds which they are allowed to defer for income purposes. They have the use of those funds at a very low rate, if any rate at all. The real risk takers, the small businessman and those attempting to start new businesses, have to get their capital at the market value, which is a much higher price.

The response of the Government when this has been pointed out has been strange and, I suppose, predictable. I do not see that either one of the two major Parties would approach the problem any differently. For example, the Budget before last allowed for an Indexed Securities Investment Plan for the middle-size and small investor. They can now go to the stock market and set up an ISIP and avoid part of the capital gains tax that such investments would normally have accrued to them.

People who purchase securities and stocks of publicly-traded companies get a tax advantage. They can avoid the normal capital gains tax that small businessmen and farmers, people like you and I, would have to pay if we were operating a small business or farms. Because they trade under this allowable loophole, the Indexed Securities Investment Plan, they do not have to declare all of the capital gains as income, not even half. In fact, it is about one-quarter. Therefore, there is an advantage for publicly-traded securities which private individuals trying to run a small business or farm do not have. They are at a disadvantage compared to those kinds of investors.

Either Party would operate pretty much the same because there was support from the Government and the Official Opposition for these kinds of tax breaks. This creates two

levels of investment citizens. There are the ordinary citizens attempting to set up and continue a small business or farm who operate at high interest rates, a money from the bank situation. Their competitors, the large, publicly-traded and incorporated firms, are able to get their funds at lower rates. Not only do they get them at lower rates, but they are able to pay much lower taxes than the individual attempting to get the economy going by starting his own business, operating a farm or a service industry.

The giving up of money which the Government has allowed has created inequities. It has not solved the problem of deficit spending. In fact, it has exacerbated it, creating more hardship for Canadians like you and I. What can be done? There are a number of areas where some expenditure would help. There are a couple of areas where we proposed to make expenditures where we should have second thoughts. One is just a small one, but it is very important. It gives an impression to the world and to Canadians regarding what we think of expenditures and the use of tax funds. I refer to the proposal to expand the size of this House. It will involve an annual cost of $14 million to $15 million, not big in the scheme of things. It would add 28 Members with concomitant staff. The people of Canada will not be better represented by having an additional 28 Members and another 100 and some staff members. There are better ways to create employment. That is one area where Members on all sides of this House should act to show there is some concern for public expenditures. It would in a small way to show that some effort is being made to get public expenditures under control.

Our Party has put forward a number of proposals that would increase the gross national product and not increase the public debt. It would provide a great many jobs, particularly for young people who are discriminated against when it comes to job availability. A certain number of jobs can be created by improvements to municipal infrastructures such as bridges, sewer systems, changes to the railways that go through certain cities, and ports. A great deal needs to be done in the way of public and co-operative housing. There is still a great need for housing and the very act of creating housing is one of the useful job-creating tools which is still available to this economy.

● (1630)

For the long term, forestry regeneration must be addressed now. Our forests are not being regenerated as quickly as they are being depleted. Forestry regeneration is something that cannot wait. It takes 80 years to 150 years in parts of our country for a forest to revitalize and regenerate. We cannot afford to be without an adequate supply of forestry products for that amount of time, so it is very crucial that we address reforestation now.

Along with reforestation, we can improve the spawning habitat of some of the fisheries by reducing the amount of silt flowing into the river system, thus improving and enhancing the ability of those river systems to spawn fish. Then, rather than cutting back on the amount of fishermen who are allowed to fish along our coasts, we can meet their requirements and provide fish stocks for those fishermen. There would then be regrowth and regeneration in that important sector of our economy.

During the so-called Crow rate debate, we outlined a transportation policy for most of Canada that I think is still very apropos and must be acted upon soon. This policy consist of rebuilding and combining the two railway systems so that they can be operated in a more efficient manner.

I see that my time is coming to an end, Mr. Speaker. Last but not least, there is one area of federal Government spending for which there is a great need and which will produce a great many benefits now and in future years, and that is an increase in the amount of money that the federal Government provides for post-secondary education. I think that training the young people who are waiting to get into our labour force is of utmost importance in an age of high technology and rapid change. Well educated people have a better opportunity to survive the kind of rapid change that is about to occur in the economy, both in this country and in the world, and expenditure in education is probably one of the best investments that we could be making at this particular time.

I believe that if we look at reducing the incentives and giveaways made by way of accelerated depreciation and forgiveable capital gains on ISIPs, we could easily finance the expansions to the economy which I have mentioned. This would result in more jobs, a reduced deficit and an increased Gross National Product, the first steps toward getting the economy back on the road to recovery.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I suppose that this is the eleventh or twelfth year that I have been called upon to speak on a borrowing authority Bill and some years I have been called upon to do so two or three times a year, so I am certainly not new to this kind of Bill. When I listen to speeches made by Hon. Members on the other side of the House and particularly to speeches made by members of the Tory Party, I find that a great many of them use raw numbers without offering any kind of explanation or understanding of the meaning of those numbers. For instance, they talk about a deficit of $29.8 billion as if it existed in some kind of a vacuum. It is a large amount of money, but no figure exists in a vacuum. One must deal with deficit numbers in terms of the Gross National Product and in terms of things like the gross capital formation or the savings ratios. Understanding these things are all fundamental to understanding the nature of the deficit.

Another thing that is very fundamental to understanding the nature of the deficit is understanding the way that money is spent and in which ways one could cut back on the deficit. I hear many Members on the other side discuss how we could reduce the deficit at a tremendous rate. I think that the Tory finance critic is being very honest when he says that reducing the deficit hurts very badly and that they will have to be mean about it. I guess that is what must be done if we really want to cut the deficit.

As well, there is constant reference made by Members on the other side to how well things are done by the Reagan government in the United States. I take it from the finance critic and from the Leader of the Opposition (Mr. Mulroney) that we should move much closer to the way the Americans do things and particularly to the way the Reagan government does things. I would like to deal with these things and try to develop some notion of what the deficit means and its significance in terms of what is happening to our economy. I would like to try and compare the two economies with the information that I have available. I do not have complete information available and I would certainly be loath to say that I do. However, with the information I have available, I would like to see how we would fare if we were led by a government which has not really told us where it wants to go but has given a pretty good indication that it would like to follow the route taken by Mr. Reagan.

The nature of borrowing itself is something that I think should be understood when making a comparison between borrowing here and borrowing in the United States. In the United States, the government puts a lid on the total amount of money that can be borrowed. In this country, it is done on a different basis. I do not know that I could say that one way is better than the other, but in Canada the Government asks to borrow a certain amount of money and that is the limit. It does not put a lid on the debt. At this particular point we are asking to borrow $29.8 billion. With the authority that we still have left, we actually need something like $25.9 billion or $25.8 billion. About $4 billion worth of borrowing authority is not absolutely necessary but I think it is prudent to ask for it. The money is not actually borrowed until it is spent. We are only asking for the authority to borrow such an amount at this particular point.

Let us look at that $29.8 billion figure in terms of the Gross National Product which, in the year 1983, amounted to about $366.6 billion. That $29.8 billion represents about 8.1 per cent of the Gross National Product. However, by 1984 that amount will be reduced to about 6.8 per cent of the Gross National Product because there will be a decrease in the amount of the deficit itself and there should also be a 3 per cent or 4 per cent increase in the Gross National Product.

I find it difficult to understand how the Tories could simply use raw figures when describing this kind of situation. Let us say that I own a small company and I have assets of half a million dollars. I approach my bank and say that I want to borrow $50,000 against those assets. That is one situation in which I could find myself. Another situation would be if I were to have assets of $100,000 and I wanted to borrow $50,000. That is a very different situation. We cannot talk about a $50,000 loans as something which exists in a vacuum. It is a loan against the securities that I have.

When we talk about the deficit, we are talking about the deficit as against a certain Gross National Product and that is the only meaningful way to look at it. In other words, the Gross National Product of the country this year is something in the order of $366 billion and the deficit is a little over 8 per cent of that Gross National Product.

That is one way of looking at the deficit. The other way of looking at the deficit has reference to savings. Again I shall return to simplicity although I do not like to do so because there are different ways of explaining these things. However, let us take a simple situation. Let us say that I have a certain amount of savings invested in stocks or securities of some kind. I go to the bank to borrow half as much as I have saved this year. That is not such a bad deal. Let us say that I saved $50,000 and I want to borrow $25,000; that is not such a bad deal.

• (1640)

Let us see how this compares with the American system. In this country the savings ratio this year is a little over 12 per cent and I am told that in the United States it is about 5 per cent. With the deficit at 8 per cent, against a capital formation in the area of 12 per cent, that will not push interest rates up to the same extent as is being done in the United States where the savings ratio is about 5 per cent. The deficit in the United States this year is a little over 6 per cent of the GNP but as a function of the capital formation it is much higher. The congressional budget office tells us that the deficit will absorb almost 100 per cent of the capital formation.

The situation in the United States is much more dangerous than it is in this country. The very high rate of savings here makes a great difference in the way the numbers come out. These things have to be dealt with if we are to deal intelligently with deficits.

Let us consider how this money is spent, Mr. Speaker. The Tories have talked about how they will reduce the deficit and cut spending, but I should like to know just where that will happen. The blue book shows projected expenditures in the order of $94.6 billion in total, or a $9 billion increase over the previous year.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. May I appeal to Hon. Members not to interrupt the Hon. Member who has the floor, as provided in the Provisional Standing Orders. May I refer Hon. Members to Standing Order 15(3), which reads as follows:

When a Member is speaking, no Member shall pass between that Member and the Chair, nor interrupt him or her, except to raise a point of order.

Mr. McRae: Mr. Speaker, I find that Members are either responding in this way or they are asleep. At least I am not putting them to sleep and I am pleased about that.

Of the $96.4 billion, $46.4 billion represents transfers to the provinces for such things as health and welfare. The national debt takes up $20.3 billion. When the amount of transfers is taken away from the amount of expenditures, what is left pays for the operations of the Government—the post office, Department of National Defence, employees of the House of Com-

mons and of the Government, transfers to Crown corporations, et cetera. It represents 28.3 per cent of the total spending.

How much could the Opposition cut back in this area which represents 28 per cent of total Government expenditures? Will they have to dip into the other 72 per cent which represents transfers to people, and so on? The largest transfer is for health and welfare. Health costs in the United States are much higher than ours but they are paid for privately. They represent 10 per cent of the Gross National Product in the U.S. compared to 8 per cent in Canada.

Substantial cuts can be made only in two areas. The first is the operational area of government, the goods and services that the Government exchanges; the other is in the large area of transfers to people for health, welfare, pensions and other things. Where will those cuts be made? I submit that there is always some fat that can be cut out.

Mr. Blenkarn: When did you ever do that?

Mr. McRae: In the next year we will reduce the deficit by about $3 billion. Most of the cuts will have to come from these transfers to people. If the Tories believe that the deficit is the greatest problem, then pensions, health services and such things will have to be cut, particularly if the cost of defence is to be increased. I do not know where the cuts will come.

For an indication I can look at what President Reagan has done in the United States. He has cut school lunches, social security and so on, areas that we have not cut. Basically this is a compassionate Government. I should like to refer Hon. Members to an article that appeared in *The Sunday Star* of Toronto of February 12 this year.

Mr. Crosbie: The bible! The bible tells me so.

Mr. McRae: I consider Joseph Schlesinger to be a very reputable correspondent. He wrote:

> Canada and the United States have both been going through tough times the past three years with high unemployment, increasing poverty and strained budgets.
>
> But there is a major difference in how the two countries have dealt with the victims of the hard times.
>
> Call it the Compassion Difference.

Paraphrasing the President of the United States, he has said that a lot of people sleep out at nights because they choose to do so. A former assistant to the President, the Attorney General of the United States, says that people go to soup kitchens to eat because it is cheaper that way. This shows a lack of compassion and there have been large cuts in these areas.

One would not think that these cuts would have created growing deficits in the United States. There were large tax cuts for people earning $80,000, for instance, which amounted to $15,000; but for people earning under $10,000, it amounted to $240 per year. The congressional budget office tells us that if defence expenditure increases and tax cuts had not been brought in, the United States would have no deficit by next year. That is what happens under a very conservative government, Mr. Speaker.

I cannot tell whether the Official Opposition would do the same thing if it formed the government but it seems as if it is indicating it would. That gives me great concern about what would happen to pensions, family allowances and health services, for instance. The Tories talk about cutting back on such things and increasing defence spending. They sound exactly like President Reagan.

This Budget brought in some very important programs. A lot of Canadians are afraid for the future and in some areas the fear is legitimate. Contrary to what I see in the United States, I see in this Budget an attempt to eliminate some of the worst fears. I believe the worst fear which Canadians can have in an economic sense is the fear that when one retires there will not be enough money to keep oneself going. That is particularly the case with private pension plans where very often when the husband dies, he being the person who worked and who put money into a pension plan, the wife receives nothing, or two years of benefit or something of that nature. We are saying we must get these private pension plans working. We must make sure that people have good incomes after retirement. It is very important that people be secure. These pensions must be indexed so that people can continue to live in a decent way. This kind of thinking is very different from what I see of the Reagan government in the United States, and it is different from what I believe is going to happen if those people opposite come into power.

• (1650)

There is another area where there has been a good deal of concern over the past few years. We have had a lot of cases in Thunder Bay where people buy a house, put down a nice down payment and are managing very well. Then all of a sudden interest rates climb. They have to renew their mortgages and they are caught. Perhaps one member of the family loses a job and they cannot make the payments. As a result, they lose their home.

We have fought very hard for a solution in my own constituency, and I commend the people in my office particularly, who have written very many letters about this kind of situation. We are now putting a plan into action which will give protection to Canadian home owners so that they will be secure in the knowledge that their mortgage will have, more or less, a fixed interest rate. These are the kinds of things which a compassionate government does, and which we have been doing. But I am very much afraid, and I believe Canadians are very much afraid, that in the future, if the government changes, this will not be the case.

Mr. Deputy Speaker: Order, please. A period is now provided for questions and comments. Questions, comments? Debate.

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am very pleased to be able to speak this afternoon on Bill C-21, an Act to provide borrowing authority. I feel a great deal of compassion—and I would like to express it at this time—for those members of the Government, such as the previous speak-

er from Thunder Bay, who must attempt to defend this borrowing authority Bill. That Hon. Member indeed danced around in a vacuum and really gave no explanation, as far as I am concerned, for the horrendous debt which this Bill intends to impose on the people of Canada.

Bill C-21 is a short Bill; it has three paragraphs. But I do not want Hon. Members of this House, or the people of Canada, to be misled by its shortness into believing that Bill C-21 is insignificant, because this Bill packs an immense wallop. It has enough of a wallop to bankrupt most of the small businesses of this country when the rippling effect is finally felt throughout the system in high interest rates and inflation. It has a wallop big enough to destroy the middle class in this country when the rippling effect of inflation and high interest rates is felt, and that is bound to occur when this Bill hits the money markets. I tell you, Sir, that no one in Canada should ignore this "small" Bill because we and our children are going to be living with it for a long time.

This Bill provides to Canadians, to this House, the philosophy of the Liberal Party starting from 1968 when this Government came into power. The Liberal philosophy is reflected in this borrowing Bill because its philosophy is to overspend—overspend yesterday, overspend today and overspend tomorrow.

What do I mean by overspending? My definition of spending is when government taxes people and uses that money for the operation of government. Overspending is when government does not have any money and spends anyway and must borrow outside the country. That is the Liberal Government philosophy—overspending. In fact, Mr. Speaker, it has been so successful in that philosophy it has out-NDPed the NDP. That poor Party has no place to go now because the Liberals have taken over its socialist position of heavy spending.

This Government's spending since 1968 is well detailed as a percentage of the Gross National Product, and I would like to inform you, Mr. Speaker, that this is on a national accounts basis. My figures do not seem to agree with some of the other figures which have been bandied about, particularly by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) who spoke for the New Democratic Party. We had a lot of humbug from Humboldt. My figures show, and I believe these are accurate figures, that in 1968-1969 we were spending 17.4 per cent of the Gross National Product. That figure has increased steadily. The only time it showed a decrease was during the period when the Conservatives were in power. That was in 1979-1980, I believe, and the figure decreased by one percentage point that one year. In the previous year government spent 21.3 per cent of the Gross National Product. The following year when the Conservatives were in power, it was 20.7 per cent. The year after when the Liberals again became the Government, spending went up to 21.2 per cent, and today it is 25 per cent. Spending is going up, up, up, and there is no indication it will go down.

That is an example of the Liberal Government's philosophy. We have a Budget of $100 billion. We have an annual deficit of $30 billion. We have a total deficit of some $180 billion at the end of this year. Not very many people can comprehend $180 billion. However, I believe everyone can comprehend $6,000 to $7,000 a year, and that is the debt which every child born today is burdened with. That is our children's heritage because of the overspending of the Liberal Government over the past number of years. The minute a child is brought into this world he or she owes a debt of $7,000. How it is going to be paid is really a good question.

What has concerned me, and I believe what concerns a lot of Canadians, is how can anyone spend so much money? How can one overspend to the extent of $30 billion a year? We have been provided with some very good examples and I do not intend to go into all of them, but I would like to mention a few which the average Canadian can understand. However, first of all, I would like to tell the average Canadian that the deficit of $30 billion is probably not an exact figure. I will quote what the Auditor General said in his report about that deficit:

> The increase in the national debt is important to all Canadians. Parliamentarians have the need—and all Canadians the right—to know the actual deficit, the actual debt as precisely as can be stated.

He continues, and this is the important part:

> My opinion on the Financial Statements of the Government of Canada illustrates that those amounts would differ by many billions of dollars from what is presented—

That is the $30 billion figure. So we are not even getting the facts on this horrendous $30 billion annual deficit. As I was saying, how do you overspend that kind of money, Mr. Speaker? Well, let us go to something Canadians can understand, the Auditor General's report. He talks about a horror story in New Brunswick involving the Department of Regional Economic Expansion. It guaranteed a loan for some $315,000 to build a 22-unit hotel. The motel did not make its payments. The trust company seized the hotel and sold it. But did they do it properly? Not at all. A corporate guarantee by the same hotel owner was never pursued by the Government. The Government failed to ensure that a protective bid was placed at the auction, nor was it even represented at the auction to ensure the proceedings were conducted in the best interests of the Crown. What happened at the auction? We sold the motel for $200. The successful bidder, and I will guarantee you he was a Liberal, sold the property the next day for $75,200. A nice day's profit. The fellow who brought it mortgaged it a month later for $285,000.

● (1700)

That is how this Government overspends. It gives money away, throws it away. You may say $315,000 is not a lot, and perhaps not. But it is a lot of money to me and my constituents in the Okanagan where we have 20 per cent unemployment. We can use that kind of money. All I am saying is that that sort of thing is repeated time and time again, and how do you explain it?

What about Centennial Towers here in Ottawa which we were talking about the other day? The Department of Public Works wanted a building so they put out bids and got 32 proposals. Number 24 on the list was the so-called Centennial Towers. Not the second, third, fourth, fifth, tenth or fifteenth

but the twenty-fourth. The Department is paying $1 million a month and the building is still empty. Why? Because they were told the Security Service would be in effect by that time. This Parliament still has not passed the Act to set up the secret police, the super-snoopers, and probably will not. The building is right down here on Kent Street and it is empty. I pass it every day. It used to be an apartment block and now they are getting $1 million a month for the thing standing empty. And one wonders why this Government is overspending, why it has a $30 billion annual deficit! That is why. I suppose the person who did that has been promoted.

It goes on and on, Mr. Speaker. However, perhaps the public is most interested in another aspect of Government overspending and waste, the porkbarrelling aspect of these programs. We have heard a lot about these programs, but I would just like to read from an article in *The Globe and Mail* which referred to "porkbarrelling the Axworthy way". At least, that is what I call it. It begins at the Winnipeg airport where several tens of millions of dollars have been spent. There is a housing project as you drive into town, then a giant excavation for the Air Canada Computer Centre. Then there is $13 million for another complex, $8 million for a Senior Citiznes' Home, and $41 million for the National Research Council. There is $8 million for a South Winnipeg Training Centre. It goes on and on. I guess there is nothing wrong with all that money being spent in Winnipeg.

Mr. Huntington: Seven hundred and eighty million dollars.

Mr. Dantzer: Yes, for Winnipeg. I do not know why they should be taking taxes out of Okanagan North when we have 20 per cent unemployment and pouring it into Winnipeg. They are very deserving people but so is the rest of the country. Why do we porkbarrel only where Liberals are? Surely the rest of the country is entitled to be treated in equal manner. That is how we arrive at a Bill asking for the authority to borrow $29 billion. This Government has overspent and is still overspending.

It is interesting, Mr. Speaker, when we talk about porkbarrelling, to realize that in this little Bill there is a request for some $4 billion which is not even set out in the Budget. We do not even know what it is going to be used for. A contingency! You get a little upset when you hear about that and you know there is going to be an election pretty soon. You hear reports from the Nova Scotia Liberal caucus that they are going to win the election like they did before; they are going to keep Quebec, ignore the west and porkbarrel southern Ontario. Maybe that is what the $4 billion is for; a nice, neat contingency fund. I do not know but I wish someone on that side would explain to us why then need that $4 billion. I charge the Government with defrauding the Canadian taxpayer, because that is exactly what it is.

Another question we should ask is why every spring do we have these immense borrowings by this Government. As someone said earlier, this is the largest borrowing Bill ever to come before this House. Number one, of course, is to pay the people of Canada their income tax refunds. That is money the Government of Canada has taken from people wrongly, has used it and is now paying them back without interest. Every year we have the same problem. Another more serious reason is that at year end every Department of this Government is scrambling to find ways and means and schemes to spend all the money they budgeted for. Every year it is the same thing. I have talked to civil servants and they say it is the hardest task they have all year. One would think that a properly run government could work out a scheme whereby every year there is not a scramble to use up money which should not be used. Surely that is not so difficult. They do it in the private sector, why can it not be done in the public sector?

The overspending scenario of the Liberal Government, Mr. Speaker, has gone on in the past and is obviously going to go on in the future. But how are we to pay for these deficits? Not so long ago, in 1980 when the Government got into power, the annual deficit was $10 billion. It is now $30 billion. Can anyone comprehend the waste? The Government has made no effort at all to hold the line.

How do we pay for it? Number one, we print money. Over the past 12 years the Bank of Canada has monetarized some $12 billion of Government requirements. We print money and that causes inflation. Also we borrow it. Federal borrowing is 58 per cent of new debt security in Canada. This year the Government is asking for $29 billion and total private savings were $32 billion. We are asking the people of Canada to cough up 91 per cent of their private savings. The Hon. Member from Thunder Bay talks about our rate of savings in comparison to the U.S. No matter what the rate is, we are using it all. There is nothing left for the private sector. That is what the people of Canada have to look forward to when they see this little Bill that we have before us.

Who are the people who really suffer because of this deficit, Mr. Speaker? It is the people of Canada who have suffered, are suffering and are going to suffer. To print money only cheapens our currency and the cost of living goes up. Certainly it is going to cost more to pay off our foreign debt. It is going to cost more to purchase the equipment we need from abroad and it is going to cost more to put food on our table. As we all know, we get a lot of food from outside this country. That is what printing money does. We only have to look at countries in South America to see that we will become another Argentina if we are not careful and if this Government is not put out of office pretty quickly.

• (1710)

What does borrowing do? There are those who say it boosts the economy. I can tell the House that it is going to increase interest rates in the country and start a recession, the likes of which we have never seen. The markets are already showing that and interest rates are already going up. We already have unemployment because of past high interest rates and we are going to get another round of it. There has to be a stop to this but it appears the Government does not intend to stop. It puts up speakers to argue it is a good thing and that this high deficit does not matter in our situation. I do not think anyone

is prepared to accept that kind of nonsense. It is really the back door to socialism. In fact, it may even be the front door.

The Hon. Member for Humboldt-Lake Centre spoke about what his Party would do and how they would spend. I would like to quote from a report of Mr. James Laxer, who is the the key intellect of the NDP. He argues that their policies are not appropriate today. He said:

> Just where would the NDP notion of economic recovery lead if it was actually implemented? . . . to a skyrocketing deficit in manufactured products, trade, to a disastrous balance of payments situations, to a falling dollar—

That is what is happening right now.

> —to higher interest rates. Leaving the structure of the Canadian economy the way it is and stimulating consumption would result in a huge leakage of dollars out of Canada . . . Such a policy would quickly return Canada to a disastrous balance of payment crisis—

That is exactly what the Hon. Member proposed in his speech—increased spending and more debts.

Mr. Gustafson: Payment for overexpenditure on Crown corporations.

Mr. Dantzer: That is what the Liberals have been doing, Mr. Speaker, for the last 16 years. It is time they relieved the Canadian public and left office.

Mr. Berger: Mr. Speaker, would the Hon. Member care to reply to a couple of questions? He had a lot to say about mismanagement. He gave a number of examples of mismanagement. I suggest there is nothing inherently Liberal or Conservative about mismanagement. Certainly Members on this side would like to see every effort made, and they do make considerable efforts in standing committees of the House, as do Cabinet Ministers, to try to manage better.

I would like to move to a couple of fundamental questions which I do not believe he addressed when he spoke of the deficit. The Hon. Member's Party and Leader advocate increased spending on health care. The Progressive Conservative Party advocates increased defence spending. They also say one of the problems with our economy is that we do not spend enough on research and development. Furthermore, they argue we should have increased investment incentives. At the same time they say the deficit should be reduced.

Has the Hon. Member added up how much his Party proposes to spend in each of the areas I have listed? Could he give us some indication of the areas where his Party would cut spending if they formed a government?

Mr. Deputy Speaker: Order. Before recognizing the Hon. Member for Okanagan North (Mr. Dantzer), I would like to remind Hon. Members that questions and comments must relate to the specific remarks of the previous speaker. No new issues should be raised. However, I give the benefit of the doubt to the Hon. Member and he may respond if he wishes.

Mr. Dantzer: Mr. Speaker, I am very glad to hear the Hon. Member outline the policy of the Conservative Party. So often in the past we have been accused of having no policy. In five, six or seven areas he specifically spoke about our policy. I am glad he told the people of Canada that we have a good policy.

The other day an Hon. Member on this side of the House said the Government is spending $1 billion on advertising. We will cut that out and save $1 billion right there. That is a good start. The Government is spending millions to advertise the fishing industry and at the same time cutting back on the fishing industry. The Government says it sells no fish. There is something wrong with that kind of approach.

There are many ways and as time goes by we will tell you how. After all, we are not the Government. You are the Government and responsible for the mistakes you make. I know back-benchers bleed profusely and are helpless when the front bench makes mistakes.

Mr. McKenzie: Mr. Speaker, I would like to direct a question to my colleague for Okanagan North (Mr. Dantzer). We read the Auditor General's report every year. The situation does not get better. It gets worse. The Auditor General has pointed out that the Liberal Government does not have the will to implement controls. It does not believe in cost benefit analysis. Its theory is blank cheque government. The Auditor General points out that cost overruns on major capital projects total $1.1 billion. It is obvious there is no management when there are that amount of cost overruns. No business could survive with cost overruns like that. Is there any reason we could not get proper management to do cost benefit analyses on these major capital projects to bring a stop to these cost overruns? Some years the overruns are well over $1.1 billion.

There are other areas where we could cut back on expenditures. As an example, in a short period of time 35 Cabinet Ministers were flying all over the country in Jetstars.

Mr. Deputy Speaker: Order. I hesitate to interrupt the Hon. Member. However, I appeal to Hon. Members to relate their questions and comments to the specific remarks of the previous speaker. This is not a time to raise new issues. Remarks must relate to those made by the previous speaker. The Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie) seems to be stretching the matter beyond the Hon. Member's speech.

Mr. McKenzie: Mr. Speaker, I will just point out that the use of JetStar aircraft cost Canadians almost $1 million in a 100-day period of use in August of 1983. We have had situations where Liberals have taken three JetStars to fly campaign workers to Winnipeg.

Will the Hon. Member make comments on the Auditor General's report regarding the will to bring expenditures under control and to do something about these cost overruns?

Mr. Dantzer: Mr. Speaker, it is true that every time the Auditor General's report comes out there is a lot of wringing of hands and people saying they will try to do better. I am not saying the Government has not the will to do better. However, since they have not done any better they either have not the will or the ability. In other words, they have lost control of government. That may well be the answer. Perhaps the

administration has become so large that the Minister and the Government can no longer control the vast number of people under it. However, it is the same both ways. If the Government is not doing the job it should get out and let someone else in who probably could do it.

• (1720)

Mr. Ferguson: Mr. Speaker, I noticed that the Hon. Member referred to government spending as a percentage of the GNP. I believe he said it was 17.4 per cent. I think he indicated the period 1968-69 and that it was at the same level in 1962 under a Tory government. Of course, during the course of a recessionary period such as the one we just came through, this naturally increased due to the safety nets that were put in place in society by Liberal governments over the years so that we would not have to go through the hard times that existed in the 1930s.

With respect to lack of revenue and the increased expenditures by the Government to provide these safety nets, how can the Member use that as a logical comparison when, in fact, the net public debt as a percentage of Gross National Product in 1982-83 was actually lower than it was during the Diefenbaker period in the early 1960s?

Mr. Dantzer: Mr. Speaker, I think the subject of the Diefenbaker period was raised earlier. Mr. Diefenbaker was paying for the war which we had just gone through. It is pretty understandable. As well, at that period, during the early years of the Liberal regime, the deficit was not nearly as high.

I am not saying that some of the deficit is not due to the recent recession. I am merely saying that the recession was made much worse and more harmful to Canada because of Liberal Government policies. I am also saying that the Government has not shown any will or ability to cut that deficit down in terms of the percentage of GNP. That is all I am saying.

In the relatively short period I have been here, the Government has said every year that it will cut the deficit in the next year. However, it is never done the next year but always the year following. It has done the same thing this year. The Government says it will cut the deficit next year to $24.4 billion from $25 billion, then to $23.6 billion from $24 billion and then to $23.1 billion. Wait until next year, if the Member is still around; I bet it will go up again. That is why I suggest we cannot believe the Government or its figures when it presents a Budget.

• (1730)

[*Translation*]

Mr. Deputy Speaker: Order! Debate. The Parliamentary Secretary to the Minister of Transport.

Mrs. Eva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, with Bill C-21, the Government is asking the House for permission to borrow the monies it needs for the proper administration, and I emphasize the words proper administration, Mr. Speaker, of the country's business.

I do not intend to elaborate on the basis for this request, which is fair and reasonable, since I believe my learned colleague from Thunder Bay-Atikokan (Mr. McRae) already did so very successfully. I would rather discuss a number of situations that prevail in my riding as they do generally across Canada, and that justify this request for supplementary borrowing authority. That the Government is asking a little more than it needs merely proves that the Government would rather be safe than sorry. The affairs of state must be administered with an eye to what the future may hold in store, and I think it is quite normal that the Government should ask the House for sufficient borrowing authority to cover its requirements.

I think it is hardly necessary to recall the state of the economy in preceding years, especially since 1981, or perhaps towards the end of 1980 and the beginning of 1981. The economic situation has become extremely difficult, and at the same time it has been necessary for the Government to protect jobs and especially to plan ahead for new generations entering the labour market. When I say that we should open up labour market opportunities, I should add that every effort ought to be made to bring back into the labour market those of our fellow Canadians who have lost their jobs.

I would like to quote a few figures on the amounts of money earmarked by the Government to meet the needs of the people in a region such as mine. If we add up all the money spent not so long ago in Eastern Quebec in particular on unemployment insurance and social assistance, we find that the Canadian Government has been paying out $1 million every day. It seems to me that, in such circumstances, any intelligent person would eventually wonder whether those funds might be expended in a more productive and constructive way than keeping people idle and giving them unemployment insurance benefits or social welfare hand-outs. That is why we have set up very worthwhile programs by using the funds allocated under the provisions of Unemployment Insurance Act Section 38.

Mr. Speaker, a significant part of Quebec forests cover my region—the entire territory of Témiscouata, Kamouraska, Lower St. Lawrence and Gaspé—and everyone knows that it has been extensively ravaged by the spruce budworm. Thanks to the funds made available through unemployment insurance under Section 38 of the Act, we were able to carry out major reforestation and silviculture projects, to the extent that our forests have been given a new lease on life. Millions of young trees were planted, and all those projects have kept Canadians at work to ensure a much brighter future for ourselves and our children. It may have cost a little more than paying unemployment insurance benefits, but the Government and various groups of people put in additional funds to see the projects

through under those programs, and even some companies and institutions pitched in so that a great many people, thousands of my fellow citizens, have been able to earn an honest living while doing something useful for the community. Our intention is to maintain those programs and to encourage people to undertake worthwhile projects under them.

With respect to social welfare, we realize now that it is becoming increasingly imperative for the well-being of our community and Canada as a whole to make sure that people who are penalized because they lack adequate training or face job shortages can benefit from some of those programs with a view to becoming active in their community and eventually finding gainful employment.

In this regard, Hon. Members learned last week that the Minister of National Health and Welfare (Miss Bégin) had signed an agreement with the Quebec Minister of Manpower and Employment Security under which the Canadian Government agreed to increase its contribution by about $60 million over two years to enhance the social assistance program.

Now let us see how these funds will be used to improve the welfare of all the young people who will benefit from them, and I mention young people because this program is intended for those under 30. In addition to receiving the social assistance to which they are entitled, they will be getting an additional amount of $150 a month. Three avenues will then open to them. First, they may continue their secondary or even post-secondary education. They may also gain experience in the workplace by way of contacts with businesses and non-profit organizations, or alternatively institutions will be able to use the services of these young people who will then be gaining an extremely important experience in the workplace. In addition, these young people will be able to take part in projects to meet the needs of the community.

Mr. Speaker, you know as well as I do how extremely important it is to see that this whole section of our population, namely our young people under 30, is integrated as much as possible into what is usually considered a normal society, in other words, people who have as many opportunities to work as possible. However, you also know that in view of the deterioration of the economic situation, there have been serious problems; and if we add to this the thrust of technological changes and everything that will come up in the future, some of our fellow citizens are ill-prepared to take up these new challenges. The program I have just described and on which the federal and provincial Ministers have agreed will offer thousands of young people a very interesting opportunity to improve themselves by taking part in creative and innovative projects for the community.

I also want to deal with certain programs administered by the Department of Employment and Immigration. As I was saying, a number of young men and women have to return to the labour market and the Department of Employment and Immigration is offering them some very useful programs. Programs such as the Youth Job Corps and Career-Access even allow these young people to submit their own projects to the Department and do what they really want.

In particular, Mr. Speaker, I would like to draw your attention to a program developed by Employment and Immigration Canada and administered by the Department of National Defence. I do not believe that it is out of order for me to describe the use that is made of the tax dollars paid by the Canadian people and of the funds for which the Government requests some borrowing authority. In addition to the vast amounts used for the financing of established programs, particularly health and education, there are a number of programs which are necessary and which must be maintained. Mr. Speaker, I should like to draw your attention more particularly to a program which I find extremely interesting for young people. You do remember that the Department of National Defence was asked to develop and implement a whole system of training and employment for some 5000 young people, in its various centres in Canada. The goal we had in mind was to give these young people a special but rewarding training and at the same time an opportunity to explore some trades or professions otherwise unfamiliar to them. In my own area, in Rimouski, enlistment is done at the recruitment centres of National Defence, and 75 young people have taken advantage of that program. They have been with National Defence for a year now.

In the Sept-Îles area where employment problems are very serious, 75 young people have joined the program. In the Atlantic area, for example, 1,057 young people are with National Defence, 1,247 in the Quebec region, 1,809 in central Canada or Ontario, 1,103 in Western Canada. This means that 5,216 young men and women are with National Defence benefitting from a most interesting personal training. In addition, they can learn several trades in those various centres. For instance, those young people can find themselves in the bases in Cornwallis, St. John, Petawawa, Valcartier, Calgary, and so on, and get training in various skills or professions such as administration and finance, the postal service, all technical services. Training can be had in nearly all the trades connected with the navy, even in music, which is not to be disdained. This means that many thousands of young people are now availing themselves of a special program that is worthwhile, both for National Defence and society in general. I remember some parents who told me at home: Perhaps if you had fewer programs or no programs for the young, the Solicitor General or the Minister of Justice in some provinces might have to expand their facilities. It seems to me, Mr. Speaker, that the programs now being offered by the Government of Canada, to women and young people in education or manpower training or the retraining programs for adults are absolutely vital and are only an addition to the normal services the Government of Canada should provide to all Canadians. In the light of the current situation, of course this is expensive. It is extremely

costly to ensure that the greatest possible number of people can earn a decent living, making a contribution to society rather than living off it. But it must be recognized that the monies invested in training or adult education are also an asset to us, they are an investment, and it seems to me that it would be niggardly at this point to suggest the funds are being misused or misspent by the Canadian Government. The economic situation we have been going through has been extremely difficult, not only financially, but also, as we know, it has created serious social problems for many individuals and families. In a region such as Eastern Quebec where at one point the unemployment rate almost reached 50 per cent between 1981 and 1982, while the current rate is still 21 to 22 per cent, we have a responsibility in my view to alleviate the hardships or despair which the lack of jobs might cause to many people.

• (1740)

The programs I have just referred to, such as welfare which was once considered as somewhat degrading for the people who are entitled to it, are now enriched because education has been added. People who want to make the effort will be able to go back to school, or train on the job or acquire work experience and do community work. It is simply a matter of giving Canadians, especially young men and women, an opportunity to upgrade their training and get better jobs. They feel more integrated when they can be positively and constructively involved. Like all of us, they now feel they are contributing to building this country while helping their fellow Canadians and hoping that their experiences will enable them to fulfil their role as citizens. This has been our goal when designing stimulating, innovative and flexible programs which will provide young men and women with the opportunity to use their imagination in making the best possible contribution to their community. Therefore, Mr. Speaker, I will support the Government's request for authorization to borrow sufficient funds, because as I said earlier, this money is needed to effectively manage public affairs in the best interest of Canadians.

Mr. Deputy Speaker: Order. Questions. Comments. Debate. The Hon. Member for Joliette.

Hon. Roch La Salle (Joliette): Mr. Speaker, I shall make a few comments on the legislation tabled in the House today, in which the Government is once again asking for borrowing authority, this time for nearly $30 billion.

I listened carefully to the Member for Rimouski (Mrs. Côté), and I noticed the depth of her concern for the problems facing young constituents in her riding. Our problems are the same. I was shocked when she mentioned an unemployment rate of 50 per cent, 22 per cent today, and of course I understand her comments and her concern for the problems facing this group. Mr. Speaker, when we hear that in the Hon. Member's riding alone, the federal Government spends $1 million a day on unemployment insurance and welfare, the Hon. Member should realize, with respect, that this testifies to the Government's complete failure to take any kind of meaningful action. The Hon. Member has just confirmed and proved that over the past fifteen years, the economy has deteriorated to the extent that in her riding, it costs the Canadian Government $1 million a day to keep people on unemployment insurance and welfare. Mr. Speaker, may I remind the House that in 1969, on August 13, the Prime Minister said: "If we do nothing to slow down increases in expenditures, we are headed towards financial disaster." That is what the Prime Minister of Canada said in 1969. That is exactly the kind of disaster that was described by the Hon. Member for Rimouski, and I think that the concern that could be felt in the comments she made earlier is familiar to all or nearly all representatives of Canadian constituencies.

She is pleased to see that an agreement has been signed with the Quebec government whereby our young people who are on welfare and who must be satisfied with a pittance because jobs are non-existent will receive $150 more from the Federal government. She also said that from now on they will have a decent income of, I think, nearly $300 per month, that is, $75 per week.

I do not consider this as a decent income, Mr. Speaker. Not at all nor do I think that the hon. member for Rimouski would be satisfied with it. I am sure that she would rather see these young people, who are her constituents, with permanent jobs. Try as it might, the government could certainly not justify these $30 billion in borrowing powers on programs which are at best temporary, due to the devastating economic situation. That is why it is developing programs, Mr. Speaker, in view of the disastrous state of our economy. The Prime Minister, therefore, had foreseen a rise in government spending. But what has his government done since 1969, a time when it appeared so concerned about increases in spending? Mr. Speaker, it is interesting to note what various people had to say about this. For instance, not so long ago, more specifically on January 12, 1980, the Prime Minister of Canada made the following statement: "We will maintain the rate of increase in government expenditures below the growth rate of our GNP, thereby decreasing gradually our deficit. All new spending programs set up to meet the changing needs of the Canadian people will be financed through a redistribution of current expenditures or revenue increases. We will not increase the deficit by setting up new programs". Thus spoke Pierre Elliott Trudeau, our current Prime Minister, on January 12, 1980.

Mr. Speaker, I quoted only two remarks from the Prime Minister, and yet we see what situation we are in. The government invokes now, just as it did in 1969, the need to reduce the deficit. Since then, we have had eight requests for borrowing power like today's request. We were successively asked for $12 billion, $14 billion, $6 billion, $4 billion, $19 billion and finally $29.5 billion. Mr. Speaker, as one of my colleagues put it, this

really borders on insolvency. Any individual who wants to borrow money from the bank must justify his request. There must be a climate of confidence. He is asked "How is business going?" These questions are asked today. The government is being accused, and with good reason, of being insolvent, irresponsible and hence incompetent. We know it full well, and Canadians are witness, they are worried regarding the growing per capita debt of Canadians, who are into debt for generations to come, Mr. Speaker, and you are aware of this as we all are.

The Government proves that it is unable to make both ends meet. They are asking us today for the eighth time to trust them and vote this borrowing authority bordering again on $30 billion. This is too much to ask, Mr. Speaker. It is too much to ask and most Canadians, according to surveys, no longer trust this Government, and they would surely blame us, and rightly so, for being remiss if we trusted the Government. However, this does not keep the Minister of Finance awake at night, as he stated last night, whether it be the value of the Canadian dollar or the deficit. It is obvious that the Minister of Finance will not spend sleepless nights because of what he considers as a small deficit. It is obvious that the Government has completely failed in terms of keeping its spending, as we ask, under tight control, in particular the spending of Crown corporations which do not hesitate to spend or even squander taxpayers' money and then, submit their deficit to Parliament. And the Government is wont to tell us that the indebtedness of Crown corporations is partly due to the House itself. That would not change anything, Mr. Speaker, and you know it. We get the bill at the end of the year and we cannot do anything about it, although people think we are responsible for the debts of Crown corporations and the way they squander public funds. Today, the Minister offhandedly brings before the House a piece of legislation and asks us to trust him. During all these years, the Government indebtedness has been steadily increasing. You know, Mr. Speaker, the Government reminds me of the chap who, in a hopeless situation, has to sell his stove to buy wood. There is not much difference, and the Government is sinking into debt. On January 12, 1980, the Prime Minister of Canada also accused the Conservatives of increasing by 100,000 the number of unemployed, but he added that the Liberals were going to bring it down, Mr. Speaker. Today, as you know, the Government in spite of countless efforts has to spend incredible sums of money to keep the 1,500,000 officially unemployed, and this does not include those whose claims have lapsed. We know that there are in fact 2 million people unemployed in Canada, Mr. Speaker, and that a good many of them are on welfare and will not even benefit from the agreement just signed relating to youth employment, because they are over 30 years old. At the dawn of the 1980s, we should not forget that the biggest challenge—I am still quoting the Prime Minister of Canada—"confronting our country is job creation, particularly for our young people."

• (1750)

To justify its expenditures, Mr. Speaker, the Government will obviously pride itself on having created thousands of jobs last year, but these are temporary jobs and this fact will never be emphasized too much. These are temporary jobs only lasting for 20 to 26 weeks which means that these young people or not so young will have to claim unemployment insurance again and finally when their claims have lapsed, they will have to be satisfied with the meager pittance provided by welfare benefits. This has been an on-going process, Mr. Speaker. The Government has to borrow more money and therefore asks for additional borrowing powers. The following statistics, Mr. Speaker, speak for themselves; in all cases, they are reasonably adjusted. The number of unemployed in February 1980 was 874,000! In January, 1984, one million three hundred and seventy four thousand, that is, half a million more than anticipated. Youth unemployment: in February, 1980: 12.9 per cent; in February, 1984: 18.7 per cent, five per cent more, Mr. Speaker; 563,000 jobs have been lost during the recession, and the Canadian labour force is still 193,000 short, of what it was before this recession. The unemployment insurance scheme costs between $11 and $12 billion. This figure exceeds total expenditures made last year by the four Atlantic provinces governments combined.

When one looks at the debt and at this government's mismanagement for the past 15 years, Mr. Speaker, ... The Prime Minister of Canada, who announced he would step down in the near future, obviously because he wanted to avoid being accused of this dismal failure, had predicted himself that this bankruptcy was bound to happen if we did not control government expenditures. They did not control their expenditures and we are on the verge of disaster, of bankruptcy. There is not a single businessman who would have put up with such bad managers for more than a few months; and Canadians have been putting up with them them for 16 years.

Given the circumstances, Mr. Speaker, you will understand that it is very difficult and indeed impossible for me to approve this request. This is a matter of confidence. And I cannot believe the Minister is introducing this bill as a normal piece of legislation. Bankruptcy after bankruptcy, and deficit after deficit. For years, we have been calling for adequate control of government expenditures by elected Members of this House, but to no avail. The Right Hon. Prime Minister and his ministers couldn't care less.

Given all this, you can logically expect us to reject this request by the Government. In fact, I believe we are not only right to do so, but it is our duty.

The Government proposes, Mr. Turner said on June 23, and I have met him before—

An Hon. Member: Charles?

Mr. La Salle: No, not Charles, John! The Government proposes, he said, to lead the way in terms of restraint by bringing its spending under tight control. At that time, that Minister of Finance had already introduced deficits, starting with a $5.5 billion deficit in 1975. All things considered, that deficit was quite similar to that proposed by the present Minister of Finance (Mr. Lalonde)!

In his Budget, the then Minister of Finance, the present Minister of Energy, Mines and Resources, stated on November 16, 1978: There can be no weakening in our determination to keep expenditures under tight control.

That is what the then Minister of Finance, who is now the Minister of Energy, Mines and Resources, said on November 16, 1979: that deficit was $12 billion!

On February 15, 1984, our present Minister of Finance said the following: . . . this budget is fiscally responsible. The time has come to control the expenses incurred by this Parliament: a deficit of $29 billion, Mr. Speaker! And the most recent figure is a deficit of $31 billion!

Would you say, Mr. Speaker, that this Government deserves the confidence of the Official Opposition for such mismanagement, and for what appears to be, even to those who hardly know how to count, such a sorry state of financial affairs? I think it is important that Canadians should realize that our national debt, which was approximately $10 or $15 billion fifteen years ago, has gone up to $150 billion. Mr. Speaker, in my mind, it is unthinkable for us to accept the invitation of this Government. Moreover, it is important and even essential for us to condemn this mismanagement and these shameful expenditures generally, this lack of control and this refusal on the Government's part to give back to this House some control, especially over Crown Corporations. Of course, Government expenditures have to be completely reassessed. We must also be given the controls we are requesting, and I have known this for at least ten years because that is how long we have known that under this Government our country was heading towards very serious financial difficulties. That is exactly what is happening, Mr. Speaker.

What is most incredible, when one listens to, and especially when one rereads the statements made by the various Ministers of Finance from Mr. Turner to this date, is the knowledge that this Government has literally deceived the population. The Members opposite were elected after they had promised to control their expenditures, to reduce the deficit and consequently, to free certain amounts from the costs of financing the national debt. Now, the Government has the gall to ask us close to $30 billion and to tell us: "We only need $25 billion."

Their estimates having long been inaccurate, they mistrust their own projections. That is why they are asking $30 billion when admittedly they need only $25 billion. It is unthinkable, Mr. Speaker.

This is the reason why we will vote against such a confidence motion, because through this bill they are asking us to trust them. The public has lost all confidence in the management of this government and so has the Opposition, being in a better position to watch the actions of those responsible for government administration. They lost our confidence a long time ago, Mr. Speaker.

And since they would not support the measures we had been advocating in the best interest of Canada, to give this country more buoyancy through proper economic management, we will not agree to the request of the Parliamentary Secretary to the Minister of Finance. It would be unthinkable, Mr. Speaker, because we cannot agree with a government which has failed so miserably. It is our duty to condemn this government and request elections as soon as possible for the simple reason that it has lost public confidence over the past 18 months, according to the polls.

And I do commend the Hon. Member for Rimouski-Témiscouata (Mrs. Côté) for her compassion towards her constituents. But, as a supporter of the scaring and harsh economic policies of this government, she cannot disclaim responsibility and is to be blamed for their plight. Canadians have started to realize that, and I hope they will let these Members know what they think of such mismanagement which has gone on too long, Mr. Speaker.

Mr. Deputy Speaker: Order. I suggest to Hon. Members . . . Order, please. If Hon. Members wish to leave for supper, they should give the Chair the opportunity to adjourn the House.

It being 6 p.m., this House stands adjourned until tomorrow at eleven o'clock a.m., in accordance with the provisions of Standing Order 2(1).

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 8, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Wednesday, March 7, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I am pleased to take part in the debate on Bill C-21, the Borrowing Authority Act, which follows the February 15 Budget introduced by my colleague the Minister of Finance (Mr. Lalonde) and which is supportive of the expenditure plan as well as the very important initiatives set out in that Budget.

The recent Budget presents a very clear and positive context for Bill C-21. It is a Budget which builds on the successes of several previous Budgets of the Government and it deals effectively with the problems created in large degree by international factors that have hindered the well-being of the economy.

[*Translation*]

Mr. Speaker, I would ask Hon. Members to think back to June 1982, when Canada was in the midst of a recession. At the time, double-digit inflation was hitting both industry and consumers, and interest rates were at a record high. Unsatisfactory productivity levels in this country, high salaries and increases in other costs were making it very difficult to maintain our position on international markets because our costs were not competitive. It was a combination of all these factors that caused our economy to decline.

[*English*]

In these circumstances the Government recognized that it had a prime responsibility to bring down inflation and, through this and other measures, to stimulate economic recovery. It took the decisive action required, beginning with the introduction of the six and five program in June, 1982. All sectors of the Canadian economy were encouraged to follow the federal Government's lead to restrain their demands on the economy so that our future economic well-being would be protected.

• (1110)

[*Translation*]

Generally speaking, Canadians met the 6 and 5 challenge very well and made the wage and price decisions that were necessary to make the plan a success.

[*English*]

Six and five has been a balanced program. It is a way of showing leadership and is a demonstration to other sectors. Wage rate increases of federal public sector employees have been held to 6 per cent and then 5 per cent for a two-year period. The prices of all goods and services provided by federal Government Departments, agencies, Crown corporations and the wholly-owned susidiaries, as well as prices set by federal regulatory bodies, were limited to increases of 6 per cent and 5 per cent respectively for a two-year period following June 28, 1982. The Government also initiated an active consultation process with other sectors of the economy. All these steps helped broaden the impact of the six and five program on costs and prices generally in the economy.

When the Government launched the six and five program in June, 1982, the inflation rate was in excess of 11 per cent. By the end of last year it had dropped dramatically to 4.5 per cent. For the whole of 1983 the rate of inflation and what it means in terms of prices was 5.8 per cent, almost half what it had been in 1982 and lower than it had been in over 10 years. With this came a most welcome reduction in interest rates.

In the quarter ending June, 1982 the average compounded annual increase in the base wage rates in major new settlements without COLA clauses in both the Canadian private sector and the federal public sector were close to 12 per cent, but for the most recently recorded quarter the corresponding figure for both those sectors is about 5 per cent. I see by today's newspaper that figures recently released by the Department of Labour suggest a 4.9 per cent average for all of 1983.

The six and five program has made an important contribution to the improvement of Canada's inflation performance. Consequently, it was a major factor in the economic turnaround that resulted in the achievement of about 3 per cent real growth last year and about 400,000 jobs being created. Expanded labour productivity together with improved wage performance have resulted in a very significant improvement in Canada's cost performance. These are very encouraging signs but still we must be vigilant in our efforts not only to maintain our level of improved performance but also to strive by all reasonable means to enhance it further.

[*Translation*]

All Canadians have a role to play in controlling and bringing down inflation, by keeping price increases for goods and services at levels that will help to reduce inflation even more. Moderate costs and improved productivity explain why we have been able to increase our share of world markets last year.

• (1115)

[*English*]

We must continue to limit our costs and be more productive. Every country in the industrialized world is endeavouring to become more competitive. Therefore, our continued prosperity depends enormously on our ability to keep pace with the rest of the world. The onus and obligation to keep Canadian costs competitive and improve productivity rests with each of us. This is true primarily in the private sector but also in the public sector. This means not only that we all have a responsibility for containing inflation and for not allowing the successes achieved in curbing inflation to be frittered away, but also that the public and private sectors must be unremitting in their efforts to improve productivity.

A more productive Canada, both in its public and private sectors, in the key to our economic vitality during the rest of the 20th century and on into the 21st century. For the public sector there are additional factors demanding continuing attention to the improvement of productivity in our own operations. The public sector is inevitably looked to for the demonstration it can provide and does provide in the effective and efficient management of human and financial resources.

The Canadian public as well, quite rightly, insist on quality service and on achieving top value for their tax dollars. Canadians want their Government to offer at least as many services as they have become used to, but they want them performed at the least practical cost. The federal Government is providing more services today than ever before with a Public Service work force which is at about the same level as it was in the mid-1970s. The overall Public Service personnel strength has steadily decreased from 2.6 per cent of the labour force in 1976 to 2.1 per cent today.

[*Translation*]

Mr. Speaker, a few weeks ago I announced a four-point plan containing new measures aimed at improving productivity in the Public Service.

First, we are establishing pilot projects to improve operational effectiveness in departments and a number of Crown corporations with heavy operational responsibilities.

Second, we are reviewing central management policies and methods to determine how they can be made more effective without affecting standards of integrity and responsible management for the administration of public funds.

Third, we are reviewing our methods for applying federal legislation regulations, in order to cut administrative red tape, while continuing to protect public interest.

Fourth, we are considering various ways of changing the job environment in Government offices in order to improve productivity.

[*English*]

We expect that these initiatives will enhance the productivity, that is, the efficiency and effectiveness, of our government operations. These initiatives will be taken in conjunction with already existing measures like the IMPAC Program, a program which is aimed at improving management practices across the federal Government. It is already achieving savings estimated to be in the order of $122 million each year. This is the case even though it has been in place only in some Departments so far.

With the new Budget with which Bill C-21 is linked, the federal Government has renewed its commitment to provide economic leadership. In this context, the ongoing necessity to contain inflation is part of our over-all effort to foster sustained economic growth and job creation. We have, therefore, decided to continue the policy of limiting price increases for goods and services provided by federal Departments and agencies, Crown corporations and federally regulated industries for a further 12 months. For this purpose, we have set a new price guideline of 4 per cent. The administrative mechanisms of the six and five program for monitoring price increases will remain in place. As was the case with the six and five program, price increases above the new guideline will be permitted only with Cabinet approval and only when they are clearly warranted.

The new 4 per cent guideline and our new policy on collective bargaining demonstrate our belief that the federal Government and, indeed, all levels of government have a fundamental responsibility—to quote the Minister of Finance in his Budget Speech—"to continue to exercise discipline in their own wage and price decisions". As was said in the Budget, Mr. Speaker, the Government will resume collective bargaining in the federal public sector as the six and five program expires.

I welcome a return to collective bargaining. Collective bargaining provides employees in both the public and private sectors with the capacity to play a meaningful role in determining the terms and conditions of their employment. Each group of federal public sector employees will leave the mandatory restraint program two years from their date of entry at best. This means individual groups will begin to phase out of the six and five program this June; by July, 1985 all federal employees will have exited and thus collective bargaining activities will have resumed commencing in May or June of this year.

• (1120)

In its own collective bargaining, the federal Government will bargain hard, but responsibly and fairly. Four major principles will guide the Government as it carries out its side of the collective bargaining process. We will bargain for settlements that will contribute to reducing inflation and are fiscally responsible. We will bargain for settlements based on total compensation comparisons with the private sector; that is, taking into account the whole range of benefits and conditions

of employment. We will bargain for settlements that do not exceed the private sector in compensation for comparable jobs; and we will bargain for settlements that encourage increased productivity and improved performance and recognize relative job responsibilities.

Therefore, while there are no hidden numerical pay guidelines, we will apply these four principles which are not only fair but are, I believe, consistent with what the public expects of the Government in its settlements with its own employees. In this regard the Government has no intention of making catch-up payments to its public servants. This is because other sectors have indeed followed the federal wage restraint initiative, as the wage adjustment figures so clearly show. The guaranteed wage increases of 6 per cent and then 5 per cent for federal public sector employees mean that these public servants have not lost out relative generally to other wage earners in Canada. Now the Government will bargain compensation with its employees in a fiscally responsible manner. We will not agree to increased wages to the point where upward pressure is put on inflation or where revenues, in addition to those provided for in the fiscal plan, must be sought through increased borrowing or taxation or through the diversion of funds from other programs in order to meet higher public sector payroll costs.

The Government has indicated its willingness, Mr. Speaker, to ask Parliament to legislate wage settlements in those specific cases where there are excessive arbitral awards, or excessive settlements by federal Crown corporations, or where federal public sector strikes may be damaging to the public interest because of their lengthy or disruptive nature. This recognizes the Government's ongoing responsibility to protect that public interest. The Canadian people generally, and I hope the public sector unions and their members will understand this responsibility and necessity.

The principles for collective bargaining with the federal Public Service set out in the Budget are fair and reasonable, and I believe that federal public sector employees, their unions and the Government itself will act in such a manner that the intervention of Parliament in the process of determining compensation will seldom, perhaps never, be necessary.

The public expects the federal Government, in fact all governments, as well as public sector unions, to strive responsibly to meet the challenges inherent in the resumption of collective bargaining. The public has expectations about the level, quality and continued delivery of government services. It expects value for tax dollars and it expects the public sector, both federal and provincial, to play its part in the restoration of the country's economic health.

I should add that I will be undertaking consultations with labour and other interested groups on possible proposals to amend the Public Service Staff Relations Act. This Act governs collective bargaining in the federal Public Service and has not undergone substantive change, if any, since it was first proclaimed in 1967. We would obviously have some suggestions from a management and a government point of view and I am sure the bargaining agents would have theirs. My objective is to have meaningful dialogue on the matter with unions and others who want to make their views known.

• (1125)

It would not be helpful to speculate at this time on what might or might not eventually be proposed to Parliament on this subject. I would like to have an approach which involves a collective bargaining system in the federal Public Service operating to the mutual benefit of public servants and Canadians generally.

[*Translation*]

Mr. Speaker, the substantial progress we have made as a nation, fighting together against inflation since 1982, is not entirely due to the 6 and 5 program. However, the program did make it possible to focus the efforts of all Canadians on working towards a more competitive and less inflationary economy. We must not lose what we have gained with considerable effort.

[*English*]

To conclude, Mr. Speaker, we must strive to make further headway in reducing inflation and increasing productivity, economic growth and jobs. For this purpose the Government has decided to build on the positive results of the six and five program. Therefore we have introduced a new program with a 4 per cent price guideline and with four principles for achieving reasonable public sector wage settlements. I call upon all Canadians to continue to follow the leadership of the federal Government and to work together to achieve our shared goals for the well-being of the Canadian economy.

Mr. Blenkarn: Mr. Speaker, the Minister's remarks would be much more credible if he stayed within that 4 per cent guideline in his estimates. It makes one wonder when we see his estimates rising year after year and when we see all his previous ceilings broken in his current supplementaries.

The Minister is responsible for the Treasury Board and in his period of responsibility Canadair has received approval for $750 million from him. Before any of that money was given he had a complete outside report with respect to that corporation indicating major changes which would have to take place. He gave the corporation $200 million in 1982. This year he has provided the corporation with a total of $550 million in his various supplementaries.

Why has the Minister not insisted on a concrete plan of reorganization of that corporation? According to the senator involved in the corporation, the Minister's colleague in the Cabinet, the concrete plan is not going to be available until after March 31. As President of the Treasury Board, how can he possibly authorize $750 million to Canadair and, I might add, $500 million to de Havilland, without a reorganization plan which was demanded in October or November of 1982? That plan has been promised by Senator Austin on three occasions. On the last occasion he promised to have that plan in place by September of 1983. That plan is still not in place and will not be available until after March 31. How can the

President of the Treasury Board say he controls spending and waste without coming to grips with that issue?

Mr. Gray: Mr. Speaker, I would like to remind my hon. friend that if we examine one portion of the total expenditure plan, the Main Estimates which I tabled a few weeks ago, it illustrates that the rate of increase in expenditure is down from 17.5 per cent, as was the case last year, to 10 per cent this year.

● (1130)

My hon. friend should tell the whole story. He should also be willing to tell the House that when we take the total outlays in the Government's expenditure plan and add the reserves in it for supplementary estimates to the main expenditures and the matters contained in these outlays, the total outlays are down from a rate of increase of over 9 per cent last year to 8 per cent this year.

This takes into account the new initiatives, such as the increased payments under guaranteed income supplements to older Canadians. I hope my hon. friend is not objecting to that. It takes into account additional expenditures of at least $150 million to fight youth unemployment. I hope my hon. friend is not objecting to that. It takes into account the increased amounts we must pay, by law, to provinces for such things as post-secondary education and medicare. I hope my hon. friend is not objecting to that because that would be quite inconsistent with the statements made by his Leader.

Speaking of inconsistencies, I wonder what my hon. friend is getting at with his question, because when it comes to funds requested from this Parliament by the Government to enable Canadair and de Havilland to carry on, these are amounts that were agreed to not only by myself but the Government as a whole. They were voted on by Parliament, and it did so after the responsible Minister came to the committee and gave details of steps that were initially presented to Cabinet for the purpose of effecting the necessary improvement in the over-all management of Canadair and de Havilland. This information was provided initially to Cabinet and subsequently to the House, prior to the amounts in question being voted on.

As I said in the House yesterday with respect to further amounts being sought for these companies in the supplementary estimates, the responsible Minister is coming to the relevant committee and I believe he is coming to more than one committee. At that time he will put forward the information which he has on plans for reorganization. It is up to the members of the committee initially and then up to the House to say whether it is satisfied and to vote for or against the request for these funds.

Let me say to my hon. friend, the country as a whole and to the workers at de Havilland and Canadair in particular, that when one listens to my hon. friend's question, one can wonder what really is the desire of the Conservative Party. Is it the desire, as his colleagues were saying yesterday, to make sure that these companies continue to operate, or is it their desire to carry out another Avro Arrow debacle like the Diefenbaker Conservative government? If they were sincere about wanting to avoid that kind of debacle and preserving the jos and technology base of these two companies, he would not be speaking in that doubting, questioning and critical way about this proposal in the supplementary estimates. Where does he stand in comparison to the view of his colleagues who spoke yesterday?

Mr. Huntington: Mr. Speaker, I think the question asked by my colleague concerning Canadair, the fact that a $1.4 billion write-off has been effected on Canadair and that another $700 million is being fed into de Havilland and Canadair is legitimate. If the House of Commons means anything, it is a legitimate question. I noticed that the President of the Treasury Board (Mr. Gray) absolutely refused to accept the legitimacy of the question and led back with a fist punching, political barrel of rhetoric that really disgraces the House totally.

In his speech here today, dealing with a borrowing bill in which he and the Government are asking for $29.5 billion of spending authority, he talked about delivering top value for the taxpayers' dollar. That is the kind of rhetoric with which the people of Canada are absolutely fed up. If we are getting top value for the dollar, why is it that out in British Columbia there are gravel beds where fish have spawned that are now covered with silt and the Government does not have the money to go and wash that silt off those gravel beds? Yet the same Department of Fisheries can increase its advertising budget to $4 million, a 31 per cent increase over the $3 million it spent in advertising last year. If we are getting top value for our dollar, why does the Department of Fisheries have to pay for beautiful colour ads advertising recipes on how to cook fish when there are recipe books in every kitchen of Canada that are better than the recipes the Department is giving. Why does it have to spend money on advertisements explaining where one can get information on the federal Budget? Why does he stand up here and tell us that the Government is cutting out red tape and will make life in the private sector a lot easier when all it is doing is superimposing more regulation and arbitrary decisions on the system and causing it to collapse absolutely? Can he answer some of these questions?

Mr. Gray: Mr. Speaker, I have a great deal of respect for the concerns of my hon. friend. We share them. He has played a role in some of the initiatives for better management and parliamentary information that I have often talked about. I have recognized that in the past.

In responding to his colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), I was not suggesting that his question was not legitimate. As he says, this is what Parliament is for. Frankly, however, the way the Member for Mississauga South phrased his question could well suggest to people who are reasonably fair minded that he did not want to have this money provided. If it is not provided, these companies would not continue to operate. This is the reason for the response I made.

Certainly the question is legitimate. We must explain why the money is needed and what we are doing to deal with the management problem of these companies. That is what we are doing.

My hon. friend for Mississauga South reminds me of the person who tried to suck and blow at the same time. It is impossible to do. I suppose that people do attempt it, even in a parliamentary setting. From the way the Hon. Member phrased his question, one might assume that in spite of what his colleagues said, including the Hon. Member for Capilano (Mr. Huntington), deep down they did not want to vote this money and were ready to accept and agree to the implications of this happening. However, this is a matter for further debate. I want to repeat that questioning the amount and the motives is part of the parliamentary process and it is quite fair.

With respect to the second question, I believe my hon. friend is trying to compare two different things. If the Department of Fisheries advertises for the purpose of encouraging Canadians to buy and eat more fish, this does not mean that it is not interested in cleaning the silt off gravel beds. In my view, the Department has a number of purposes. One purpose is to preserve the fishery itself, the renewable resource in question. Another is to increase the market for the product of that resource. If that were not the case, the well-being of the fishermen in his province and other parts of Canada will not be maintained.

Mr. Deputy Speaker: Order. The question period is over. Debate.

Hon. Ron Huntington (Capilano): Mr. Speaker, I have not put together a formal address, but in hearing the President of the Treasury Board (Mr. Gray) this morning, we listened to a very well massaged, professionally written speech. One just keeps going back to one of the commandments of the Liberal Party of Canada and its mental guru concerning politics of Canada. It is that in politics, perception is reality. We heard a speech from one of the very senior Ministers of the Liberal Government in which he spent ten minutes still talking about six and five, which most of us, I in particular, agreed with. I had a little more courage than the Government because I said that we should move from six and five to four and three, which would have then kept pressure on a system that desperately needs to be corrected.

When questioning the President of the Treasury Board, we mentioned the fact that in his rhetoric he talked about getting top value for the taxpayers' dollar. I noticed that he stumbled and choked a few times when he was reading his address. He must have trouble with some of this rhetoric because I know that the President of the Treasury Board is a very, very hardworking man. He and I do not agree in ideological terms and in terms of the way the country should be run for the well-being of the greatest number of Canadians. We have watched 15 years of his ideology being imposed upon the Canadian people and we have seen the system lose opportunities in the expansion of natural resources. We have seen a work force decline with 1.5 million unemployed. I read just the other day that the work force, if you take the true account of it, contains over two million unemployed because at least half a million people have given up trying to get jobs.

• (1140)

Today we are in very serious condition. We have a lot of young people coming out of educational systems who are not really properly trained and equipped for what lies ahead. We have a national attitude that is leaving us outside of the ball game in terms of the newly emerging industrial world.

What is interfering with and impeding a substantial, meaningful, purposeful recovery in Canada that would start to correct some of these very serious problems we have is government spending. Government spending is at the core and heart of the problem. Government spending has grown from 16.8 per cent of GNP since 1968 to 24.2 per cent of GNP in 1982. Government spending is up this year to 26 per cent of GNP. If we look at the total levels of government spending and we bring federal and provincial spending together, we notice that it has grown from 33.7 per cent of GNP to 47 per cent, and 47 per cent is getting awfully close to 50 per cent of GNP in the form of total government spending in Canada. That is a burden choking us in terms of bringing about a proper recovery.

Let us look back to *The Globe and Mail* for March 5. We find that an axe hangs over social welfare programs in all OECD countries. Although they just love to label me a red-neck and a right-wing idiot here in Ottawa, I throw out, and you have heard me, Sir, warning after warning after warning that if we continue down this growing path of government intervention over the wealth-creating sector of the country, we will not be able to sustain the very enviable across the board social welfare programs that we have.

The President of the Treasury Board knows as well as I do that the underpinning of the whole pension plan, the CPP and everything else that we have, has teredo-ridden piles. Yet we in this avalanche of government spending and government interference with all our lives are just suffocating any ability to create the wealth we need to sustain the system.

When the President of the Treasury Board today stood up and read that well-massaged speech, he ruined a very valuable speech which I have spent time trying to prepare. He threw me completely off base which, I guess, was his plan. The President of the Treasury Board talked about more pilot projects. He talked about federal statistics and regulation and removing red tape as part of his program. He talked about a new working environment within the Government that will correct the productivity problems within it. I am not allowed to talk about productivity in the federal Government out loud, but obviously the President of the Treasury Board recognizes—he has to recognize because the Auditor General has been putting it on the public record for years now—that there are productivity problems, morale and attitudinal problems existing within the Public Service. Strictly management problems and failure have caused this condition.

The President of the Treasury Board says we are getting top value for our tax dollars. That is rhetoric this House cannot stand. I have great respect for the ability of the President of the Treasury Board but I do not agree with his ideologies. I think we have reaped the benefit of his opportunity and policies in government. I have a great deal of trouble accepting what is valid in any statement the President of the Treasury Board makes. When I sat on the other side of the House, I listened to him every single day saying that he would resign if interest rates went above 14 per cent. Every single day he said that.

Mr. Mazankowski: Another Liberal broken promise.

Mr. Huntington: Yes, another Liberal broken promise. Then he stands here today, Mr. Speaker, and tell us that he is delivering top value for the tax dollar. I remember $34 million being given to Maislin, given to a friend of the Prime Minister (Mr. Trudeau), after the company was in a bankrupt condition. The President of the Treasury Board was the Minister responsible for delivering that bail-out. How, then, can you accept the validity of what is right in what the President of the Treasury Board says, Mr. Speaker, when he overruled the Enterprise Development Board when he was Minister of Industry, Trade and Commerce and delivered $9 million to a friend in his riding building a Hilton Hotel on an interest-free loan? Is this giving the people of Canada top value for their tax dollars? It is this kind of behavioural aberration that destroys the rhetoric that is delivered here. Are we getting top value for our tax dollars, Sir?

In the month of February alone I found a whole series of ads paid for by Canadians. They are for art, Summer Works Canada; and there are more, and more, and more of them. These ads cost hundreds of thousands of dollars. They are full page ads. One reads: "Good news from CMHC", a housing authority. We have a "fall rhapsody". This ad constitutes a full page in a magazine. This is top value for our Canadian dollar? We have ad after ad after ad. I have one for human resources. It is in colour. Isn't that marvelous? We are getting top value for our dollar? Our fish are dying in streams because the Department of Fisheries and Oceans does not have the few dollars needed to send out a crew of students or unemployed people to wash off the silt smothering the eggs. There is something wrong with the priorities here. This Government feeds our tax dollars out to a publishing industry full of advocacy nonsense. These ads include fish recipes. And we are getting top value for our dollar, Mr. Speaker?

Mr. Deputy Speaker: Order, please. As Hon. Members know, displays are not allowed in the House.

Mr. Harquail: That is shameful.

Some Hon. Members: Oh, oh!

Mr. Deputy Speaker: Order, please. I really do not know how to interpret the Hon. Member's gestures, but I would simply make that comment and invite him to co-operate.

Mr. Mazankowski: Mr. Speaker, I rise on a point of order. When you are dealing with corruption, Sir, you use every conceivable device at your disposal.

Mr. Harquail: That is provincial jurisdiction. Admit it.

Mr. Deputy Speaker: Order, please. Hon. Members surely know the rules of debate. I invite them to respect them.

Mr. Thacker: Mr. Speaker, I rise on a point of order. It has always amazed me that this is the only place in the country where telling the truth can get you sanctioned.

Mr. Deputy Speaker: The Chair was not commenting on the Hon. Member's speech in any way, shape or form. I simply suggest that in keeping with earlier rulings from the Chair there should not be displays in the House. I will not prevent the Hon. Member from demonstrating his ire. That is not for me to say or to do.

Mr. Huntington: I trust, Mr. Speaker, that this myriad of interventions will be added on to the time I have for my speech. Usually the Government gives me the courtesy of extended time.

An Hon. Member: No way.

Mr. Huntington: No way?

Mr. Deputy Speaker: I will resolve that matter immediately. The Chair will exercise its usual discretion.

Mr. Huntington: I am perfectly satisfied with that, Mr. Speaker, because I find you are very fair.

While we are talking about top value for our dollar, let us move on to Winnipeg. Only two Liberals have been elected west of the Lakehead. This Minister is able to deliver $780 million to his city. Every time this Government stands up with its perfect, beautiful, massaged, professionally-written speeches, it always talks about equity and fairness. I remember $1.3 million in the City of Winnipeg being spread around in advertisements and speeches by the Minister from Winnipeg. It was a make-work project for Canadians to go into the Max Bell Athletic Centre.

• (1150)

All of this rhetoric, and what do they do? We have in Canada one of the finest, most renowned experts in the world on the design and building of track and athletic facilities. He has even had design awards from Italy, the mother base of design talent. This man, who lives in my riding, is in desperate need of work. He has a small staff he is trying to keep employed. This Minister with the $780 million, delivering $1.3 million in make-work projects supposedly for Canadians, hires an American as the consultant to work on the design of this track facility in Winnipeg. Why does he hire an American when Canadian designers need that work in Canada? Canadian designers gave of their talent before the Government came through with the money. This is what is going on. In his speech, the Minister talked about top value for the tax dollar.

Let me move on. I can handle the statistics; I have loads of them. I sit in this House and I really weep for the audience or anybody who has the tolerance to watch what goes on here. I have here a book that I think Members on all sides of the House should read. The way we use statements and statistics in this House, we are con artists. Members on the Government side of the House are not going to hear a darn thing I have to say. They have a fixation, a blind and an iron wall in terms of trying to get anything through their thick skulls. All you have to do is look at the performance of the Minister of National Revenue (Mr. Bussières) in this House. He cannot understand that the people of this country are terrified with one of the greatest threats there is to freedom. That is the misused arbitrary powers of the public servant over the people. That is what has happened in this country.

Today the President of the Treasury Board stood up in this House and said that he would eliminate red tape, that we are getting equity and fairness, that we are getting top value for our dollar, that there is a new price guideline of 4 per cent. They have really moved to 4 per cent with their opening up of collective bargaining. All of this rhetoric is disgusting.

We on this side use statistics to support our point of view. Following my speech, somebody on the other side will quote a bunch of statistics to disprove what I have said. I have here a marvellous book which I recommend for reading entitled "*How to Lie with Statistics*", by Darrel Huff. When you read that book, you wonder whether we should use statistics or whether we should behave the way we do in this House. We use figures and research to support a particular point of view. No wonder this House disintegrates in the eyes of the Canadian people, 65 per cent of whom feel it is no longer relevant. We ask a legitimate question of the President of the Treasury Board and we get a garbage political answer. This House is designed for accountability and protection of the taxpayer.

We have with us today in the Chamber the President of the Treasury Board. He is responsible for overseeing the management of the Government and that there is some degree of uniformity. A committee of this House has worked for over 20 months trying to assist the President of the Treasury Board, the Comptroller General and Secretary to the President of the Treasury Board to see how we can make this place more meaningful, how we can pull the Government, no matter who is in power, down to account and how the taxpayer of Canada can be protected.

We presented ten reports and the Government rejected nine. In one of those reports we tried to improve the muscle, mind and ability of the average commoner in terms of representing the taxpayer and how to get a handle on this runaway spending. The report attempts to show how we can assist the President of the Treasury Board with one of his four principles, and how we can assist with getting a new attitude out to the managers within the system whereby managers can manage and be held to account for performance of their ability and the delivery of a defined objective.

We are masters at massaging and playing with words. We are masters at playing with people's minds. When he tabled his estimates the other day, I challenged the President of the Treasury Board to refute that this Government, including its Crown corporations, is spending less than $1 billion in advocacy advertising, playing on the minds of the Canadian people and providing a power of suasion over the whole publication industry.

We talk about freedom of the press. They have to answer to publishers responsible for balance sheets. Somebody scattered a lot of mess around here, namely the advertising which this Government put out in the month of February. All of this money is being pumped into the so-called free press. If you were managing a magazine or a newspaper and you got too aggressive in attacking and defending an essential element of freedom and had to go back and look at an advertising account from the federal Government that was being threatened, Mr. Speaker, you would think twice about where that article or that issue was placed. We are dealing with one of the most powerful things of all, impressions on minds. The Liberals are masters of that science. Never since Goebbels in Nazi Germany in the middle of the thirties have I seen anything so frightening as today's use of advertising and advocacy power.

The Minister talks about the people of Canada getting top value for their tax dollars. He should retract that comment because he is misleading Canadians. The anger within the people is serious. I am going to challenge *The Globe and Mail* on this issue. If you look at the top of every day's editorial page in *The Globe and Mail*, you will find their motto. It is a quotation from Junius. It talks about the Chief Magistrate and the need to protect the people and Chief Magistrate from the arbitrary powers of government. Look at the symbolism of the Minister of National Revenue today. They do not even understand why the people of this country are so frightened with a bureaucracy that is out of control in terms of arbitrary powers of government over the lives of the rank and file in Canada. They are basically honest, simple people trying to deal with a tax Act and a government regime that is so complicated that nobody can understand it.

This country is in deep trouble because of government spending and government waste. There will be no industrial recovery until the interest rates of the day can come down at least two percentage points. In Britain, the Government cut five billion pounds from its deficit. As soon as that five billion pounds was cut from the deficit in 1981, interest rates came down two full percentage points. The British pound sterling floated on its own on international money markets. Until we do that here in Canada, there will be no meaningful recovery and there will be no lasting help for the one and a half million people who are unemployed.

• (1200)

Government spending is at the heart of this situation. Interest rates will not come down and people will not get back to work in the country until we bite the bullet. I can tell the people of Canada that the people on the other side do not have the guts to bite that bullet.

Mr. Gray: Mr. Speaker, when asking this question, I would like to assure my hon. friend that I did not know what he was going to say in his remarks. If I threw him off the rails, as it appears I did from some of the things he said, I apologize for it. It was not intentional.

I would like to know from my hon. friend if I can take it from what he said about federal Government projects in Winnipeg that he and his Party oppose those projects and are saying to the people of Winnipeg, a city which, as I recall, contains more than half the population of the province, that if they had formed the government, they would not have started those projects there. If that is the case, I think that should be on the record.

As well, I would like to ask my hon. friend if he realizes that he made some very erroneous statements about the Hilton Hotel project in Windsor. The federal support through ILAP of not $9 million but $6 million was in the form of a repayable loan and was approved and not rejected by the enterprise development program. Does he not realize that that same project received substantial financial support of over $1 million from the Ontario Conservative Government? That Government was so pleased with that project that not only did it provide support but it sent a member of the legislature who belonged to that Party to the opening ceremonies a few weeks ago in order to take credit for its contribution to the support of that project. Can I take it that the Hon. Member's Party is saying to the people of Windsor that it does not think that that project should have taken place there?

Finally, I would like to ask my hon. friend why, if he says that government spending is the main problem, his Leader is calling for more money to be spent on defence, amounts that would be in the billions? Why is his Party calling for more spending to deal with the alleged under-funding of hospitals? Why is his Party calling for more spending to deal with what his Party describes as the need for more funds for research and development? These objectives are all worthy ones but require substantial amounts of money. My hon. friend, Mr. Speaker—

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Minister—

Mr. Gray: May I finish my sentence, Mr. Speaker?

Mr. Deputy Speaker: Order. The Minister has put a question, made a comment and put other questions. In the previous round of questions and comments, Hon. members must have noticed that we only managed to hear from two Hon. Members. The Permanent and Provisional Standing Orders require that questions, comments and responses be brief and to the point. I must ask Hon. Members to abide by the rules. I will now recognize the Hon. Member for Capilano (Mr. Huntington).

Mr. Huntington: Thank you, Mr. Speaker. I certainly apologize to the President of the Treasury Board, who is the former Minister of Industry, Trade and Commerce, for saying that $9 million went to the hotel project in Windsor. I know that that figure should have been $6 million. I deliberately said $9 million because I thought that might at least get him on his feet. This is the first time he has been on his feet regarding that issue since it was raised in the House of Commons.

The fact is that it is the type of spending that I am questioning. I am sure that I could look at the files in my office and find out that the application for that hotel was originally rejected by the Enterprise Development Board and that a ministerial imposition brought it back and put it through the system. Is spending on low interest rate loans or forgiveable loans the right way to spend money, particularly when it is spent in the Minister's riding? Does the Hilton Hotel need that kind of aid or should that aid go to permanent projects?

The Minister might reply by saying that he opened the dockyard in my riding which the Liberals had talked about since 1974 and which I began when I was a Minister. In six months of governing, we go that dockyard started. That is a project that is creating work on a permanent basis for the shipyard industry in that terminal port of Canada.

It is the classification of spending and the use to which we put the tax dollar that is so important. Spending money on advertising and on interest-free loans to hotels which apparently cannot stand on their own feet is not the type of spending and aid that we need. It is a classic example of the political abuse of the system and of the protections that are built into the system.

Mr. Riis: Mr. Speaker, when the Hon. Member just spoke about his use of the $9 million and $6 million figures, I could not help but be reminded of his comments regarding Mr. Huff's book, *How to Lie with Statistics*. However, I will not pursue that.

Mr. Huntington: Yes, pursue it. I used it on purpose.

Mr. Riis: In other words, he manipulated the discussion by misleading us with statistics.

I listened very carefully to the Hon. Member's presentation and I know that he is serious when making his various allegations. I believe he believes in what he is saying. I would like to ask the Hon. Member to do me a favour by being precise when he refers to the need to reduce the benefit. The Hon. Member used Mrs. Thatcher and how she was able to reduce spending in that government as an example, of reducing the deficit. Perhaps the Hon. Member could provide us with two or three specific examples of areas of government spending in which he feels cuts should be made or spending reduced in some form or another. I do not think it is unrealistic to ask that. I know that when the Hon. Member was a member of government, he was concerned about ways to cut back. I would ask him to be as precise as possible when describing the areas in which cutbacks could occur.

Mr. Huntington: Yes, Mr. Speaker. I would go back and re-examine on a zero budgeting base all of the existing programs that we have had in place from day one that have experienced nothing but inflationary incremental increases. I

would force the managers in the system to go back and justify the nature of those original programs in terms of the objectives they were designed to serve and see how relevant they are today. I would turn the programs back to the managers and redefine in narrow terms the objectives of those programs. I would tell the managers to manage to these objectives and to manage efficiently.

In the area of discretionary spending, Sir, we are dealing with 15 per cent of total government spending. We cannot correct the whole ball of wax when dealing with 15 per cent of government spending. I would like to call for a debate in the House without the television cameras and without *Hansard* which would be an *in camera* session. We could then talk out the problem with transfer payments to the provinces, the use the federal Government makes of those transfer payments, the use the provincial governments make of those transfer payments and the wasteful competition that goes on between those two political levels in terms of the same taxpayers' dollar. I can tell you that within the first year we could find $5 billion if we really had the guts and the political courage to do so.

I am trying to be as concise as I can, Mr. Speaker. We could simply look at the Auditor General's report to see that there are hotel operations in New Brunswick which are simply scandalous. People should be in jail over those operations. What about Deputy Ministers of Departments who are responsible for Consolidated Computer or for Canadair? At least $1.4 billion is wasted there. Those Deputy Ministers should not be around any more or should be brought before a parliamentary committee and examined in order to see if they need to be disciplined. There is no discipline or managerial control in the system. There is nothing in the system that delivers top value for the Canadian dollar. The whole system needs to be reorganized.

Mr. Ferguson: Mr. Speaker, I am amazed by the comments made by the Hon. Member for Capilano (Mr. Huntington) regarding the—

Mr. Blais: But you are not surprised.

Mr. Ferguson: I am not surprised at the comments made about the silting of the salmon spawning streams in British Columbia. Just two weeks ago, a fisherman came into my office expressing this same concern and he was not aware of the Environment 2000 program which was established by the Government of Canada to assist communities and municipalities in cleaning up the environment and making the necessary corrections. This program is designed to clean up streams and to plant more trees, which is actually within provincial jurisdiction but the provinces are not doing anything about it. In order to get this information to Canadians—

Mr. Blenkarn: Have you read the Fisheries Act? The fisheries is a federal responsibility.

Mr. Ferguson: And forestry is a provincial responsibility. It is because of the depletion of our forests that this has happened. Consequently, is it not logical that the Government of Canada should pay for advertising to make these programs known to Canadians? These programs are connected to the environment, and without our forests, the spawning grounds will not be viable and the fisheries cannot continue.

Mr. Deputy Speaker: Order. I regret to interrupt but the question period is finished.

Some Hon. Members: Continue.

Some Hon. Members: Oh, oh!

• (1210)

Mr. Deputy Speaker: Order. Please hear the Chair out. I am bound by the Standing Orders which state very clearly that there will be a period of not more than 10 minutes for questions and comments. If the House wishes to allow the Hon. Member for Capilano (Mr. Huntington) to respond, I am in the hands of the House. Is it agreed?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: I regret it is not agreed.

Mr. Blenkarn: He asks a question and then won't let the Member answer.

Mr. Huntington: Mr. Speaker, I rise on a point of order. May I draw to your attention and to the attention of the House that unanimous consent was denied by the person who asked that scurrilous, misleading, improper question.

Mr. Deputy Speaker: Order. Debate. The Hon. Member for Welland (Mr. Parent).

Mr. Gilbert Parent (Welland): Mr. Speaker, I have been listening to this debate for two or three days. I have come to a couple of conclusions regarding the speech of the Hon. Member for Capilano (Mr. Huntington). First of all, there is no question that he believes in his heart all the things that he said. There is no question that he feels very irate and frustrated. I can well understand that when he delivers a speech like that in the House he is going to become quite emotional. I propose to address a couple of points made by the Hon. Member and others and I will try to bring some rationality to the debate so that we can get away from the emotional side of it.

The opposition Parties have focused on a few major points in connection with Bill C-21, claiming that the contingency amount is irresponsible. I want to talk about responsibility, Mr. Speaker. Quite contrary to indicating that the Government is acting in an irresponsible way, the request for a contingency amount indicates, in my judgment, realistic and responsible planning on the part of the Government. The contingency amount has traditionally been included in the request for borrowing authority. In earlier years when new borrowing authority was sought by way of appropriation Bills, a contingency amount was always included. In recent times,

when the borrowing authority has been sought by way of special Bills an implied or implicit non-lapsing amount has also been included.

The contingency amount is designed mainly to cover two important situations: first, the need to cover the impact of large and unpredictable foreign exchange operations on the financial requirements; and second, to ensure that the Government will be able to continue its regular debt program if the House is not in session or has been dissolved.

In essence, the contingency amount is designed to avoid any disruption in the borrowing program which might lead to unnecessary disruptions in the exchange or capital markets which, in turn, might lead to upward pressure on interest rates. Hon. Members have had a great deal to say about interest rates recently, but I defy anyone in the House to come forward now or at any time and say that they are in favour of higher interest rates. All we have been hearing are speeches to the effect that interest rates must be kept down. We are moving in that direction, Mr. Speaker, and this is one of the things we are bringing up.

Mr. Blenkarn: Are you, now?

Mr. Parent: Now we have the lightweight from the other side chipping in. He is also lightheaded, trying to interrupt. He will get his turn.

These developments could very well lead to higher debt charges for the taxpayer. That is who is going to be carrying the load. These developments could also lead to higher borrowing costs for individuals and businesses. Hon. Members opposite are supposed to be concerned with businesses. In this Party we are concerned with businesses but we are also concerned with individuals.

By requesting a contingency amount, in my judgment the Government is attempting to ensure that it will always be in the best position to take action that will avoid disruptions to the debt program that could have adverse effects on interest rates and on debt costs. These are two reasons that we should examine, Mr. Speaker.

With regard to accountability, the Government will account for all borrowing undertaken in a fiscal year. It will not borrow more than is necessary. It does not have to use up all the borrowing authority granted by Parliament. That is common sense.

Cause 3 of Bill C-21 provides for the cancellation of all unused borrowing authority carried forward from previous fiscal years. Could anything be more accountable than that? We want to have enough money to operate, to protect the Canadian taxpayer. We want to have enough money so that interest rates will not jump as they did in years gone by when they were 21 per cent and 22 per cent. Yet the opposition Parties are opposed to the very thing that we are trying to put in place.

Thus, with the passage of Bill C-21 the only contingency amount would be the $4 billion we are discussing. It would be our intention that once new borrowing authority is obtained for the next fiscal year, any remaining unused portion of this contingency would also be cancelled. That is on the record. We believe that the Government should proceed in this way on a regular basis. We envisage an on-going process which provides a non-lapsing contingency amount once a year which would give the Government some flexibility but at the same time would be unavailable to be carried forward beyond the coming into force of new authority, thereby preserving Parliament's ultimate authority.

When Hon. Members opposite speak about Parliament's authority, they seem to believe that if they do not agree with something, Parliament as a whole should not agree. With all due respect, I suggest that we were all elected and when the majority of Members of Parliament speak, then that is the will of the Canadian people. Hon. Members opposite, by themselves, do not speak for the Canadian people; all of us make the decisions. When they say that if they do not agree with what we are doing, then Parliament does not agree, I object to that. Parliament belongs to the people of Canada who put us here to make decisions on their behalf.

Hon. Members opposite speak of the lack of control over expenditures. I have heard the Hon. Member for Mississauga South (Mr. Blenkarn) say that the contingency is really a porkbarrel for the Government. I want to put something to him and to the House, Mr. Speaker.

I happen to come from a riding that had a chance to get some money in order to create jobs. The amount was $700,000. This is public information and everyone should know about it. Was that porkbarrelling? I invite any Member to ask the 115 young people who got jobs because the Niagara South Board of Education used this program to give them jobs in the schools about that. The program was started some four months ago and since then 15 per cent of the people who were hired have found permanent work. That is because we were able to give them jobs and they got some experience. I defy any Hon. Member to ask any of those 115 young people who got a start in life, if that was porkbarrelling. In my riding we went after this money and I am proud of it. I would do it again. I would do anything I could to help young people and those in my riding who are unemployed. That is why I was elected—to represent them.

Government expenditures are controlled by Parliament; that goes without saying. The contingency does not permit spending beyond what has been approved by Parliament or has been given on-going authority by Acts of Parliament. The House has just completed debate on the Budget and the Main Estimates were provided to the House a few days ago. The recent Budget does not represent any shift in the fiscal policy stance developed in the April, 1983 Budget. The House has had ample time to review and debate the Government's fiscal stance and expenditure program. In my view the contingency amount provides the Government with flexibility in its financial operation and helps avoid unnecessary disruptions in the borrowing program which could have an adverse effect on interest rates and debt costs.

There are other questions that I want to address, Mr. Speaker. I have done a great deal of thinking about the federal deficit and no doubt most Members of the House have as well. We have all asked ourselves why the federal deficit is so high. Surely, this is a bad thing for the country. The federal deficit, Mr. Speaker, is projected to be approximately $27 billion this year, measured on a national accounts basis. The amount of $27 billion must boggle the mind. I do not believe any of us in private life would ever deal with such massive sums. They frighten me.

• (1220)

However, I am here and you, my colleagues, are here to make decisions in terms of these amounts of money because these are the terms we deal with on a national basis. This amount of $27 billion would be a rise of some $20 billion from its level in 1981. Again, Mr. Speaker, $20 billion is a staggering amount. The effects of recession on government revenues and expenditures, particularly with respect to unemployment insurance, account for about half of the rise in the deficit since 1981. We are taking care of those people who, through no fault of their own, find themselves out of work. We and the rest of the people in society have joined together to try to tide our co-citizens over through the tough times.

A substantial portion of the remaining rise in the deficit is due to the increasing public debt charges. Only a relatively small portion of the expected increase in the deficit is due to explicit policy initiatives of the Government. The Hon. Member for Capilano said as much, and agreed to as much in his speech. He said there was only about 15 per cent with which we really have to work. That is true, Mr. Speaker, and I would ask all Hon. Members to reflect on that point.

The Government has accepted the rise in the deficit in order to provide important support for economic activity. I believe that a continuation of the recovery will result in a narrowing of the deficit. I believe that. Rising employment will mean less money will be required for unemployment insurance benefits and personal income tax revenue will go higher. Corporation income taxes and revenue from sales taxes will also increase.

One can say I am just an optimist. I do not want to see the bad side of things. However, I tell you, Mr. Speaker, that a country without hope is a country without a future. We must continue to hope and to build and this is the way we are doing it as we go through these tough times. In addition, scheduled increases in tax rates in part implemented in order to finance the stimulative measures announced in the April Budget will reduce the deficit further. This, I believe, Mr. Speaker.

Does the high federal deficit not reflect the Government's inability to control its spending? Surely, these are questions we have all asked ourselves. Is spending really out of control? Is it not the responsibility, not only of Hon. Members of the Opposition, but also of Hon. Members of the current Government, to ask themselves those questions? Should we not be putting forth at least our own opinions which we can share with one another?

Again, Mr. Speaker, at the risk of being accused of using statistics "any way you want", I will use a few statistics to put this particular point into perspective. Since 1975, Mr. Speaker, the federal Government has been committed to restraining the trend growth in spending to no more than the trend growth of the Gross National Product. This commitment does not mean that the growth of expenditures must equal the growth of the Gross National Product every year. During a cyclical downturn, expenditures would generally be expected to grow faster than the Gross National Product, as is the case right now, since a deterioration in economic conditions would put upward pressure on expenditures and the Gross National Product growth would, of course, be slower. Similarly, the ratio of expenditures to Gross National Product would be expected to decline during the recovery phase of the cycle. The Government, in my view, has been successful in this sense; it has been successful in meeting the expenditure targets. In the 1975-76 fiscal year, total outlays, which are the expenditure control variable, were 22.9 per cent of the Gross National Product. By 1980-1981, they had fallen to 19.1 per cent of the Gross National Product.

Slow growth in the Gross National Product, the associated upward pressure on spending from low activity levels, rising public debt charges and limited discretionary measures, resulted in total outlays rising to an estimated 23.3 per cent of Gross National Product in the current fiscal year. And, yes, to the Hon. Member for Mississauga South (Mr. Blenkarn) I do admit this is an increase. However, I think that on balance if he would look at the situation which we have been going through, he will find that this follows logically and naturally in the tough times we have faced. I would invite the Hon. Member to question me on any one of these points so that at least he would know what my views are. If the trend, rather than actual Gross National Product, were used in the calculation, the total outlays to Gross National Product ratio would fall to 21.6 per cent, and that is significantly below the ratio in 1975-1976. I will leave the statistics now, Mr. Speaker, because all of us will become embroiled in them.

I would like to direct myself now to specific questions which were brought up, one of which caused me to do quite a bit of thinking and to make inquiries. It was the simple question: Are deficits inflationary? Developments since 1981 demonstrate, in my view, that there is no clear connection between deficits and inflation. Indeed, the recent rise in the federal deficit was accompanied by a decline in inflation. However, there are circumstances, and I admit them, in which deficits could be inflationary. For example, if the Government decided to finance too large a portion of the deficit by printing money—

Mr. Blenkarn: By monetizing money.

Mr. Parent: —by printing money, inflationary pressures could eventually build up. I admit to that. We both agree to that.

Mr. Blenkarn: You are right.

Mr. Parent: There is no question. This has not been the case in Canada—

Mr. Blenkarn: It has in the past. It has not been in recent years.

Mr. Parent: Federal deficits have not been financed through excessive money creation. The Hon. Member for Mississauga South can give us his views on it, but I believe he agrees with my last statement. I would invite him, of course, into the debate as soon as I am finished. Do deficits not drive up interest rates and crowd out private borrowers from financial markets? Surely, this is a legitimate question which we all must look at, Mr. Speaker.

Again, recent developments demonstrate, in my opinion, that there is no clear connection between the deficit and interest rates. Interest rates are considerably below their pre-recession peak despite a rise in the federal deficit. During a cyclical downturn, private demands for credit generally decline—indeed, this is in large part what caused the recession—so there need not be any conflict between private and public borrowing, in my opinion. As economic conditions improve—and they will and are improving—government borrowing requirements should automatically diminish when private credit demands are rising. If it becomes clear that the federal deficit is not falling fast enough, then I believe that the Government should stand ready to adjust its fiscal plan in order to prevent a clash of credit demand. I believe this is one of the things we should be doing.

The federal deficit in Canada is similar to its United States counterpart when expressed as a percentage of Gross National Product. Given the degree of concern expressed over the United States deficit, should Canada not also be concerned?

● (1230)

I want to close with some personal thoughts, Mr. Speaker. I started out by saying that we should not become too emotional, which I confess I am probably as guilty of as anyone else. However, I suggest to you, Mr. Speaker, and to all Hon. Members in this House, that if we were to look at these problems as Canadians instead of as Parties in opposition to one another, if we could do as the Hon. Member for Capilano said and turn off the television cameras and get away from the so-called press galleries, if we could talk to each other in the spirit of sharing ideas, we could solve in a more equitable manner some of the problems facing us right now.

Mr. Blenkarn: Mr. Speaker, I say to the Hon. Member that it is this Party's proposal that a parliamentary committee be struck to priorize the budgetary requirements of the country and keep the deficit down so borrowing will not be too great. That would mean looking at all expenditures from a zero base and determining what is necessary in view of the financial demands placed on the economy, and what is not necessary and perhaps could be eliminated. I suspect the Hon. Member would be in favour of that.

Early this morning Treasury bills were being sold at interest rates in excess of 10.7 per cent, and the debts are that the auction at two o'clock this afternoon will be in excess of 10.85 per cent. This means that trust companies and banks who finance homes and make loans to business will obviously have to pay more interest than the Government of Canada to compete in the marketplace.

In light of that, does the Hon. Member not agree with me that the borrowing demands of the Government are perhaps now crowding out private demands for money, and that the danger of a recession instigated by high interest rates is now upon us? May I remind him that this borrowing Bill represents 91 per cent of the estimated personal savings in this country and it is far greater than the country can really absorb. This Bill will have to be cut back and some priorizing of expenses will have to take place in order that we can cut back on our borrowing; otherwise we are going to borrow ourselves right back into another recession.

Mr. Parent: There are three questions there, Mr. Speaker, and I will address myself to the first one concerning a committee being set up. It is my understanding that a committee such as that exists. I know it is not a special committee, but when we look at the estimates we have the right and responsibility to ask questions as to what these expenditures are.

Regarding the bills that are going to be auctioned today, it would seem, according to the information the Hon. Member has, and I have no reason to doubt it, that we are going to be auctioning these bills at 10.85 per cent, I believe he said. This is, in my view, a dramatic increase, but one thing I do question is that the Member says we have borrowed up to 91 per cent of the total savings of the Canadian people. I would have to verify that. The information I was able to get through my researchers is that it is not that high, that we were talking in the neighbourhood of 75 per cent to 80 per cent. That was the best estimate. But even that is high.

The Hon. Member asks if this borrowing will drive up interest rates. If that were the case, Mr. Speaker, we are trying to look ahead, at least in the field of home ownership. Hon. Members will be aware that in the last Budget we brought forward a proposal which would protect the home owner—and I believe everyone should have the right to own a home—from rising mortgage interest rates if they take out what we call mortgage insurance.

As far as the business community is concerned, I suggest that in the last year or so they have had the best borrowing rates they could possibly have had and we hope this trend will continue.

Mr. Blenkarn: Mr. Speaker, I want to assure the Hon. Member that the Department of Finance estimates gross personal savings this year at $32.3 billion. This Bill is for $29.5 billion. While it is true borrowing last year reached 70 per cent to 80 per cent of available money, this Bill is the largest Bill ever before any Parliament and it represents 91 per cent of the personal savings in this country this year.

As to home owners, clearly this insurance does not protect and create houses. It protects people against huge rises in interest rates but that does not help the ordinary guy who is going into the market to buy a property because he has to pay the current rate. All he can do is protect himself against further increases, so that does not help a bit. As rates go higher, it drives people out of business and into bankruptcy.

However, one of the estimates we have before us now, Mr. Speaker, concerns advances to de Havilland and Canadair. In the last 15 months we will have advanced to those corporations a total of $1.250 billion. Those corporations together have 2,709 employees, which represents $173,600 for each job in the last 15 months. Does the Hon. Member think that is responsible? Does he really think that he as a Member of Parliament can justify going into the marketplace and bidding up interest rates at a time when the Canadian dollar is falling? How does he expect us to account to our children and grandchildren in order to justify this kind of activity?

Mr. Parent: Mr. Speaker, the question the Hon. Member asks should be couched in other terms. Yes, we are dealing with economics, with money, no question about it. However, it was not very long ago that we in Canada had a massive brain drain where a great number of our engineers in the aerospace industry left the country. This is what we are talking about at Canadair and de Havilland. I know the Hon. Member was not part of the government at the time, he was not a Member of Parliament, but it was his Party which finished off the Avro Arrow. This place would have put us in the forefront of the aviation industry. It was 20 years ahead of its time. And so ashamed were we of that act, Mr. Speaker, that the government of the day saw fit to destroy all information that we ever had on the Arrow.

• (1240)

If you were to ask whether I believe that the aerospace industry in Canada is worth investing in and tiding over until times are better, my answer would be yes. If it means that at this juncture we must invest the amounts of money we are investing into these businesses to keep them going, to ensure that our children will have a chance in these industries and in all of the high technology jobs which spin off, my answer is that it is worth that type of investment for us as a nation.

Mr. Thacker: Mr. Speaker, I would like to put the question of the deficit to the Hon. Member in a different way. In 1968, 5 per cent to 10 per cent of tax revenue went to service the debt. Since 1968 it has risen to 10, 15, 20, 25 and now over 30 per cent of tax revenue used to service the debt. That means it is going into the hands of people who already have wealth and we must tax the middle class to get that money.

Where would the Hon. Member cut it off? When it was 10 per cent we were saying it was high enough. When it was 20 per cent we were really angry. Now it is over 30 per cent and we are inflamed. If it was okay at 20 per cent and 30 per cent, why should it not be at 60 per cent or 70 per cent? Where would the Hon. Member cut if off?

Mr. Parent: Mr. Speaker, on the face of it that would seem to be a very reasonable question. I wish I had an answer but I do not. The only answer I could give would seem evasive. I guess it is whatever the Canadian people can bear, whatever they can do to carry this debt. If I were to say I do not believe it is high at 30 per cent, I would not be telling the truth.

There are other nations, including Japan and Germany, where more of the money taken in is used to pay their debt than we are paying now. They seem to be surviving. Also, Mr. Speaker—

Mr. Deputy Speaker: Order. I regret to interrupt the Hon. Member but the question period has terminated.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have been listening to the debate this morning by the Progressive Conservative Party and the Liberal Party. In a moment or two I would like to make some observations about the points being made by Hon. Members.

I cannot help but ask a rather fundamental question, Mr. Speaker. Imagine the scenario of a small business person or other individual walking into a banker's office to take out a loan. The individual wants to take out a $29,500 loan. The banker asks what the money will be spent on and how seriously the matter has been thought out. The individual says how he will spend $25,500 because he has been spending that amount year after year and just wants to top up what he has always been spending. He has not given it a fair evaluation. The banker asks what the other $4,000 will be spent on. The individual indicates that he just threw that in case he might need it for something in the future and he will be checking it out.

If you were a banker, Mr. Speaker, would you consider allotting that extra $4,000 when the individual has no idea how he is going to spend it, only that he may have some use for it in the future? During very tight financial times I do not think anyone as a banker would throw that in with enthusiasm.

Mr. Blais: You do not understand very much, do you Nelson?

Mr. Riis: Bill C-21 asks us to do this as responsible parliamentarians. It requests authorization to borrow $29.550 billion. This includes a $4 billion contingency fund for things which may come up in the future. This is the largest borrowing Bill in Canadian history, Mr. Speaker. It is only a thin page but it will lock the country into an incredible amount of spending. I will come back to that in a moment.

Mr. Blais: Nelson, it is an authority. It is to authorize the spending.

Mr. Riis: That is right. The Minister of National Defence (Mr. Blais) says it is to authorize the borrowing and spending of this money as required. That is what it is.

Mr. Blais: It does not lock anybody into anything.

Mr. Riis: Why do we have governments, Mr. Speaker? I suspect a lot of people in the country have been looking at individuals and reading the accounts of various Ministers as they travel across the country, and are asking themselves why we have these people and whether they are acting in our best interests. What is the point of having a government? I believe there are three reasons we have governments. They are not particularly earth-shattering, but one is to collect taxes fairly from people. That is a fundamental objective of governments throughout time.

One could argue whether taxes are being collected fairly. Over the last number of weeks we have heard many accounts which make it perfectly clear that taxes are not being collected fairly. There is ample evidence to suggest that is the case. I am certain I would not have to read long lists of names, but I could if necessary, Mr. Speaker. For the next three hours I could read lists of corporations in the country which did quite well last year, partly because of the concessions in corporate taxation. Their profits in some cases were hundreds or thousands of millions of dollars. Yet they do not pay any income tax at all. A lot of businesses today do not pay any income tax because they are not making any profits. More and more businesses are coming into that category. However, I am speaking of those corporations which make millions and millions of dollars in profit and pay no income tax at all.

It is obvious that the Government is not collecting taxes fairly in the country. We can list thousands of individual Canadians—

Mr. Blais: That is demagogy. You know that.

Mr. Riis: The Minister of Defence shakes his head and says that is not true. He can stand in his place and explain why thousands of Canadian citizens, whose incomes—

Mr. Blenkarn: Name me a company that has taxable income and does not pay tax.

Mr. Riis: —are $50,000, $100,000, or $1 million a year, pay absolutely no income tax.

Mr. Blenkarn: Because they do not make any income.

Mr. Deputy Speaker: Order, please. May we have one debate at a time please? The Hon. Member for Kamloops-Shuswap (Mr. Riis) has the floor.

Mr. Riis: Why is it whenever I raise the matter of individuals not paying income tax, or corporations making profits and not paying income tax, that people try to interrupt this portion of my speech? It is because I touch a nerve in people over there? Is it because I suggest to people, wherever they sit, that this is an uncomfortable topic to a lot of people?

Mr. Blenkarn: We thought you were brighter than that.

Mr. Riis: Another reason we have governments, Mr. Speaker, is to spend wisely, in the best interests of the people of the country, the money that has been collected. When we see how these moneys are being spent it is perfectly clear they are not being spent in the best interests of Canadian citizens.

I will use one simple example to illustrate this. We have oil companies which call themselves Canadian oil companies but which are really Canadian subsidiaries of the transnational oil companies. They say they are hesitant to explore for oil in the frontier areas unless we bribe them into doing that. I do not believe they would use the term "bribe", but I use it consciously. Therefore, the Government bribes the transnational oil companies, through their Canadian subsidiaries, to explore in the Beaufort Sea, the Hibernia fields and so on.

How much do we bribe these people, Mr. Speaker? When one considers the great expense of drilling some of those oil wells, perhaps $200 million, the taxpayers of Canada pay about $180 million out of that $200 million through PIP grants. There is not one oil producing country in the world that would even think of doing that. There is not one oil producing country that welcomes transnational oil companies to come in and explore their frontier areas on that basis. Those countries give absolutely no grants or bribes to the oil companies yet they are still exploring there.

• (1250)

Mr. Blais: You don't know what you are talking about.

Mr. Riis: The Minister of National Defence says that I do not know what I am talking about. Let us talk about Norway which is also conducting offshore oil exploration. Does the country of Norway bribe those companies with taxpayers' money? No, it does not. It does not use the taxpayers' money to pay for 80 per cent or 90 per cent of those exploration costs. I am just suggesting that if there is a fundamental purpose of government, it is to spend taxpayers' money wisely. The Government is not doing that.

Mr. Deputy Speaker: The Chair is attempting to follow the Hon. Member's speech but the Minister of National Defence (Mr. Blais) continues to shell the Hon. Member. He uses crossfire. That is not permissible according to Standing Order 15, I remind the Hon. Minister.

Mr. Riis: Thank you for your intervention, Mr. Speaker. I would not call the Minister rude at all because I think that what I am saying is embarrassing to the Minister. The Minister knows that what I am saying is perfectly accurate but he finds it embarrassing since some of his constituents may be watching television and thinking that perhaps they should pay the Hon. Member a visit to his office to have him explain why so many people with sizeable incomes do not pay income tax and how the Government justifies that. However, I will leave that aside since I do not want to stray from my remarks.

The Government has another role besides that of collecting taxes fairly and spending taxpayers' money wisely. One of its very important roles is to provide leadership and the opportunity for Canadians to expand and take advantage of the natural and capital resources of our country.

I am sure most of my colleagues used the opportunity of the last week or ten days to visit their constituencies. I made a point of talking to some of my constituents. If there is one sad occurrence in our country today, it is that the Government has not provided any optimism, sense of hope or any vision for people to see a future in our country that is creative or innovative.

I talked to representatives of the disabled community. There are 1.5 million Canadians who are disabled and the unemployment rate in that group is approximately 80 per cent to 85 per cent. What is the Government of Canada doing for these individuals? Is it giving them some hope that they will be employed in the future? Is it introducing an affirmative action program so that when corporations receive sizeable tax concessions or grants they cannot merely contemplate hiring disabled people but must hire disabled Canadians who are able to work in their plants, offices or factories? Does the Government have that kind of sensible, decent or compassionate approach? No, it does not.

It is evident from talking to the young people of our country that well in excess of 500,000 of them are unemployed. At this time in their lives they should be in the job market or going to post-secondary educational institutions to develop their careers and occupations. They should be beginning their families, buying homes and establishing themselves as productive, creative citizens. However, to do this one must be able to work or be able to afford to continue one's education. When there are 500,000 people under the age of 25 who want to work but cannot find a job in a country as rich as Canada, you would expect the Government to do something about it other than come up with some simplistic make-work program that will assist less than 2 per cent of those already unemployed. There will be hundreds of thousands of young Canadians leaving secondary schools in the next few months. What are their expectations when they enter the job market?

I remember that not too many years ago when I and my colleagues left our secondary schools, colleges, vocational schools or universities, there were up to 15 job opportunities for every graduate, which allowed us to choose our jobs. We were able to decide where we wanted to work, what type of job we wanted and to what extent. Today, the situation has reversed and for every single job there might be 15 young people applying for it. It is a terrible situation. It is a terrible deed we are doing not only to the young people of our country but to the future of our country.

Today is International Women's Day. It is a day when we reflect for a moment on how unfairly women are treated in our society, in the workplaces of Canada, in the Canadian tax system and in the fiscal policies of this country. I think it is perfectly clear that any sensible person would believe that major changes are required in our country to enable women to play their rightful role in our society. But is the Government taking any bold steps in this direction at this time? Is any leadership being provided in this particular area? No. Again, there is that sense of despondency and hopelessness along with the belief that the Government does not care about women, young people or the disabled of Canada. That feeling exists because people look for a hint that this is not so but cannot find it.

When I toured my constituency I talked to the small business people in my area. At a time when the Government has allowed interest rates to remain at these excessively high levels, small businesses can see that the tax concessions are going to the corporations so that they can pay an effective tax rate that is less than that paid by the small business community. They see numerous tax policies that are aimed strictly at the corporate level but not at the small or medium-sized businesses of this country. The number of foreclosures and receiverships has risen. People are being forced to close their doors and walk away from any optimism about the next decade in this country? No, they do not. Again, it is a reflection of the financial leadership of the Government.

We can talk about the food producers of our country, such as the farmers, ranchers and the fishermen from the interior and both coasts. Are they optimistic about being able to maintain their ranches, farms and fishing boats? Will they be producing food for Canadians in the future? There is no feeling that there is an opportunity for growth and development. The opportunities for young people to become farmers and fishermen are not there. The present level of interest rates will not permit a successful economic recovery to allow young people to get into food producing operations. But does the Government do anything about it? No, it does not.

Today the native people of Canada are meeting to discuss their future. One of the most pathetic experiences for parliamentarians is to visit Indian reservations in our ridings. When we see how Indian people are treated in this country, we enter the fourth world, with areas of extreme poverty and hopelessness. There is 90 per cent unemployment. That is the situation in many of the Indian reservations in our country.

We lack leadership. We lack a responsible system of tax collection. Our taxes are not collected fairly and not expended wisely. There is not much good one can say about the present Liberal Government of Canada.

Mr. Deputy Speaker: Order. It being one o'clock I do now leave the chair until two o'clock p.m.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INTERNATIONAL WOMEN'S DAY

REVIEW OF ACHIEVEMENTS

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, International Women's Day has been celebrated by women of all nations for more than 70 years. When International Women's Day was first celebrated in 1911, Canadian women in most provinces were still struggling for suffrage, and were not even considered persons in the eyes of the law.

Traditionally on this day Members of this House have taken time to acknowledge the legislative milestones that have been passed on the road to full equality and to remind us that there is still a way to go. We have learned that legislative action, while essential, does not automatically result in changes in ways of thinking.

I would like to focus on the initiatives presently under way in Canada as we look forward to the 1985 World Conference marking the end of the United Nations Decade for Women. As we celebrate International Women's Day, the U. N. Commission for the Status of Women is meeting in Vienna as the preparatory body for the 1985 World Conference to review and appraise the achievements of the U. N. Decade for Women.

My colleague, the Minister responsible for the Status of Women, has just returned from these meetings, and has committed this country to the development of a new Canadian plan of action for the Status of Women. This plan, to be tabled at the 1985 World Conference, will cover two very essential periods of history.

I cannot over emphasize our ongoing commitment to the achievement of equality. The work that was started must continue. We view the participation of women in the public life of our country as essential. We join today with women from all countries—

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired.

* * *

INTERNATIONAL WOMEN'S DAY

WOMEN'S STRUGGLE FOR EQUALITY

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, today is International Women's Day. It may seem somewhat anachronistic that in this so-called age of equality we still have to designate a day to focus attention on the struggle for equal rights for women.

This day commemorates the events of March 8, 1908, when a fire in a New York garment factory caused the tragic deaths of female workers whose employers locked the doors during working hours. These women died because they were trapped.

Our society has come a long way since that time, but many women are still trapped by the economic and social realities of today. For instance, older women, trapped in poverty, because of inadequate or non-existent pensions; low income women, trapped in job ghettoes with little or no hope of advancement, and single parent mothers, trapped in a daily struggle for survival because maintenance payments are not forthcoming for them and their children. Indian women have lost their status, trapped by discrimination and inequities not of their own making.

As long as these conditions persist there will be a need to call attention to the injustices still facing women. It is important to do so on March 8, International Women's day, but it is equally important to do so every other day of the year.

* * *

[*Translation*]

INTERNATIONAL WOMEN'S DAY

MEASURES FOR ELIMINATION OF OBSTACLES TO EQUALITY

Mr. Michel Veillette (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, International Women's Day has been celebrated in all countries for more than seventy years. In fact, when the first International Women's Day was held in 1911, in most of our provinces Canadian women were still fighting for the right to vote and were not even considered to be persons in the eyes of the law. Traditionally, on March 8, Hon. Members take a few moments to consider what had to be done over the years to obtain full equality, and to reflect on what remains to be done. Mr. Speaker, we know from experience that, although essential, legislation alone does not necessarily bring about a change in thinking. Attitudes and behaviour solidly anchored in a society will change only under constant and increasing pressure.

Today, however, I would prefer to forget the past and draw the attention of the Hon. Members to current activities in Canada in preparation for the World Conference that will mark the end of the United Nations Decade for Women in 1985. On International Women's Day, the United Nations Commission on the Status of Women is meeting in Vienna, as the agency responsible for preparing the World Conference in 1985 that will review and evaluate the results of the United Nations Decade for Women.

Mr. Speaker: Order. I am sorry to interrupt the Parliamentary Secretary. The Hon. Member for Peterborough (Mr. Domm).

[*English*]

CAPITAL PUNISHMENT

CALL FOR REINSTATEMENT FOR FIRST DEGREE MURDER

Mr. Bill Domm (Peterborough): Mr. Speaker, in Canada we have recently witnessed an unprecedented wave of violence resulting in unwarranted acts of brutality and, in my cases, death. The list of most recent victims is ample proof of the rise of violent crime in our country.

Barbara Turnbull, 18 years old, of Mississauga, Ontario, a Becker's store clerk who was shot during the course of a robbery on September 23, 1983, remains paralyzed; Nizam Ali, 18 years old, of Mississauga, Ontario, stabbed to death last Saturday while he worked the overnight shift; Nepean Police Constable, David Utman, shot to death at Bayshore Shopping Centre in Nepean, Ontario, on October 14, 1983.

Paul Chapman was fatally stabbed on the night of June 22, 1983, after being strapped into a chair while the two men accused of the crime sexually molested his girlfriend.

The increase of rampant crime is clearly evident and demands the immediate attention of all Members of Parliament. Consequently, on behalf of the 87 per cent of my constituents who favour capital punishment for premeditated first degree murder, I intend to use today's allotted hour for Private Member's Business to debate Bill C-213, which seeks to reinstate capital punishment for all cases of first degree murder.

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[*Translation*]

INTERNATIONAL WOMEN'S DAY

STATUS OF INDIAN WOMEN AND THEIR CHILDREN

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I was very pleased with the announcement made this morning by the Right Hon. Prime Minister (Mr. Trudeau) at the Constitutional Conference of First Ministers, to the effect that the federal Government is now prepared to repeal Section 12(1)(b) of the Indian Act. Mr. Speaker, the House will recall that the Act discriminates against native women and their children. By marrying a white man, native women as well as their children lose their Indian status, while an Indian who marries a white woman continues to benefit from the privileges arising from his Indian status, both for him and his children. I am very pleased, and I am sure women members on both sides of the House and all the women of this country share this feeling with me today, especially on a day that is dedicated to the women of this country, namely, International Women's Day.

Mr. Speaker, I want to express my personal commitment to do everything I can to have this Act amended as soon as possible.

[*English*]

STATUS OF WOMEN

PARTICIPATION IN SPORTS

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, in conjunction with International Women's Day, I would like to speak for just a minute about the situation of women in sports in Canada. For too long women have been the victims of stereotyping and sexism when it comes to athletic participation. They have been discouraged from participating actively in sports when they approach puberty since vigorous activity is seen by many in our society as unfeminine. It is time this stereotyping stopped, and I hope our educators are leading the way by encouraging girls' activity in the same way they encourage boys'.

There are other problems, too, Mr. Speaker. If a young woman wants to participate in any level in sports, she must compete, first, for time and space in which to train, since access to facilities, particularly for organized sports, is a battleground between men and women. And it is men's sports which seem to take precedence when sports administrators dole out time at gyms, pools, and fields.

Women athletes are not the only ones who suffer discrimination in the sporting world. Women who wish to be coaches, who aspire to the boards of sports organizations, or who wish to be involved as senior staff in sport agencies, face roadblocks similar to the ones faced by athletes. Women deserve equal representation in all these facets of sports. And those who have the stamina and courage to seek excellence at the level of "elite" sports need the support of Canadian tax dollars to the same extent as their male counterparts. I urge the Government to improve the lot of women with affirmative action programs both in hiring and funding allocations.

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• (1410)

[*Translation*]

BILINGUALISM

TRIBUTE TO DEFENDERS OF FRANCO-MANITOBANS' RIGHTS

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, the outcome of the debate in the Manitoba legislature on language rights for the Francophone minority in that province must give serious cause for concern to Canadians who favour equal language rights, a concept that is a cornerstone of Canadian unity, as it gives people with closed minds and with intolerance as their political credo cause to rejoice.

Although for some people, this debate has been an opportunity to show how narrow-minded they are and to indulge in demagoguery, others have shown remarkable political courage.

I want to express publicly my admiration for the almost heroic attitude of the Premier of Manitoba and his colleagues. I also wish to applaud the unqualified support given Franco-

Manitobans by the Federal Leader of the New Democratic Party at a recent convention of the Manitoba wing of his Party in Winnipeg, and also the spontaneous support of all my anglophone colleagues in the Liberal Caucus for the position of the Right Hon. Prime Minister on this issue.

As for the Official Opposition, we cannot question the good faith of its Leader, but the profound hostility shown by some Members of his Caucus and prospective Party candidates to Franco-Manitobans and the French language is eloquent proof that francophones still cannot depend on the Progressive Conservative Party to defend their language rights, and the Leader of that Party will do well to remember before he starts to woo Quebec voters in the next election campaign that Quebec's motto is: "Je me souviens".

* * *

[*English*]

MARINE TRANSPORT

CN MARINE VESSELS—PROVISION OF SAFETY EQUIPMENT FOR CREWS

Mr. Tom McMillan (Hillsborough): Mr. Speaker, marine workers face fatal hypothermia due to exposure in cold water, especially if forced to abandon ship at sea. Recent sea disasters such as the *Ocean Ranger* make stronger safety regulations essential.

Prince Edward Island employees of CN Marine sail steamships to distant drydocks each Spring when ice and weather conditions render voyages hazardous. Such employees need immersion suits that provide both hypothermic protection and buoyancy. They also need inflatable life rafts that, unlike existing lifeboats, can be launched in stormy conditions. Yet Transport Canada's regulations permit CN Marine vessels headed for drydock to carry only conventional lifeboats, and those inflatable life rafts in use are often removed from ships prior to sailing for drydock.

The Canadian Brotherhood of Railway, Transport and General Workers has lobbied since 1981 for legislation requiring all CN Marine crews to be provided with proper survival equipment. The $50,000 cost to equip P.E.I. vessels would be a small price to pay to prevent tragic loss of life. I urge the Minister of Transport (Mr. Axworthy) to update relevant safety regulations with all possible speed and urgency.

* * *

[*Translation*]

FRANCO-MANITOBAN RIGHTS

ALLEGED HOSTILE ATTITUDE OF CERTAIN M.P.S

Mr. Jean-Guy Dubois (Lotbinière): Thank you, Mr. Speaker. First of all, I want to say that I entirely agree with the comments made by my colleague from Montmorency-Orléans, and I would like to quote here in the House a short report that appeared in the newspaper *Le Devoir* on February 28, 1984, which said: "According to three of the five Federal Conservative Members from Manitoba, the Ottawa resolution requesting that Province to guarantee French rights will have no effect, even if it receives the support of all three political parties."

The three Members are the Hon. Member for Lisgar (Mr. Murta), who is here in the House today, the Hon. Member for Brandon-Souris (Mr. Clark) and the Hon. Member for Portage-Marquette (Mr. Mayer). According to *Le Devoir*, the three "also said they felt rather uncomfortable about the position taken by their Leader, Mr. Brian Mulroney." "We are not a bunch of sheep," commented Mr. Mayer. In the House, Mr. Mulroney stated that when the Leader of the Progressive Conservative Party speaks, he speaks for all members. However, the Member for Portage-Marquette revealed that at a caucus meeting, several members informed the Leader that they did not share his opinion, and that was the quote from the newspaper *Le Devoir*.

It seems there is now a situation where there are divergent and dissenting views. Mr. Speaker, I see one of those Progressive Conservative Members here in the House, and I would like him as well as some of his colleagues whose names I mentioned earlier to rise in the House and say whether they are for or against the rights of francophones in Manitoba. Are they for or against bilingualism? If they are against francophones and against bilingualism, I would ask their Leader to expel all three, as well as other members who refused to follow the Party's line on bilingualism. With all this dissidence and divergence of opinions, the Progressive Conservative Party is in a state of confusion, and as my Hon. colleague from Montmorency-Orléans (Mr. Duclos) so aptly said, the motto of Quebec is: "Je me souviens", and Quebecers will certainly remember the Progressive Conservative Party!

ORAL QUESTION PERIOD

[*English*]

FINANCE

EXCHANGE VALUE OF DOLLAR—GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. In his absence I will direct it to the Deputy Prime Minister and former Minister of Finance. The Minister of Finance said, as reported in *The Globe and Mail* for March 7:

> I am not one spending my nights up worrying that the dollar is not at 81 cents, I can assure you . . . interest rate levels in Canada have nothing to do with the value of the dollar.

Does this indicate a new policy on behalf of the Government? The dollar today is trading below 79 cents U.S., 78.89.

The Bank of Canada rate has just gone up to 10.20 per cent, indicating that interest rates may go up shortly. In view of these statements of the Minister, and because we have had a policy for eight or ten years where it has been necessary for interest rates in Canada to be high to support the dollar, I ask the Deputy Prime Minister whether it is now official policy that the Canadian dollar can depreciate despite the inflationary pressures that would bring, and is it now Bank of Canada policy to allow interest rates to find their own level quite independently of what effect this will have on the value of the Canadian dollar?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member knows that for quite some years now the dollar has been responding to a number of forces in the market. It has not been the policy of the Government or the Bank of Canada to intervene to alter the fundamental trends in the value of the dollar. I share the view of the Minister of Finance that this present development is not a matter for alarm. We have had two experiences recently when the dollar dipped below 80 cents on the market. I do not see anything new or worrying about this development at the present time.

INTEREST RATE LEVELS

Hon. John C. Crosbie (St. John's West): Mr. Speaker, it is too bad the Deputy Prime Minister cannot answer a question when it is on such an important matter. If the Canadian dollar sinking to under 79 cents does not matter, if the impetus that this gives to inflation does not matter, if the fact that that keeps interest rates high does not matter, why did the Government permit interest rates to go to 21 per cent and 22 per cent just a year ago? Why are they as high as they are today, if none of this matters?

Is the Minister of Finance speaking for the Government when he says that interest rate levels in Canada from now on are going to have nothing to do with the value of the Canadian dollar? Are interest rates going to be permitted to go wherever they might, without worrying whatsoever about the effect on the value of the dollar? That is my question. That is what your Minister said.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I doubt very much whether the Minister said any such thing. I cannot see that the Minister would make a comment which the Member interprets as a declaration that there is absolutely no relationship between the value of the exchange rate of the Canadian dollar and existing interest rates. We both know that there is an interaction, but it is not the only interaction.

Every time the value of the Canadian dollar changes, it is not necessarily linked to interest rates. The Hon. Member knows that. When he is asking this question, he is obviously misinterpreting what the Minister of Finance said. I am sure that no Minister of Finance would ever say that there is no relationship whatsoever between interest rates and the exchange value of the Canadian dollar at any time in any circumstance.

GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I am looking at the March 7 *Globe and Mail* where the Minister of Finance is quoted as saying: "Interest rate levels in Canada have nothing to do with the value of the dollar." It is in black and white, not denied by the Minister. He should not be Minister of Finance, according to the Deputy Prime Minister. It is here in black and white. I know that the Deputy Prime Minister did not set a glorious record for his successor, but his successor has plunged even deeper than the Deputy Prime Minister.

• (1420)

On October 19 the Minister of Finance said that within six months interest rates in Canada would drop by another two to three percentage points. That was five months ago. That is the kind of prophet he is. As well, he said that Canada could respond very quickly to lower U.S. interest rates if inflation remains low and the value of the Canadian dollar stays steady at its current 81-cent or 82-cent range here in Canada.

Mr. Speaker: Would the Hon. Member ask his question?

Mr. Crosbie: In view of that, how can the Minister and the Government now adopt a policy that says that our interest rate levels will go wherever they like without having any effect on the Canadian dollar, and they will do nothing to prevent this from having an effect on the Canadian dollar?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I just told the Hon. Member that that is not the policy of the Government of Canada. May I repeat to the Hon. Member that, if that is his fear, then his fear is unjustified. He ought to know that in addition to interest rates there have been quite marked changes, not only in the value of Canadian currency but in the value of the United States dollar, and in the value of European currencies. That does not have very much to do with interest rates in Canada at the present time. The Hon. Member ought to know that.

STATEMENT MADE BY BANK OF CANADA GOVERNOR

Hon. Ron Huntington (Capilano): Mr. Speaker, it is very hard to supplement a lead question when we get the kind of answers we have been getting from the former Minister of Finance who is presently the Acting Deputy Prime Minister of Canada. I am really confused, Mr. Speaker, as is everyone else in the Chamber, regarding just is what the financial policy of the Canadian Government. Where does it stand in light of the Governor of the Bank of Canada's statement of November 29, 1983, which reads as follows:

—any major depreciation of the Canadian dollar at this time would be much more likely to damage than to help our economic situation in that it would be

strongly inflationary in an environment where confidence that inflation is under control is still so fragile.

We are struggling with a recovery. The Minister of Finance has been talking to all kinds of economic leaders across the country, and their statements are on the record. Why has the Government of Canada not reduced the federal deficit, when doing so is the one signal that world markets, the Canadian market, and the private sector need in order to have a stable interest rate environment and to have some stability that will allow us to pick up the challenge given by the Minister of Finance in his last Budget?

Some Hon. Members: Hear, hear!

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): First, Mr. Speaker, a major depreciation of the Canadian dollar has not taken place. The Canadian dollar dipped temporarily below 80 cents last January and last December. That happened twice in the very recent past. It was not a major depreciation. The Canadian dollar recovered then, and precisely the same incident has occurred again. The Hon. Member cannot describe it as being either a major depreciation or as having any relationship to the size of the deficit. Neither element included in his question is relevant under the present circumstances.

ECONOMIC PROJECTIONS MADE BY CONFERENCE BOARD OF CANADA

Hon. Ron Huntington (Capilano): Mr. Speaker, so far the four answers that we have heard from the former Minister of Finance, who is the Deputy Prime Minister of the country, indicate the reason why our money is not at an 80-cent level as compared to United States currency but is now falling into the seventies. That is a direct measure, as compared to other currencies, of how well we manage our economy and how well we discipline ourselves as a Government.

Some Hon. Members: Hear, hear!

Mr. Huntington: The value of Canadian currency can be compared against U.S. and other currencies. We have a 79 per cent performance rate as against other countries, and that is a fact. It is the one measure which tells us how well we are doing *vis-à-vis* other countries.

Can the Minister tell us what the Government will do to offset the predictions of an economist with the Conference Board of Canada who said, as reported by the *Calgary Herald:*

Without investment in new plant and equipment . . . there is nothing to drive Canada's economy into the mature stage of recovery—

We know that the bloom has fallen off the Canadian recovery rate. We know that recovery in the U.S. is still moving strongly ahead. What is the Government doing to create an environment that will allow us to consolidate what we have? Considering the answers we are hearing, are we going to see more inflation, higher interest rates, and a severe depression, as has been indicated by the Conference Board of Canada?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member seems to be totally unaware of what has happened to currency values in Canada, in the United States, and in Europe. If he were aware of this, he would know that for quite some time the Canadian dollar has been much stronger as compared to most European currencies than as compared to the United States currency.

If the Canadian dollar declines in value from time to time in relation to the American dollar, its historic and recent pattern has been one of strength in relation to European currencies. The Hon. Member ought to bear that in mind if he is talking about the value of the Canadian dollar as an index of our over-all performance. If it is such an index as he has just stated, then we are performing much better than most European industrialized countries. The Hon. Member ought to know that and factor it in to his rather rudimentary analysis of the current economic situation.

* * *

PUBLIC SERVICE

EQUAL PAY FOR EQUAL WORK GUIDELINES

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in the absence of the Minister responsible for the Status of Women, I would like to direct my question to the Deputy Prime Minister. He will know that Canada ratified the international convention on equal pay for work of equal value in 1972, and that such legislation has existed in federal law since 1978. Yet women in Canada still make only 60 cents for every dollar a man makes. Even more damning, Mr. Speaker, is the $7,300 wage gap between men and women employees in the federal Public Service.

In view of the fact that Labour Canada released a report last month confirming that the federal Government is not enforcing its own equal pay for work of equal value guidelines in the Public Service, will the Government act immediately to reorganize Treasury Board's compensation standards to comply with equal value legislation?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, quite appropriately the Hon. Member is asking such a question on a day on which we are making International Women's Day. I think her question is quite appropriate, and it gives me an opportunity to say that the world is celebrating the achievements of women the world over, and that today is an occasion on which this Government and other Governments throughout the world can recommit themselves to the advancement of women. That is one of the objectives of the Government of Canada.

In this past decade, which has been the International Decade for Women, I think that this country and other countries have taken some very important strides. However, I would agree with the Hon. Member that much more remains to be done. If she wants to ask specifically about the particular

attitude taken by the Treasury Board, then she can direct her question to the President of the Treasury Board.

Ms. Jewett: Mr. Speaker, that long homily from the stealth missile did not deceive anyone, so I will turn to the President of the Treasury Board.

REQUEST THAT MINISTER ENSURE COMPLIANCE WITH LEGISLATION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the President of the Treasury Board will also know that Labour Canada released a report last month confirming that the federal Government is not enforcing its own equal pay for work of equal value guidelines in the federal Public Service. I would ask the President of the Treasury Board if he will act immediately to reorganize Treasury Board's compensation standards, to comply with equal pay for work of equal value legislation.

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I am glad that the Hon. Member has confirmed the fact that federal law, under the Canadian Human Rights Act, calls for equal pay for work of equal value. As I recall, the Labour Canada report in question points out that the federal Government is far ahead of the private sector and of any of the provincial Governments in that regard. In that connection, we have been working with the Human Rights Commission to identify situations where, in spite of this principle in the law, the principle is not being applied. In recent months we have settled a number of cases dealing with substantial numbers of people to ensure that these principles are in fact being observed.

● (1430)

In line with that commitment in the law, in line with my own commitment and the commitment of the Government, we are certainly working very actively to make sure that the principle is respected, not just in its written form. In fact we are making substantial progress. We are far ahead of the private sector and other Governments, and we will continue to be ahead.

Ms. Jewett: Mr. Speaker, the Minister did not answer the question when he is going to reorganize Treasury Board's compensation standards. That is what we want to know.

HUMAN RIGHTS COMMISSION—DELAY IN DEALING WITH COMPLAINTS

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my supplementary question arises directly out of the Minister's reply concerning the Canadian Human Rights Commission, because it does not have sufficient staff or resources to deal adequately with the complaints that come before it. The Minister probably knows that a complaint filed four years ago by the Energy and Chemical Workers' Union on behalf of 31 women in Glace Bay, Nova Scotia, is only now going before a tribunal. What will the Minister do, or urge the Government to do, so that, first of all, it will not sit around and wait until complaints are filed, and second, when complaints are filed, see that they are dealt with expeditiously?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, with respect to compensation standards, they are not intended to do other than provide equal pay for work of equal value. I will be very happy to examine the situation and take prompt corrective action.

With respect to the Canadian Human Rights Commission, it operates at arm's length from the Government. If the Chief Commissioner and the other commissioners want to make proposals for additional staff and resources to deal with complaints more expeditiously, to the Minister who answers to Parliament for them, I will be very happy to work as sympathetically as I can to provide a positive and swift response to this request. The request has to come from the Commission, which is an independent body. I, for one, would be prepared to respond in a swift and sympathetic manner once the request is brought to my attention.

Ms. Jewett: Mr. Speaker, I have a final supplementary question.

Mr. Speaker: The Hon. Member has had two supplementaries.

* * *

FINANCE

TREASURY BILL RATES—EFFECT ON GOVERNMENT DEFICIT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is addressed to the Deputy Prime Minister and Secretary of State for External Affairs, in the absence of the Minister of Finance, the Minister of State for Finance, and in view of the fact that the Deputy Prime Minister was formerly Minister of Finance.

The Minister will know that today at the Treasury Bill auctions the Government had to pay just a whisker under 11 per cent for one year money. That very fact alone militates against all low interest mortgage rates from now on. Interest rates on mortgages from trust companies and insurance companies are going to go immediately to the 12 per cent and 13 per cent level, certainly for a one-year term.

The Deputy Prime Minister will also know that the budget deficit and its figures were all based on much lower interest carrying costs on the national debt.

What action does the Deputy Prime Minister now propose with respect to the Borrowing Authority Act that is now before the House, and with respect to the deficit of the Government, in view of this enormous increase which has taken place in the last week in the cost of carrying funded debt by the Government?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, at the moment I would not believe that any particular action is justified with respect either to the Bill on the borrowing authority or any other aspect of government policy. The Hon. Member has talked about a development that is one week old, as he said. As I have pointed out, we have had similar incidents in the past which have corrected themselves. This may be quite another one of those. I do not think that the present change in the value of the Canadian dollar represents a fundamental weakness in the Canadian dollar; quite the contrary.

MAGNITUDE OF GOVERNMENT'S BORROWING DEMANDS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, would the Deputy Prime Minister agree with Mr. Paul Volcker of the American Federal Exchange who, yesterday, said to a committee of Congress that deficits of the magnitude suggested forced interest rates substantially higher than they would otherwise be?

Would he also agree that the present borrowing demands of the Government exceed 91 per cent of estimated gross domestic savings? Will he tell the House and the country how people can hope to have a mortgage on their home, to borrow money for a business to put people back to work, with the interest rates that are now being forced upon the Canadian public?

Miss MacDonald: Try to understand it, Allan.

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member asks me whether I agree with Mr. Volcker, Chairman of the Federal Reserve Board, when he talks about the deficit. First of all, I should like to know what time span the Chairman of the Federal Reserve Board was talking about. Was he talking about 1984, 1985, or 1986?

As I understand the situation in the United States, I think the concern that has been expressed is directed more particularly to what the authorities call the "out" years and the failure to take action on that deficit not necessarily in 1984, but beyond. If the question is put in that context, then I agree with what Mr. Volcker has to say.

* * *

ENERGY

JURISDICTION OVER NEWFOUNDLAND OFFSHORE RESOURCES—REQUEST FOR RESUMPTION OF NEGOTIATIONS

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is addressed to the Minister of Energy, Mines and Resources. Now that the legal question of offshore jurisdiction is behind us, is the Minister prepared to move quickly on a settlement of the political issues involved in the offshore? Is he prepared to take advantage of the presence in Ottawa of the Premier of Newfoundland and of the Minister of Energy for Newfoundland, and resume the talks?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I am very pleased that the situation has been clarified and that the Supreme Court has given jurisdiction to the national Government.

Some Hon. Members: Hear, hear!

Mr. Chrétien: As everyone knows, when I tried very hard a year ago to reach an agreement with the Government of Newfoundland before there was a decision in the court, I did not quit the negotiation table; it was the Minister from Newfoundland who quit.

Pending an agrement with the Province, the federal Government will administer the resources offshore of Newfoundland and make sure, because the climate will be better now, that there will be no conflict of jurisdiction. That will create a very good climate for investment.

I am very happy to have a Member from Newfoundland attached to my Department as Minister of State for Mines. He will make sure that the development of these resources in the future, pending an agreement with Newfoundland, will be in the best interests of the people of Newfoundland, and will make sure that the maximum benefit possible will go to them. When we do that, we know that it is in the best interests of Canada as a whole.

Some Hon. Members: Hear, hear!

Some Hon. Members: Leader! Leader!

Mr. McGrath: Mr. Speaker, I had hoped that the Minister of Energy, Mines and Resources, who aspires to the leadership of the country, would take the high road in dealing with these questions. I now give him that opportunity.

POLITICAL SETTLEMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, is the Minister prepared to take the leadership and resume negotiations with the Province of Newfoundland on the basis of the necessity of a political settlement, and on the basis of dealing generously and magnanimously with one of the provinces of this country?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I am not quite ready to take the leadership; I am reflecting on that.

If Mr. Marshall and Mr. Peckford want to see me, I am available, and I always have been available. I went back to Newfoundland many times to meet with them. One time, some reporters even tried to organize a meeting when Mr. Marshall was in the same room as I was, but he did not want to talk about the issues. Everyone knows that I want to settle this problem. I always wanted to settle it, but now the court has decided. If it is federal jurisdiction, that does not mean that it

is not good for the people of Newfoundland. The Government of Canada serves the people of Newfoundland too—

Some Hon. Members: Hear, hear!

Mr. Chrétien: —and at times, much better. That is why I say that, if they want to talk with me, I am available. I am telling the people of Newfoundland that I do not want to play politics with them.

Mr. Crosbie: Oh, no!

Mr. McGrath: What are you doing now?

• (1440)

Mr. Chrétien: I just say that it will be developed in the best interests of the people of Newfoundland, and the fact that there will be no fight between the two Governments is a positive factor for investment. Of course we will have to talk with the provincial Government of Newfoundland because it has an interest in that. I hope it will come to the point of reaching an agreement. However, I am informed—I hope it is wrong—that Premier Peckford has already said that he will not negotiate with me, and you should check with him before asking the question.

GOVERNMENT'S INTENTIONS

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question as well is directed to the Minister of Energy, Mines and Resources. I wonder if the people across the way, who do not even have a policy on the offshore, or at least cannot make up their minds among themselves what their policy is, can be quiet. I ask this supplementary question on behalf of the people of Newfoundland—

Mr. Crosbie: Send a boy on a man's mission.

Mr. Tobin: —who are interested in hearing the Minister's answer, not like the Hon. Member for St. John's East who is interested in playing games.

Some Hon. Members: Order.

Mr. Speaker: Would the Hon. Member please ask his question?

Mr. Tobin: I do not know whether it is possible, Mr. Speaker, at this stage to negotiate an agreement, but assuming that a Government which cares about co-operation, not confrontation, comes to Newfoundland, can the Minister assure this House that it is still the intention of the Government of Canada to see that, the day an agreement is negotiated, the lion's share of revenues come to the Province of Newfoundland—

Mr. Crosbie: Sit down, Judas.

Mr. Tobin: —where those resources are located?

Some Hon. Members: Hear, hear!

Mr. Crosbie: Judas told them.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, the federal Government has always wanted to negotiate an agreement which will serve the best interests of the people of Newfoundland. We have always offered some sharing in revenue. I will have to see what will happen in the next days, because already I am informed that the Premier of Newfoundland said he will wait for another Government before he negotiates.

Mr. Crosbie: Good idea.

Mr. Chrétien: He might, Mr. Speaker, have to wait a hell of a long time.

Some Hon. Members: Hear, hear!

Some Hon. Members: We want Joe.

Mr. Chrétien: I have been able, Mr. Speaker, to reach agreements easily with Saskatchewan, with Alberta, and with Nova Scotia.

Mr. Crosbie: Where is John Turner when we need him?

Mr. Chrétien: How come I cannot make an agreement with the Government of Newfoundland?

Mr. Dick: You are supposed to answer questions.

Mr. Chrétien: Some questions should be asked that way. I had no problem making a deal with Premier Lougheed or Premier Devine, who are not Liberals, but who put their interest in solving problems before their political interests.

Some Hon. Members: More!

Some Hon. Members: Bring back Joe.

Mr. Mulroney: Mr. Speaker, I assume the Minister of Energy is saying to himself: "If only the applause from my Liberal colleagues could be translated into votes at the convention. Will they love me in September like they do in May?" And I am sure the Minister wants to dismiss the gratuitous comments of the almost Minister of Youth—

Mr. Crosbie: The juvenile delinquent.

MINISTER'S APPROACH TO NEGOTIATIONS

Mr. Brian Mulroney (Leader of the Opposition): In view of the importance of the matter, which the Minister has always taken seriously, in light of the judgment rendered today by the Supreme Court, can the Minister give this House the assurance that he will enter into those negotiations acknowledging that past positions ought not necessarily to apply, and that any possible decision which does result can result from positions different from those previously taken by the federal Government, and must be of the greatest benefit to the people of Newfoundland and Labrador? Can the Minister give us the

assurance that he will look at this, now that the matter has been settled—

Mr. Tobin: He can't bring back Labrador City.

Mr. Mulroney: —in a brand new perspective of giving to the people of Newfoundland and Labrador the type of settlement which they genuinely need and want with regard to the offshore?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I tried very hard last year to reach a settlement. We have made two good offers to the Government of Newfoundland, which it has rejected. I guess if it wants to talk, it should come with the solution to the problem. Of course I am willing to meet with them, discuss the problems, and try to find a solution. The only preoccupation I have is to make sure that these resources are developed as fast as possible, as orderly as possible, and to make sure that the economic benefit will belong to the people of Newfoundland first. Because if we can help the people of Newfoundland better their economic and social standing, Canada will be better for that.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Chrétien for leader!

Mr. Chrétien: Again I urge the Leader of the Opposition, and the Hon. Member in the Opposition from Newfoundland, to tell Premier Peckford that the people of Newfoundland need a settlement and the political game is over, that it is the interests of the people of Newfoundland, not of the Government, which are at stake, and that Canadians want a solution. I was able to make a deal on the Constitution and on energy with the other Provinces. It is only with Newfoundland that I can never make a deal. It is a bit frustrating.

MINISTER'S POSITION

Mr. Brian Mulroney (Leader of the Opposition): Mr. Speaker, I am very encouraged by the response of the Minister of Energy, and I commend him for it.

The Minister said in respect to the negotiations which must take place, and I believe I am quoting him accurately: "The resources should belong to the people of Newfoundland first". I believe that is a direct quotation. I commend the Minister on that attitude because I believe I can probably conclude from it that the Minister is sending out a clear signal to the Government of Newfoundland and Labrador, saying: "Come and meet me for early negotiations and I will not be hidebound by positions which I have taken in the past". Is that the position? If that is so, I encourage the Minister because this is genuine, co-operative federalism, and I urge him along that road. This will benefit Newfoundland and Labrador.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): I said, Mr. Speaker, that the benefit from the development of the resources should first benefit the people of Newfoundland. I make a big distinction between these people and the Government of Newfoundland. The federal Government can administer the programs under federal jurisdiction which benefit the people of Newfoundland. The Supreme Court of Canada has given jurisdiction over these resources to the federal Government. It is not for me, therefore, to decide against the Supreme Court.

What we need is an agreement to make sure that the development of these resources benefits first the people of Newfoundland and, in doing that, all Canada benefits from such a deal. However, the decision of the Supreme Court is clear. It is now a constitutional reality that the offshore resources of Newfoundland are under federal jurisdiction.

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STATUS OF WOMEN

NEED FOR AFFIRMATIVE ACTION COMPLIANCE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the President of the Treasury Board, and I think it is suitably asked today on International Women's Day. I believe all Hon. Members of this House know that the track record of the Liberals in terms of words but not action is clearly illustrated in their approach to affirmative action for women in the private sector.

The Minister responsible for the status of women, just two years ago said that the voluntary program "is not even moderately effective". Since the Minister and his Government have had no problem instituting contract compliance for the six and five wage restraints, I wonder if the Minister would tell this House whether or not he is prepared to introduce contract compliance immediately so that all companies with over 50 employees, which are dealing directly with the federal Government, are required to have affirmative action programs for women in place?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, this is something which I think deserves to be looked at, not just by myself but by the Minister of Supply and Services, who is the Minister in charge of the government contracting and purchasing activities. However, having said that, Mr. Speaker, I feel I should make clear to my hon. friend that when it comes to affirmative action in the federal Government itself, the program we have in place is not just a voluntary one. We are extending across the Public Service, on a phased step-by-step basis, a very strong and effective program, covering not only women but also the handicapped and indigenous people.

Last Fall I announced a service-wide target to increase substantially the number of women in the management category. Therefore, we do not have a limited program in the Public Service when it comes to affirmative action. We have a strong and effective one, and I hope it will have my hon. friend's support.

• (1450)

PUBLIC SERVICE—COMPARISON WITH FRANCOPHONE AFFIRMATIVE ACTION PROGRAM

Mr. Jim Fulton (Skeena): Mr. Speaker, the President of the Treasury Board has made it quite clear to Members of this House that there is no contract compliance in the federal Government.

Would the Minister rise in his place and respond to the stark contrast between what has happened to women regarding affirmative action in the federal Government and what has happened to francophones in the Public Service? Three years after implementation of the Official Languages Act, francophones were represented in all job categories in the federal Government, at all wage levels, proportionate to their presence in the population and the Public Service. Would the Minister agree today to introduce a similar kind of program related to affirmative action as was brought in under the Official Languages Act?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, our affirmative action program went into place last June.

Miss MacDonald: It went into place in 1975, and you have been dragging your feet ever since.

Mr. Gray: When we look at the program—my hon. friend is way out of touch. It went into place in the federal Government on a limited, pilot project basis, in three Departments. We put in place a program extending across the entire Public Service, last June. When Parliament looks at this issue three years from the end of last June, I predict we will see the kind of progress we have seen with francophones and we will be very proud of the results. I am not sure my hon. friend will be here, but those of us who are—and I think a lot of us will be here—will be very proud of those results.

Miss MacDonald: You ought to be ashamed of yourself.

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NATIONAL REVENUE

TAXATION OF EMPLOYEE BENEFITS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question was for the Minister of National Revenue, who has flown the coop. He must have thought today was his day off. Therefore, I will ask my question of the Deputy Prime Minister.

I have in my hands an internal report of Revenue Canada, concerning taxable benefits. The Deputy Prime Minister will remember this resulted from the Budget he brought down. This document attempts to analyse how they can wring taxes out of the average working person for such benefits as low rental housing, parking, and daycare provided by employers. The report concludes that the Department must either establish a consistent approach to the taxation of employee benefits, or vacate the area entirely. It says the Department should not continue to assess in a random and often unfair manner.

In view of the inequitable application and administration by the Department of National Revenue in its attempt to collect tax on these benefits to employees, is the Government considering withholding the imposition of taxes on these benefits until such time as it can bring forward a rational collection basis?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, the Hon. Member will have noted that the Minister of National Revenue was in his seat when Question Period started, and was there for quite some considerable time. The Hon. Member had an opportunity to ask his question. If he wants an answer from me, the answer is no.

TAXATION OF DAYCARE BENEFITS

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, in view of the fact that today is International Women's Day, can the Deputy Prime Minister answer on behalf of the Government whether or not it is the Government's policy to continue wringing every cent possible out of those people who are least able to protect themselves, namely, working women, with respect to taxing daycare benefits? Very often these women are the heads of single parent families. Does the mean spiritedness of this Government extend to continuing a policy of taxing these people who are attempting to contribute to society by working and producing an income for their families?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): If the term "mean spirited" can be applied to anything, it can be applied to the question the Hon. Member asked.

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CULTURAL AFFAIRS

INDEPENDENCE OF CANADA COUNCIL AND CANADIAN BROADCASTING CORPORATION

Hon. David Crombie (Rosedale): Mr. Speaker, my question is directed to the Minister of Communications, who may know there is a report out of Southam News this morning that the Government intends to bring in legislation which would give it the power, through the Financial Administration Act, to erode the traditional independence of federal government cultural agencies such as the Canada Council and the CBC. If this is the case, then that of course violates the long standing principle that we should make sure our cultural and artistic life is separated and distant from political interference and control.

This is a very important matter, so I ask the Minister if the report is true and, if so, will he explain the Government's position to the House?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, as the Hon. Member knows, he will have to await the

tabling of the legislation to see what is in it. We already have in front of the House Bill C-20, which explains the Government's position concerning the CRTC and the CFDC. He will see, by reading the type of legislation in Bill C-20, that it is not the Government's intention to intervene to fix program content or determine who ought to be getting grants. My position has always been that there has to be an arm's length relationship between the Government and the various cultural agencies in all matters requiring judgment on values and program content.

FINANCIAL ADMINISTRATION ACT—REQUEST FOR EXCLUSION OF CULTURAL AGENCIES

Hon. David Crombie (Rosedale): Mr. Speaker, I am sure the Minister understands that the basic issue here is artistic and cultural freedom. What is also important to understand is that the Appelbaum-Hebert Commission strongly urged the Government and this House to make sure that any change in the Financial Administration Act would exclude cultural agencies, to ensure that arm's length treatment the Minister spoke about. Will the Minister assure this House that if there is any chance that the cultural agencies will have their autonomy diminished by the Financial Administration Act, he will move, as the Clark Government did in 1979, to make sure those cultural agencies are excluded from that control?

Hon. Francis Fox (Minister of Communications): Mr. Speaker, I think it is quite clear that cultural agencies receive money appropriated by the Parliament of Canada. Obviously they have to be held accountable for the use of those funds. I do not think there is any grounds for disagreement between us on those questions. The essential element of the arm's length relationship between the Government and cultural agencies is the fact that cultural agencies are the ones which decide how those funds are to be spent once they are appropriated, what type of competition will be held, and how they are to be allocated to the various groups across the country. In all of those essential respects the arm's length principle as it exists today would, of course, be maintained.

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ABORTION

FREEDOM OF CONSCIENCE ISSUE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Solicitor General in his capacity as Acting Minister of Justice. He will know that on this International Women's Day one of the major concerns of Canadian women is the inequities which exist in abortion legislation, which too often results in lengthy delays and denial of access to safe therapeutic abortion. Does the Minister support freedom of conscience on this sensitive moral question, leaving the decision to be made by a woman in consultation with her doctor? Will the Government repeal those provisions of the Criminal Code on abortion, in order to achieve this important objective?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the question is really directed to my colleague, the Minister of Justice. I know he would want to answer that question himself.

PLANNED PARENTHOOD FEDERATION—GOVERNMENT FUNDING

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare, whose Department has been cutting funding to the Planned Parenthood Federation of Canada despite the excellent work it does in promoting birth control and sex education, both of which effectively reduce the number of abortions. Will the Minister undertake to improve significantly the level of funding to the Planned Parenthood Federation of Canada, particularly in view of the very drastic cuts in funding which have been taking place in Provinces such as British Columbia where the Social Credit Government recently cut entirely its funding to the Federation?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I can go even further and confirm to the House that I was able to restore to its original level the funding of the Planned Parenthood Federation of Canada. I think that is excellent news for everyone, in view of the very good work they perform all over Canada, in communities and groups. Through my budget, which is limited and for a purpose, I am unable to replace the provincial Governments where they failed their tasks. I regret it, as do all Canadians, and particularly in this case, women and young girls.

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• (1500)

GOVERNMENT DECENTRALIZATION

ANNOUNCED TRANSFER OF HEALTH AND WELFARE BRANCH FROM HALIFAX TO SYDNEY

Mr. Howard Crosby (Halifax West): Mr. Speaker, my question is for the President of the Treasury Board and concerns a recent report in the *Halifax Chronicle-Herald*. According to the article the Deputy Prime Minister congratulated the Member for Cape Breton-The Sydneys because "the Federal Treasury Board has just approved a $500,000 expenditure to begin the transfer of the Income Security Branch of the Department of Health and Welfare Canada from Halifax to Sydney".

Does this mean that the Cape Breton Liberals are opposed to the Member for Halifax, or is this some kind of new job creation program whereby jobs are created by transferring employees around the Province of Nova Scotia?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, as far as I can recall, this transfer was announced a long time ago. It is not a new decision. However, I will be happy to check into the details. I would be interested to know exactly where my hon. friend stands on the issue of decentrali-

zation, whether he is for or against it. As far as I can recall, this is simply confirmation of a decision which was announced some time ago. The current announcement is simply talking about its implementation.

Mr. Crosby: Mr. Speaker, I can tell the President of the Treasury Board exactly where I stand. I am totally opposed to transferring senior public servants, who have devoted many years of their lives to the Public Service of Canada, from Halifax to Sydney simply to please the Member for Cape Breton-The Sydneys and the Deputy Prime Minister.

IMPACT ON EMPLOYEES

Mr. Howard Crosby (Halifax West): Does the President of the Treasury Board realize the effect on the people involved in this transfer? Will he look at the specific cases involved, and give consideration to those people who cannot retain their employment if they are required to go from the City of Halifax to the City of Sydney to maintain their job in the Public Service?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, there are quite generous provisions in these cases of decentralization to deal fairly with the public servants involved. I am sure that will be the case here. I am sure my hon. friend's point of view will be noted with interest by the responsible Minister, the Minister of National Health and Welfare, who is in the House now.

* * *

PETITION

MR. FLIS—RELEASE OF MYKOLA HORBAL FROM SOVIET LABOUR CAMP

Mr. Speaker: Order. I have the honour to inform the House that the petition presented by the Hon. Member for Parkdale-High Park (Mr. Flis) on Wednesday, March 7, 1984, meets the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Dick: Mr. Speaker, I rise on a point of order. I have two questions I would like to raise. There is the usual request I should put forth to the Government House Leader as to the items of business planned in the upcoming week.

I understand discussions have been held with respect to the second matter, and that is that the motion referring Supplementary Estimates (C) for 1983-1984, under an Order of March 5, to several standing committees of the House should be amended by deleting the referral of Social Development Votes 2c and 3c to the Standing Committee on Transport and by adding the referral of those two votes to the Standing Committee on Finance, Trade and Economic Affairs. I believe there was a typographical error of some nature to begin with.

Mr. Pinard: On the second point, Mr. Speaker, it is true that we have had consultations and agree to the motion to which the Hon. Member refers. Therefore, if you seek unanimous consent for the following, the formal motion would be:

That the Order of the House of March 5, 1984 referring the Supplementary Estimates (C), 1983-1984, to the several standing committees of the House, be amended by deleting the referral of Social Development Votes 2c and 3c to the Standing Committee on Transport and by adding the referral of the said votes to the Standing Committee on Finance, Trade and Economic Affairs.

It seems there would be unanimous consent without debate for the following motion, if you would put it now.

Mr. Speaker: Does the Hon. President of the Privy Council have unanimous consent of the House to present his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion (Mr. Pinard) agreed to.

Mr. Pinard: Mr. Speaker, in so far as the business of the House is concerned for the coming week, we plan to call the following Bills tomorrow: Bill C-9, resuming debate; and the back-up Bill would be resuming debate on Bill C-10. Monday will be an Opposition Day. Therefore Monday is an allotted day. Tuesday, Wednesday and Thursday next week could be used to resume debate on Bill C-21. If we were to send the Bill to committee earlier than next Thursday, I would be pleased to meet with my colleagues, the House Leaders on the other side, to tell them what other plans we would have under the circumstances.

Mr. Robinson (Burnaby): Mr. Speaker, I have a question on House business. The President of the Privy Council will be aware of the fact that the legislation on the Access to Information Act and the Privacy Act provides for the designation of a committee to review the implementation of that important legislation. The Joint Committee on Regulations and Other Statutory Instruments has asked that it be permitted to assume this important responsibility, particularly given the heavy workload of the Committee on Justice and Legal Affairs. The main point, Mr. Speaker, is that no committee has yet been designated to assume this very important responsibility.

I would like to ask the President of the Privy Council when the Government intends to move to ensure that this committee is in fact designated so that many of the obvious weaknesses of the legislation can be examined carefully, both with respect to the substance of the Bill and the administration and implementation of the legislation.

Mr. Pinard: The Hon. Member referred to the workload of the Justice Committee. That could be the case if he would be more co-operative. Since we have not yet sent the Security

Bill, the Divorce Act or the Criminal Code amendments to the Justice Committee, I suppose his representation is purely hypothetical.

With reference to the Access to Information Act, I had a request from the standing committee to which he referred which was denied because our plans are to make the reference to the Justice Committee. On the other hand, if we were to have more co-operation on the legislation I just mentioned, it may be that I would reconsider and we would agree to refer the Access to Information legislation to the committee to which the Hon. Member referred.

For the time being, there is no workload in the Justice and Legal Affairs Committee. Therefore, I would be in a better position to give a more precise answer to his question once some of the Bills I have indicated have been sent to the Justice and Legal Affairs Committee.

Mr. Benjamin: Mr. Speaker, I would also like to speak on House business. The Government House Leader and the Minister of Transport may be aware of representations about early presentation of amendments to the Aeronautics Act, particularly from the Canadian Air Line Pilots Association. Can the Government House Leader give us an indication when they intend to call that legislation? I think we can be reasonably sure of fairly quick passage. What would be the timetable for the amendments to the Aeronautics Act?

Mr. Pinard: Mr. Speaker, I take note of the representations made by the Hon. Member. I will look into this matter, consult with the Minister of Transport and will hopefully be able to report to the Hon. Member before the end of this session.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. PARKER—TELEVISION RECEPTION IN BRITISH COLUMBIA

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, it is my honour to present the following petition. To the Honourable the House of Commons of Canada in Parliament assembled, the petition of the undersigned residents of Canada, who now exercise their right to present a grievance, humbly sheweth that whereas the residents living in the Jaffray, Tie Lake, Sand Creek and Galloway areas in British Columbia are faced with deteriorated television reception from CBC programs and CFCN broadcasting, and whereas this is a rural area that depends heavily on television viewing for a considerable portion of their daily lives, wherefore we, the undersigned petitioners, call on the Government of Canada to have these areas tested for interference, and have the power output increased to ensure that adequate service is provided. And as in duty bound your Petitioners will ever pray.

• (1510)

SENIOR CITIZENS ADVISORY ASSEMBLY ACT

MEASURE TO ESTABLISH

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-224, an Act to constitute a senior citizens advisory assembly.

He said: Mr. Speaker, the purpose of this Bill is to establish an advisory assembly of senior citizens to assist the federal Government in developing policies providing services for Canada's ever-increasing number of this segment of the population.

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

* * *

PENSION ACT

AMENDMENT RESPECTING APPLICATIONS FOR VETERANS' PENSIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine) moved for leave to introduce Bill C-225, an Act to amend the Pension Act (administrative delay).

He said: Mr. Speaker, this Bill would apply a six-month time limit to the veterans' entire pension process. If the Pension Commission failed to meet these time limits, the veteran would receive automatic payment of the applied for benefits. Hundreds of applicants die while waiting for a decision. This Bill would help put an end to this disgraceful situation.

I would like to point out that in the United States applications are processed within 90 days, a record worth praise and emulation.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 177, 454, 634, and 641.

[*Text*]

NATIONAL ADVISORY PANEL ON SKILL DEVELOPMENT LEAVE

Question No. 177—**Mr. Mazankowski:**

1. Is there a National Advisory Panel on Skill Development Leave and, if so, what (a) are its terms of reference (b) is the (i) name (ii) background or expertise (iii) term of appointment of each member (c) remuneration, such as salary or travel expenses (i) do the members receive (ii) did the members receive to date (d) other funding, if any, is provided by the government?

2. During the fiscal year 1982-83, did the panel meet and, if so (a) how often (b) how often is it required to meet (c) what matters did it consider (d) what reports and/or recommendations were published?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Yes.

1. (a) Terms of reference: review the options presented by the Task Force on Skill Development Leave, to hear and assess the viewpoints of labour, business, educators and the three levels of government as presented in colloquia on October 25, 26, 27, 1983; and prepare a report recommending possible courses of action that the federal Government should follow in respect to skill development leave.

(b) (i) The names of the members of the National Advisory Panel are shown below.

(ii) The individuals were asked to sit on the Panel in view of their general experience and their knowledge of the issues at play, and with a view to achieving a balance of the major sectors.

(iii) The appointments are effective August 11, 1983 until the publication of the report early in 1984.

(c) (i) An honorarium of $150 per day is paid to the panel members for each day in attendance at meetings. Travel expenses are paid to the members not residing in Ottawa.

(ii) The National Advisory Panel Expenditures to December 12, 1983 were:

	Travel	Honorarium
Mrs. M. Eady	$ 3,086	— *
Mrs. L. Rogers	$ 3,653	$1,800
Mr. R. Ahenakew	$ 3,380	$1,200
Mrs. A. Ironside	$ 4,312	$1,800
Mrs. C. Booker	$ 2,077	$1,800
Mrs. C. Walda	$ 1,894	$1,500
Mr. G. Bourgeault	$ 853	$1,350
Mr. S. L. Smith	—	— *
Total	$19,255	$9,450

(d) A budget of $231,000 was set to cover travel, honoraria, other professional services and the printing and distribution of the panel's report.

2. (a) The panel only began to meet during the 1983/84 fiscal year and as of December 31, 1983, has met six times.

(b) The meetings are called at major steps in the drafting of the report.

(c) Panel members have discussed the content of their report and recommendations.

(d) The report is expected to be released early in 1984. (See 1. (b) (iii) above.)

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* Mrs. Eady does not receive an honorarium due to her position with the Manitoba Government.

* Mr. Smith does not receive an honorarium due to his position with the federal Government.

National Advisory Panel Members

Carolynn Walda,
Vice-President Human Resources,
General Foods Inc.,
105 Moatfield Drive,
Don Mills, Ontario,
M3C 3J5

Clare Booker,
Regional Director of Education,
Canadian Labour Congress,
2267 Albert Street,
Regina, Saskatchewan,
S4P 2V5

Anne Ironside,
President,
Canadian Association for Adult Education;
Program Director, Centre for Continuing Education,
University of British Columbia,
5997 Iona Drive,
Vancouver, B.C.,
V6T 2A4

Mary Eady,
Deputy Minister of Labour & Manpower,
225 Legislative Building,
Winnipeg, Manitoba,
R3C 0V8

Stuart L. Smith,
Chairman,
Science Council of Canada,
Berger Building,
100 Metcalfe Street, Room 1705,
Ottawa, Ontario,
K1P 5M1

Lenore Rogers,
President of Canadian Congress on
Learning Opportunities for Women;
Regina Plains Community College,
2708-12th Avenue,
Regina, Saskatchewan,
S4T 1J2

Ray Ahenakew,
President/Ex-Director,
Saskatchewan Indian Community College,
201 Robin Crescent,
Saskatoon, Saskatchewan,
S7L 6M8

Order Paper Questions

Guy Bourgeault,
Doyen de la Faculté de l'éducation permanente,
Université de Montréal,
3333, chemin Queen Mary,
Montréal, Québec,
H3V 1A2

CANADIAN COAST GUARD

Question No. 454—**Mr. Howie:**

Are any persons employed by the Canadian Coast Guard and, if so, how many and how many persons were employed in each of the two preceding years?

Hon. Lloyd Axworthy (Minister of Transport): The Canadian Coast Guard employed 6,799 as of December 31, 1983, 6,619 as of December 31, 1982, 6,404 as of December 31, 1981. These figures include all tenures of employees e.g., terms less than six months, terms over six months, seasonal, full time.

MANAGEMENT EXCELLENCE IN SMALL BUSINESS PROGRAM

Question No. 634—**Mr. Stewart:**

Is there a Management Excellence in Small Business Program and, if so, what (a) department or agency is responsible for its administration (b) amount was budgeted for the program in the fiscal year 1983-84?

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Yes. (a) The Department of Regional Industrial Expansion (DRIE). (b) $395,000 was budgeted for fiscal year 1983-84.

FASHION DESIGN ASSISTANCE PROGRAM

Question No. 641—**Mr. Stewart:**

With reference to the answer to question No. 123, in the fiscal year 1983-84, what amount was budgeted for the Fashion Design Assistance Program?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): As indicated in the response provided to question No. 123, answered in the House of Commons on Thursday, January 19, 1984, the Fashion Design Assistance Program (FDAP) terminated in 1982. Therefore, no budgetary allocation was provided for the fiscal year 1983-84.

[*English*]

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

In response to a question asked of me yesterday by the Whip of the Official Opposition with regard to Question No. 717, I should indicate to him that manifests are available each month from the Ministry of Transport with regard to Transport Canada aircraft and from the Ministry of National Defence with regard to DND aircraft. Since that is publicly available information to the Hon. Member, in a public place, according to Beauchesne Citation 357(ff) a Member shall not "seek information set forth in documents equally accessible to the questioner, as Statutes, published reports, et cetera". Therefore, I would suggest that the question placed by the Hon. Member is out of order.

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

Some Hon. Members: Agreed.

* * * *

Mr. Speaker: Would there be unanimous consent for the House to revert to Introduction of Bills? I believe the Hon. Minister of Transport (Mr. Axworthy) has in mind the introduction of a Bill.

Mr. Nielsen: Mr. Speaker, he will have to be much sharper and keep much more alert than that if he expects to go anywhere in the forthcoming leadership campaign.

Mr. Benjamin: Mr. Speaker, if the Minister would quit talking to other Liberal Members he would not be on the bit. But yes, we will agree to that.

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENT TO INCREASE MAXIMUM AMOUNT OF ADVANCES

Hon. Lloyd Axworthy (Minister of Transport) moved for leave to introduce Bill C-23, an Act to amend the Prairie Grain Advance Payments Act.

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

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Gimaïel: Mr. Speaker, thank you for allowing me to rise in the debate on to Bill C-21—

[*English*]

Mr. Blenkarn: Mr. Speaker, I rise on a point of order. When we adjourned at one o'clock, the Hon. Member for Kamloops-Shuswap (Mr. Riis) had just finished his remarks. No opportunity has been made available to ask him certain questions. Could we have the regular question period now that the

Member is here? I am sure he would consent to answer questions according to House rules.

The Acting Speaker (Mr. Herbert): If there is no objection from Members, we will have a ten-minute question period.

Mr. Blenkarn: Mr. Speaker, the Hon. Member for Kamloops-Shuswap, who is the finance critic for the New Democratic Party, indicated in his speech today that there were many Canadians who did not pay income tax. Of course, there are. Could he name one Canadian person or company who had taxable income but was not required to pay tax, was excused from paying tax or something of that nature? Or is the whole question of tax and escaping tax just rhetoric and nonsense from him as NDP finance critic?

Mr. Riis: Mr. Speaker, that is a really difficult question. I want to remind the Hon. Member that the point I was making is that at this time of the year when everyone is busy preparing to fill out their tax return, or paying accountants to do it, one becomes very sensitive to the fact that certain corporations, firms and individuals do not pay their fair share of tax in our country for a variety of reasons. They are not doing anything illegal; they are not doing anything that is wrong in terms of the laws of the land. It is simply that the laws of the land have been written in such a way that they favour certain types of individuals or firms. Many of the laws were written with good intentions but have been abused over the years, or circumstances have changed such that those intentions have been found to be inappropriate or have changed over time.

I am referring to the approximately 200 loopholes that the present tax system makes available to corporations. As a result, we find a long list of corporations whose books show that they were very profitable in the year 1982-83. Perhaps I could bring one example to the attention of the Hon. Member. It is one that is often cited in the House. It concerns the Bank of Montreal whose profits in 1982, I believe, were in excess of $300 million. For a variety of tax reasons it paid no federal income tax that year as a result of the loopholes or tax incentives provided by the Government of Canada. And I might also say as a result of subsequent Liberal and Conservative governments. We feel that is inappropriate. When you have so many people not paying what I think is their fair share of income tax, either on a personal or corporate level, someone else has to pay extra.

● (1520)

That is a shameful situation when you have individuals who are working hard and paying a tax rate higher than what they ought to be paying as a result of a multitude of tax loopholes, or corporations, particularly small ones, which are paying effective tax rates now higher than they should because so many are not paying what I call their fair share.

Mr. Blenkarn: Mr. Speaker, I am rather intrigued that the Hon. Member, after a very dramatic speech, could not name one corporation or individual in Canada who was not paying tax on taxable income.

I would ask the Hon. Member for Kamloops-Shuswap this. If there are such loopholes in the Act, why did the New Democratic Party vote for the small business bond system which allowed the Bank of Montreal to absorb certain income that would otherwise be taxable as non-taxable income? Does the New Democratic Party favour, for example, imputed rent on homes and businesses if you have an investment there? Indeed, which of this huge number of loopholes which the New Democratic Party talks about would he abolish? Would the Hon. Member abolish child care credits? Would he say to people who make charitable donations to worthwhile causes that those donations are not deductible from income? Would the Hon. Member say, for example, that if you have interest to pay on a debt in connection with earning money in a business that that interest should not be deductible? Where does the New Democratic Party stand on sensibility? Or is the New Democratic Party out for rhetoric, saying that some people are not paying taxes, but when asked who is not paying taxes, the New Democratic Party cannot come up with one name?

Mr. Riis: Mr. Speaker, I am sorry to learn of the Hon. Member's hearing problem. It did seem to me that I did specifically name one firm. Perhaps I will name a few others: Hudson's Bay Company of Canada, Steinberg's, Simpsons-Sears, Domtar—

Mr. Blenkarn: "Taxable" income.

Mr. Riis: The taxable income was $30 million in 1981. They paid no income tax that particular year.

Mr. Blenkarn: Taxable income.

Mr. Riis: Mr. Speaker, I am saying there is quite a long list. I suppose if I am going to be specific about a tax loophole that I feel could be changed or removed to a large extent, it would be the PIP grants. I believe anybody, even those in the Progressive Conservative Party if they were to be honest about so-called tax incentives to oil companies, would have to admit that we have been excessive when you find 80-plus per cent of the exploration costs in our frontier areas being paid for by the people of Canada as a result of PIP grants and other tax concessions to oil companies, most of which are foreign-based. I do not think that is a tax concession we can afford to keep in place much longer.

Mr. Blenkarn: Mr. Speaker, I have a short supplementary question for the Hon. Member. Now that the Hon. Member for Kamloops-Shuswap has named the Hudson's Bay Company as evading taxes on $30 million, will he go to a justice of the peace this afternoon and lay a charge of tax evasion against the Hudson's Bay Company? Will he do the same with the Bank of Montreal? Or is it a fact that those companies have no taxable income? Is it not a fact that this is hokum, nonsense and drivel?

Let me ask the Hon. Member one more question. Where does the NDP stand on this Bill? Is it in favour of $29 billion in borrowing authority or will the New Democratic Party be voting against the Bill?

Mr. Riis: Mr. Speaker, this is getting to the point of being silly. Are we in the New Democratic Party going to vote to provide authority for the Government of Canada to borrow and spend nearly $30 billion when we stand up daily in this House and outline very specifically how that money is being inappropriately spent and inappropriately collected? To suggest for a moment that we would consider supporting this Bill, I find rather amusing would be the best way to put it.

I want to clarify a point which the Hon. Member for Mississauga South (Mr. Blenkarn) has made. I have not suggested that the Royal Bank of Canada, the Bank of Montreal to which I specifically referred, Domtar or Steinberg's are evading taxes. I said very specifically in my response that these firms and individuals are obeying the law. His political Party, in co-operation with the Liberal Party, has over the years devised a set of tax rules which enable Canadian individuals, mainly upper income earners, and Canadian corporations to use legitimate laws of the land to provide loopholes which enable them to pay little or no tax. These people are acting within the law, thanks to the law written by members of the Liberal and Conservative Parties.

[*Translation*]

Mr. Pierre Gimaïel (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, it is a pleasure to take part in the debate today on Bill C-21, aimed at giving the Canadian Government sufficient borrowing authority for the year 1984. It is, of course, not the first time a debate on the subject is being held in the House. It is, in fact, a yearly occurrence, when the Government seeks borrowing authority to be able to meet the needs of Canadians and its various departments.

What I find surprising in these yearly debates, and perhaps even more so this year, are the repetitious arguments of the Official Opposition. Every year, we hear the same old cliché about blank cheques and an incredible amount of rhetoric that would have Canadians believe that the Government is doing an incredibly bad job. In fact, their arguments are entirely at odds with what is actually happening in Canada. Mr. Speaker, Canada is a vast and beautiful country, and in this country, in nine provinces out of ten, the authority responsible for collecting taxes from all Canadians or money in any other form, to meet the needs of the provinces, is the Government of Canada. All the more incredible, when one listens to what the Opposition has to say, and surprising, Mr. Speaker, since, as we know there is not a single Liberal government in our Canadian provinces.

An Hon. Member: Your time will come!

Mr. Gimaïel: There are several Conservative governments that spend money and pass legislation to meet the needs of their people. What kind of legislation are they passing and how do they do it? I do not know whether all the provinces are doing a good job, but if we look at Quebec . . . It would take a long time to enumerate the many points on which I disagree with the Government of my unfortunate province, which is increasingly suffering the consequences of having elected an outrageously dominating Parti Québécois Government. I would not go so far as to say the same of the other provinces, but the fact remains that these are the people, and many are Conservatives like those here in the House, or Members of the New Democratic Party, these are the people who are going to spend a large part of the $29 billion the Canadian Government is seeking to borrow. Mr. Speaker, this year the Canadian government will be giving nearly $20 billion to the provinces in transfer payments to meet the needs of Canadian in areas under provincial jurisdiction, such as health care. I see the Minister of National Health and Welfare (Miss Bégin) who is in the midst of negotiations at the present time and has introduced a Bill to ensure that Canadians receive proper care, that they can be born, live and die in this country with the assurance that Canada can provide them with health care and also post-secondary and technical institutions. Every year, the Government of Canada transfers $20 billion to the provinces. I would therefore suggest that Members of the Opposition who want to know what this money will be used for call up their provincial colleagues who might be able to tell them how that money is going to be spent. I would be surprised if they did because that party is totally inconsistent in several areas. Whether the issue is languages, oil or anything else, what the big brothers in the federal Parliament want, is unwanted by the kid brothers in the provincial Assemblies. In other words, there is no agreement, just controversy. This is more or less how we see the Progressive Conservative party at this time with their nine days' wonder, their new leader who, by the way, now has to cope with a new trend known as "Bring Back Joe", which is gaining quite a momentum in Western Canada, and who does not seem too sure of making it to the upcoming elections.

• (1530)

"Bring back Joe" is the new trend originating from Western Canada. It is the BBJ or "Bring Back Joe" trend, and I can easily understand why the Members opposite feel dejected because, as the Hon. Member for Joliette (Mr. La Salle) said during the Progressive Conservative leadership campaign a year ago, the Leader of the Opposition is proving to be with every passing day nothing more than just an idolized fake. He even lost the power of speech recently. He found it this afternoon for two short questions and quickly left the House to ask his friend from St. John's East (Mr. McGrath) whether he had asked the right questions. I think that he will be back on his usual pedestal tomorrow. Then once again he will lose the power of speech as has been the case these last few weeks.

To come back to the issue being considered, Mr. Speaker, I have heard during the last few days Members opposite trying to make us believe that Canada was getting deep into debt. How awful! Canada is engulfed in debt. I heard the Hon. Member for Joliette yesterday giving as a perfect example the

way people use credit cards. Mr. Speaker, what is wrong with using a credit card to pay for what you buy? It is simply a banking tool that was the best example the Hon. Member had to explain what is going on in Canada, but he did not do so. It is obvious that if the credit card user has no money to pay for what he buys with his card and has to borrow from someone else there is a problem. However, when the card user has the money in the bank to pay for his purchases, there is no problem at all in using a credit card.

The Canadian Government will borrow in Canada over 90 per cent of the $29 billion requested in this Bill. This means that Canada will not be borrowing money on the foreign markets. What the Government is asking is the authority to borrow, to obtain the moneys it needs by a means other than taxation to generate economic activity, to fulfill the requirements of the population, to meet its commitments under the various pieces of legislation which were passed through the years in this House by the various parties.

When the Canadian Government borrows from Canadians, is Canada's deficit increasing? No. The deficit of Canada as a nation does not increase. When the Government borrows from Canadians, it uses their money to invest in various social and economic programs, and in most cases, especially in the last few years, the Canadian Government has invested to acquire assets. For instance, in my area of Saguenay-Lac-Saint-Jean, the Canadian Government is investing $245 million in infrastructures which will be owned by Canadians to bring gas by way of a pipeline to the area, and this will enable businesses and individuals in the area to buy less crude oil, which often comes from abroad, especially from the Middle East. Such is the cause of the actual deficit, when we have to buy something outside Canada. What the Government is doing is taking money and converting it into an asset, and the best part of it all is that Canadians are the ones who are working to build this pipeline.

The same applies to the other infrastructures which the Government is building for harbours, airports, industries, industrial parks, and so on, in my own area and everywhere else in Canada. Over the past two or three years, the Government has shown its determination to take every advantage of the strong economic recovery and use the money of Canadian taxpayers to set up the mechanisms which, in coming years, will be needed to spur and upgrade our industry to meet the challenge of the new computer technology. It is extremely important that we take that step into the future. Needless to say, the economy has been rather sluggish in the first two years of the current decade. In 1982 and 1983, Mr. Speaker, individual Canadians and businessmen alike have put a lot of money in the bank and been rather reluctant to borrow. But they made an about turn in 1983 as a result of improved economic conditions both in Canada and in the United States, and the Canadian Government also played a major role by offering incentives such as the $3,000 home construction grants and other incentives.

• (1540)

The result of all this, Mr. Speaker, was that a lot of people ended up with huge bank accounts, as many of our fellow Canadians did.

Would Hon. Members of the Opposition have preferred that Canadian banks lend that money to foreigners, for instance? Do they think that when a Canadian puts money in the bank and earns interest on his deposit that the interest falls from heaven? When a deposit brings in interest, it is because the borrower has put the money to work or because the bank which took the deposit has loaned the money to somebody.

Let us say that the Government stops borrowing, as the Opposition seems to be suggesting. Who will go out tomorrow and borrow the $29 billion needed to stimulate the economy? If the Government, as leader of the country and the main lever behind economic activities, does not show that it is prepared to promote economic growth actively to fight unemployment, who among businessmen will have enough confidence to get his feet wet if the Government itself is standing still? Will we let the major Canadian banks lend money to Third World countries or even to Eastern nations whose regime is so corrupt that they cannot even repay the interest on their debts? Is that what the Opposition parties want? We do not know, Mr. Speaker. It never fails, it is always the same old tune!

It is unbelievable, but I see across the floor people who have been elected years ago and who are supposedly knowledgeable in economic affairs, yet they keep repeating the same irrelevant and misleading speeches, trying to make Canadians believe that they will end up in bread lines if the Government keeps borrowing, that it is increasing the national debt when it borrows from Canadians. That is not true. Mr. Speaker, some countries have found themselves in financial straits because they borrowed too much on foreign money markets. That has been the economic bane of a number of countries, but Canada is certainly not among them. What the Canadian Government is doing now and what it has done in recent years is that it has assumed that responsibility when Canadians were reluctant to invest as they used to, it has made the investments required to get our economy moving.

Yesterday I heard the Hon. Member for Simcoe South or Simcoe North tell the House that the Bank of Canada rate was going to increase as a result of Canada's huge $30 billion deficit—

Mr. Rossi: That is hypothetical!

Mr. Gimaïel: My colleague from Bourassa (Mr. Rossi) says that it is hypothetical. It is more than hypothetical, it is wrong. How can the Hon. Member suggest that our interest rates could be lower than those of the United States without driving the value of our dollar down into the ground? The strongest

pressure on interest rates in Canada . . . This is something they kept saying everywhere when they were in office in 1979. The strongest pressure on interest rates in Canada comes from the interest rates of American banks. Whatever the level of borrowing of the Canadian Government, it changes absolutely nothing. Because tomorrow morning, even if Canada's operating deficit were nil our interest rates would have to be comparable to those in the United States to support our dollar.

And why at this point should we tell Canadians that the borrowing level of the Canadian Government has an impact on interest rates, when we know full well they reflect what goes on down South? Again, this is presumably political tactics of the kind that was used in Manitoba by their provincial colleagues, to make Manitobans believe that if Francophones were given rights everyone would lose his shirt, his bones or his job, everyone would have to be bilingual in that province. No. That kind of tactics, Mr. Speaker, tends to upset the people needlessly.

In all fairness, if those Opposition parties were serious, they would try to work out or help us work out policies that would be good for Canadians. This is what the Canadian Government has been trying to do and has been doing for years. An area such as mine, a so-called resource area, which has been a major source of electrical power for the rest of Canada and the people down South since the turn of the century an area which is an extremely important source of wood, pulp and paper, aluminum, and various resources is one where work is often seasonal. In my constituency, many people work only six months a year. This is part of our life pattern, because there are operations at the resource level that are conducted on a seasonal basis only. Should this country penalize people because they are in the Saguenay-Lake St. Jean area rather than in Montreal? Should Canada forget to support the people in areas such as mine when there are no jobs available? If the Canadian Government were to do that it means it would have to pay to set up infrastructures that would be used only six months a year to bring workers to large centres, which would create big social problems! That is not the way the Liberal Party of Canada under Pierre Elliott Trudeau and his supporters have envisioned this country over the years. His vision of this country was one where people were given the opportunity to move about, to settle down to grow, to develop, and to live all year-round, whichever they please, through economic policies established by the Canadian government such as DREE or the new DREE or the PRID Program intensive economic development policies, whether it be through job creation programs or manpower training in plants or in schools, or the various policies for direct social action, which I referred to earlier, such as medicare and support to university, technical and college training programs. All Canadians—men and women—were given the right to be born, to live, to receive health care to retire, to work, as I said earlier, to exist. One of the struggles we have just won is that pregnant women are no longer penalized by the Employment Insurance Act for giving Canada the gift of life which will produce the next generation of Canadians means today—

This is what being Canadian to be able to be born, to live, to be cared for, to be housed, to be fed, to grow up, to retire carefree and at all time, to enjoy freedom of action, freedom of speech, freedom of thought. But all this, Mr. Speaker, requires money. And what the Canadian Government is doing, whether the Official Opposition likes it or not, is to borrow from Canadians to invest in Canada and to give work and benefits to Canadians. In the final analysis, Canadians receive interests on the money they have lent to a country they trust, to their own country, to their Government, to Canada.

The Acting Speaker (Mr. Herbert): There is a ten minute period for questions or comments. The Hon. Member for Kamloops-Shuswap (Mr. Riis).

[*English*]

Mr. Riis: Mr. Speaker, I have a couple of straightforward questions to put to the Hon. Member. I listened to his speech and found it very interesting. He is obviously very concerned about the ability of the Canadian economy to recover and to get back to life, in a sense. He has indicated a number of steps that the Government has taken in that direction.

My questions are restricted to a particular area. At a time when we need consumer spending as one of the factors which will kick-start our economy back to life or sustain a recovery, could the Hon. Member explain how the Government's increasing of taxes to the average Canadian family of somewhere between $200 and $300 per family would assist the recovery at a time when disposable incomes are needed to allow Canadians to purchase additional goods and services? How will personal income tax increases help a recovery?

[*Translation*]

Mr. Gimaïel: Mr. Speaker, the Hon. Member's question surprises me somewhat. If the Government is now requesting a borrowing authority of $30 billion, it is because during recent years, it has decided to give more discretionary money to all Canadians. I do not know how he can refer to a tax increase of $200 or $300. He is probably considering more than one tax.

I do not deny the fact that some taxes can fluctuate but generally, it cannot be said that Canadians are now paying more federal taxes than at the beginning of the '70's. Quite the contrary. Federal taxes have always been indexed, as we all know, and if we consider the increased revenues during the last ten or fifteen years, compared to what Canadian taxpayers are paying to their Government, it is quite the contrary. I will even go further. In the last budget, it is provided that the individuals who spend their entire income, for example those who receive the guaranteed income supplement, will get an additional $50 at the end of the year 1984 from the Canadian Government. They are the best consumers in Canada, because they spend their entire income.

The same applies to statutory increases granted under the various welfare programs of the Government for senior citizens or for the unemployed. The unemployment insurance system, which is a comprehensive insurance provided by the Canadian Government is also indexed every year. The economy will benefit from these consumers who, as I said, are our best consumers, because whether they are unemployed or not, the money they receive from the Government of Canada is almost immediately reinvested in the Canadian economy.

In a town such as my home-town of Alma, whose industrial infrastructure over the past six or seven years has been quite unstable as a result of the modernization or closing of plants which were no longer competitive, a million dollars in unemployment insurance benefits are injected every week. Otherwise, our tradesmen who are helping hundreds and even thousands of unemployed workers survive would have much difficulty supporting them in their hour of need. It will be my responsibility, as a Member of Parliament, to make sure that until such a time as the provincial government comes to our rescue by providing us with aluminium works or some other plant to restore the Alma area to the strong economic position it enjoyed previously, we have many more Canada Works projects, unemployment insurance policies and schemes for the redistribution of wealth throughout Canada, so that although our plants may not be producing it year round we can still continue to provide the South with aluminium, and survive the rest of the year.

The Acting Speaker (Mr. Herbert): The Chair recognizes the Hon. Member for La Prairie (Mr. Deniger).

Mr. Deniger: Mr. Speaker, I have a question for my hon. colleague.

Could he explain to me something I just cannot understand, that is, how Hon. Members opposite will go about reducing the deficit while increasing considerably defence expenditures as well as transfer payments to the provinces for Medicare purposes, without increasing the tax burden?

Mr. Gimaïel: Mr. Speaker, this comes with the territory when you sit here as a federal MP. What I really mean is that members of the Official Opposition and of the New Democratic Party as well are displaying a total lack of consistency, so that one day they urge the government to cut its spendings, and the next they call for an increase in its defence budget. This worries me when I think that we might see, and in fact, we are seeing it already in some provinces, these people come to power, because their choice of expenditures is awful!

An Hon. Member: It is a nightmare!

Mr. Gimaïel: And when we see what their priorities are, we wonder how they view human values, which are essential to our work as politicians, since we must represent people who rely on us to make sure that Canada is a country of which each and every citizen may be proud. I am referring mostly to members of the Progressive Conservative Party. This goes for their approach to the language issue, the economy and the overall development. Fortunately, it is not the same with the New Democratic Party. What I have against the NDP is that they will never complete whatever they undertake. I find it unfortunate that they have chosen to be what I would call a non-decision party or a non-development party. It is paradoxical that though the idea is there, it is never fully developed; I find this unfortunate. We have had an example of this in Manitoba, and in fact, their people should have been more persistent, the Legislative Assembly should have continued to sit and the session should have continued, but this did not happen. As far as the Progressive Conservatives are concerned, the contradiction is awful, and I say intolerable! In economic matters, there is even greater contradiction than elsewhere because, in the same breath, the Government is asked to increase its expenditures, but told that it should not borrow, and in addition, the Government is charged with collecting taxes erringly and with harassing Canadians. It is incredible!

• (1550)

The Acting Speaker (Mr. Herbert): The Hon. Member for Lethbridge-Foothills (Mr. Thacker).

Mr. Thacker: Mr. Speaker, I have a question for the Hon. Member for Lac-Saint-Jean (Mr. Gimaïel). Is it true that the Hon. Member believes that the Liberal Party would become Communist if it became necessary?

Mr. Gimaïel: Mr. Speaker, if I may, I first want to say how glad I am to hear the Hon. Member ask me his question in French. It is great; I really appreciate it as the Lac Saint-Jean area is 100 per cent French-speaking.

As for the question, if such a thought can come to your mind, it is because you really do not know the Liberal Party. I can give you my word that the Prime Minister of Canada (Mr. Trudeau) has never written any letter in which it was said that policies as applied in northern Russia, in Siberia, for instance, could be applied to a place like Schefferville and even that a delegation from Schefferville could be sent to Russia to see how northern communities are developed in that country. You will never hear such a thing from the Liberal Party even though the former president of Iron Ore thought that this was a good solution and truly believed, to the extent that he put it down in writing early in 1983, that this was the way to go. Personally, since I know the Liberal Party well and am a true Liberal, I can vouch that, as long as Canadians put their trust in us Liberals, they will live in a country where freedom is honoured, where the individual is important, where the rights of people to their language and their culture, whether they are French- or English-speaking—we are seeing this today in the negotiations with the native people—all these rights of Canadians will be respected as long as they put their trust in the Liberal Party, because in this party, what is of the utmost

importance is the individual. As for you and the Official Opposition, the most important things are symbols such as the golden calf which they found in Schefferville and will have to return C.O.D. because no one wants him over there. He will probably end up in Toronto.

[*English*]

Mr. Thacker: Mr. Speaker, I was here on January 29, 1982, when the Hon. Member spoke. It is recorded in *Hansard* that he said that if necessary the Liberal Party would become communistic in order to retain power. Is he now denying that statement? I was here; I heard it.

[*Translation*]

The Acting Speaker (Mr. Herbert): The Hon. Parliamentary Secretary has the floor for a very short reply.

Mr. Gimaïel: Mr. Speaker, I categorically deny what the Hon. Member has just said, for I have never said that Liberals would do anything to remain in power, since their concern is with the welfare of the Canadian people. As to the members of the Progressive Conservative Party . . . Look at what is happening in Newfoundland, Mr. Speaker: Today the Minister of Energy has given us an example of the insincerity of the Progressive Conservative Party in Newfoundland. It is not the welfare of Newfoundlanders which concerns Brian Peckford, but power. He wants wealth and power, just as "Joe" did before him!

Some Hon. Members: Hear, hear!

[*English*]

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, the Canadian public will know now why we are in the mess in which we are now after listening to the Hon. Member deliver that 20 minutes speech. Another Member spoke about coherence. I should like to know what is coherent about having three philosophies. There has been talk that we are going to be communistic and talk about oppression. No doubt Hon. Members opposite would have their Siberias too. We know they are going to have these concentration camps in this country, so maybe that is another start toward communistic rule. I will get around to January 29, 1982, in a minute, Mr. Speaker.

Bill C-21, an Act to provide borrowing authority, will provide authority to borrow up to an additional $29 billion in new money. Of this amount, $4 billion in authority is a continuance that may be carried over beyond March 31, 1985, while the other $25.55 billion may only be used in fiscal 1984-85. The Government does not have to borrow every dollar of this deficit and it has some non-budgetary sources of funds. Of the $29 billion deficit, only $25.55 must be borrowed after taking into account non-budgetary sources of $4.5 billion.

The Government is asking for $4 billion more than it needs in fiscal 1984-85. That is a very weird philosophy. I will go into the statistics that applied over the years under the Liberals to show how they reached this type of borrowing and uncontrolled spending.

After listening to the Liberals it is evident that they do not even know what the Auditor General's report is about. They do not read it so they do not pay any attention to it. That has been made quite evident by the Auditor General who says they simply do not have the will to implement his recommendations. We see such things as a $600,000 motel sold for $200. It is too bad that the general public cannot see the Liberals laughing at this time. They think these things are a big joke.

This was taxpayers' money, Mr. Speaker, the $315,000 that was poured into this motel, which was sold for $200. Now Hon. Members opposite tell us how brilliant they are, how astute they are at controlling expenses. Who will ever believe the word of Liberal?

After I read from *Hansard* of January 29, 1982, I think the Canadian people will understand why we are in this awful financial mess, heading toward complete financial ruin through completely uncontrolled spending.

On that date the Hon. Member for Lac-Saint-Jean (Mr. Gimaïel) pointed out, as reported at page 14479 of *Hansard:*

> To be a Liberal is first and foremost to be an elected representative, a person whose *leitmotiv*, whose supreme will is to provide opportunities for development and progress for all Canadians.

That certainly is not happening. They have been driving billions and billions of dollars of investment money out of the country. He continued:

> In such a situation, anything can be justified. If the development of individual Canadians is to be achieved through socialization, the Liberal Party can turn socialistic. If the development of individual Canadians is to be achieved through a turn to the right through a strengthening in the industry, the Liberal Party can move to the right.

They are like a hockey team, they are all over the map. He went on:

> If in order to promote our development the Liberal Party thinks we have to be communistic, we shall be communistic. This is what it is all about to be a Liberal. To be a Liberal is to be open to all ideas.

They have all kinds of philosophies. This is what they call being a true Liberal. It is what they call being coherent. It is some coherence, Mr. Speaker.

Mr. Fisher: Oh, come on!

Mr. McKenzie: The Liberals tell me to come on. I did not say this, the Liberals did. I have one philosophy. I believe in the free enterprise system. I do not believe in communism because I know what is happening in Russia. I know what type of government they have there and how the people are oppressed. I know the standard of living the people have under communist rule.

● (1600)

To date the Government has come to Parliament eight times since the 1980 election to seek more borrowing authority. The Government's projected financial requirements between 1984-1985 and 1987-1988 total $87.2 billion. This would indicate that Parliament is in for a steady stream of large borrowing Bills over the next few years. This is the seventh borrowing Bill

over the last few years. So one can see this is a trend under the Liberals.

The financial requirements are only part of the picture. Many Crown corporations are able to raise debt in the financial market without seeking borrowing authority from Parliament. This has been highlighted by the Auditor General time and timea gain. There are no cost controls over the operations of the Crown corporations. And that is how it is to be a true Liberal: Do not have any cost controls.

Over the past 16 years, government spending has risen at an unprecedented rate on a national accounts basis where data is comparable over time, spending has climbed from $12.6 billion in 1968-1969 to an estimated $107.5 billion in 1984-1985, an increase of 773 per cent. On the more commonly used public accounts basis, spending has increased from $12.3 billion in 1968-1969 to $96.9 billion, an increase of 668 per cent. That is unbelievable. It is not acceptable. It is not normal to conduct business in such a way as to have borrowing and spending increase at that rate.

Relative to fiscal 1979-1980, spending has risen by 92 per cent on a public accounts basis or 97 per cent on a national accounts basis. Spending in 1984-1985 will be up by a further 9 per cent. The public accounts deficit for fiscal 1984-1985 will be equal to 31 per cent of public accounts expenditures. For every $3 the Governor spends, it must borrow $1. There are only two ways to finance a deficit, first, by printing money—and over the past 12 years the Bank of Canada has monetarized a total of $12 billion of the government's financial requirements—and, second, by borrowing money. In 1983, borrowing by the federal Government accounted for 58 per cent of all new security issued placed in Canada. Borrowing of that magnitude clearly must have an effect on the supply and demand for money and thus on the interest rates which must be borne by the private sector. In addition, it should be noted that the 1983-1984 financial requirements of $27 billion are equal to 81 per cent of the 1983 personal savings.

I do not know what the philosophies were of the Liberals at the time, whether communist, socialist or free enterprise, but the present Prime Minister (Mr. Trudeau) said, "This Party will not simply stand by and let the recession come. We will fight it and overcome it. We have an economic program for the 1980s which all enhance dignity, create opportunity and provide security". What do we have now? We have a million and a half to two million unemployed in this country and record bankruptcies. Since 1980 the Liberal Party, the all-philosophy Party, has driven $14 billion investment money out of this country. The Liberals are good for the economy of the United States. The Liberal Party is the best friend the United States ever had. I have developers who live in my city in Winnipeg. They spend their time developing projects in Florida, California and Texas because they do not trust this Government and they cannot operate under its rules. So they take their money and they get out, and that is all on the record.

Mr. Evans: It is your provincial government and municipalities that set the rules.

Mr. McKenzie: Yes, the Hon. Member says it is the Manitoba provincial Government, which has a socialist philosophy—

Mr. Evans: Yes, and the one that was there before.

Mr. McKenzie: I am well aware of what the New Democratic Party has done to the economy in Manitoba. Since the return of the Liberals to power, Canada has experienced not one but two recessions. Canadian factories are operating at two-thirds of capacity. One worker in eight is officially unemployed. These are hardly circumstances which "enhance dignity, create opportunity and provide security". In 1979, following John Turner's time as Minister of Finance, the Auditor General stated that the present state of the financial management and control system of departments and agencies of the Government of Canada is significantly below acceptable standards of quality and effectiveness. Mr. Turner, who was an expert on emptying public coffers when he was Minister of Finance, is the type of person the Liberal Party is looking for to lead them now, an irresponsible person, a person with a dismal record as Minister of Finance. There is only one other Minister who has equalled him, and that is the present Deputy Prime Minister (Mr. MacEachen), and no one can touch his record as Minister of Finance.

The former Finance Minister, Mr. Turner, has on occasion appeared before service clubs and civic organizations delivering addresses aimed against excessive government spending. It is a topic about which Mr. Turner knows plenty. In fact, I am tempted to say that he wrote the book on the subject. He certainly did a great job of introducing "blank cheque" government to Canada under his reign as Minister of Finance. Now even the media are praising him, along with the Liberals—with a record like this—saying he will make a great Prime Minister. He will be another walking disaster, the same as the present Prime Minister.

During the period in which Mr. Turner was Minister of Finance, spending by the federal Government jumped 99.8 per cent. Why did we have to have an increase like that? There was no need for any increase like that at all, Mr. Speaker. To put it another way, it took us 105 years to reach a federal spending level of $17.44 billion. John Turner doubled that figure in 44 months, taking the level of government spending in his brief term in office to twice that reached by the federal Government since Confederation. As I said before, Mr. Turner is an expert on emptying public coffers, and under the Budgets which he brought to Parliament, $113 billion of taxpayers' money was spent, or at least borrowed.

When Mr. Turner took over from Edgar Benson, inflation was running at 4.9 per cent. When he left, it was 10.6 per cent. Under Mr. Turner as Minister of Finance the cost of living jumped 38.5 per cent and the dollar, if one assumes it to have been worth 100 cents in January, 1972, was worth only 72 cents when he walked out. And the way we are going in this country, before long we are going to have a 50-cent dollar, Mr. Speaker.

There are other aspects of the record of Mr. Turner which the former Minister of Finance should explain to Canadians if he is going to be a candidate for the Liberal Party. At the time John Turner was given the mantle in January of 1972 there were 544,000 people out of work. When he left, 732,000 Canadians were unemployed. What kind of Minister of Finance was he? Obviously, he was just a load on the backs of business and the taxpayers of Canada. In spite of the record spending and in spite of all the measures he took to promote employment and business, only 69,000 jobs were created in the manufacturing sector from December, 1972 to December 1975. In 1972 there was a surplus of $700 million in our current account balance; the equivalent of our country's checking account in international trade. In 1975, there was a deficit of almost $5 billion. When John Turner got the job as Minister of Finance, real growth in this country amounted to 6.6 per cent. When he left, it was .3 per cent, and on a per capita basis it was absolutely negative. He was a negative Minister of Finance. In terms of real growth, we lost ground under John Turner as Minister of Finance.

As Minister of Justice, Mr. Turner was responsible for the lax criminal laws which have created the present fear that stalks the streets. His imprudent bail laws are one example. That is his record. That is the record of a man who is now busy telling Canadians what is wrong with the monetary and fiscal policies of the Government, policies which he himself promoted as Minister of Finance. That is the record of the same John Turner who presided over this country's greatest spending spree since Confederation. One needs more than blue eyes in this business to be a good Minister of Finance, Mr. Speaker.

In 1976, during Donald MacDonald's term as Finance Minister, the Auditor General said, "I am deeply concerned that Parliament—and indeed the Government—has lost or is close to losing effective control on the public purse". Mr. Macdonald is doing pretty well with the public purse today. He is receiving $800 a day from the public purse. The study he is conducting now would not be necessary at all if the Liberal Government had paid attention to some of the studies which have been done in the Senate. Sound recommendations were made years ago and if the Government had implemented a lot of those recommendations you would not need Donald Macdonald at $800 a day.

• (1610)

The Auditor General has unearthed appalling new examples of untold millions of dollars being wasted because of Government bungling and carelessness. More disturbing is that many of the financial misdeeds continue to be repeated. The Auditor General puts more emphasis on this every year. His reports do not get better, they get worse. It took seven years and the loss of more than $900,000 in operating costs to deal with the request by the Department of Energy, Mines and Resources for a new press to print maps. The Government lost an estimated $10 million by continuing to rent office space in Ottawa while three of its own buildings were vacant for up to five years. In a case which hit close to home in New Brunswick, Mr. Speaker, a motel valued at nearly $500,000 was built with a $315,000 federal Government guarantee. It was sold at a bankruptcy auction for $200. Where was the control? The communist-socialist-free enterprise Liberals just handed the money out: have fun, build hotels! Oh, it is great! We will bleed the sucker Canadians to death. If you need more, come on back. That is how the Liberals run this country, Mr. Speaker. The buyer at $200 turned around and sold it the next day for $75,200. It is taxpayers' money paying for all this entertainment. Incidentally, it is no longer a motel, and after several changes, efforts are currently under way to turn it into a senior citizens' complex.

As the unemployment insurance fund heads toward a whopping $4.2 billion deficit in 1983, substantial overpayments to claimants are still slipping through the system undetected. The federal deficit, which the Government places at $31.1 billion, is being seriously underestimated because of the way Ottawa's financial statements are arranged. The country's 300 to 400 Crown corporations remain largely unaccountable to Parliament.

You can see, Mr. Speaker, that there is no control. When we say there is uncontrolled spending, it is backed up by the Auditor General, who is the supreme authority. When the Prime Minister was asked about the last Auditor General's report with all the horror stories and what he was going to do about it, he said, "Oh, that is one man's opinion". The Auditor General is not expressing an opinion; he is the supreme authority with the documentary evidence of the fact that there is no control over spending in this country under the all-philosophy Liberal Party.

Mr. Fisher: Mr. Speaker, I note another gripping speech from the Hon. Member for Winnipeg-Assiboine (Mr. McKenzie). I wonder if he would mind reverting to a few facts after this florid rhetoric we have just been exposed to. For example, the net public debt expressed as a percentage of the gross national product was 37.9 per cent in 1958-59, 37.1 per cent in 1959-60, and dropped from there to 36.2 per cent in 1962-63, all of which are the Diefenbaker years. Then we look through this period he describes as John Turner's wild spending period and we find that debt as a percentage of GNP in those days was 15.5 per cent, half of Diefenbaker's, and 17.2 per cent the next year. Today, after one of the worst recessions our country has experienced, it is at 33.5 per cent, which is still 3 per cent lower than it was at its lowest point in the Diefenbaker years.

I remind the Hon. Member that since the Diefenbaker years we have instituted expanded payments for Old Age Security and GIS, we have the Canada Pension Plan, expanded unemployment insurance, the Canada Assistance Act, medicare, help for post-secondary education, and we have expanded help through companies like PetroCan. All of these things have expanded, yet in 1958-59, the Diefenbaker record was that public debt was 37.9 per cent of the gross national product. The John Turner record in 1974-75 was 15.5 per cent, and today it is 33.5 per cent.

If we are terrible spenders, could the Hon. Member tell us what John Diefenbaker was?

Mr. McKenzie: Mr. Speaker, during the Diefenbaker years they were paying off the World War II debt. That is the burden they carried in their six years in office.

Mr. Evans: That is 18 years after the war, what are you talking about?

Mr. McKenzie: Federal spending increased by $1 billion over the six-year period. Under Mr. Diefenbaker there was no blank cheque government. He did not hand out blank cheques to his ministries. We did not have 480 Crown corporations. We had stability in the country because we had reasonable control over spending.

The Hon. Member talks about PetroCan, Mr. Speaker. We know all about that, and there is no control there either. There is empty office space in Calgary like you would not believe. They are building their own empire and they still have all kinds of office space rented in other buildings around Calgary. That is some record, and it goes on all over this country. The Standing Committee on Public Accounts is out looking at empty offices in Government buildings and other buildings down here. There is no control over anything.

Here is another example from the Auditor General's report. The Minister of Transport, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), named a Winnipeg Liberal Party official to take over the books of the Canada Ports Corporation. The Auditor General pointed out that this situation illustrates his concern about the whole issue of accountability of Crown corporations, appointment of auditors and the nature of audits conducted for Parliament. The excuse was, well, we are giving employment to Winnipeg. That is very nice, but you do not make any gains if you are losing control over Canada Ports. The Liberal fund raiser who received the contract to do the auditing said in an interview that he has been the Liberal's official agent responsible for collecting funds donated to the Party and forwarding them to Ottawa.

Some Hon. Members: Question.

Mr. Evans: This is question period, Mr. Speaker.

Mr. McKenzie: He is a Liberal bagman. If the Auditor General says auditing should be here, that is where it should be, Mr. Speaker. He is the supreme authority, not the Minister of Transport. He is trying to save his political behind because he is in political trouble.

The Acting Speaker (Mr. Herbert): Order. May I remind Hon. Members that if the questions are short, then I shall make sure the responses are equally short.

Mr. Thacker: Mr. Speaker, I would like to ask a question of my friend and colleague. The Government always compares debt to GNP, but of course we know that the GNP here is of quite a different structure than that in the U.S.A. The real measurement of whether you are going forward or back is the percentage of tax revenue used for servicing the national debt, which used to be 5 per cent to 10 per cent and is now over 30 per cent. I would like to hear the Member's view as to whether that is wise in Canada and what that does to Canadians.

● (1620)

Mr. McKenzie: Uncontrolled spending, uncontrolled debt and uncontrolled borrowing is not good for any country. The net national debt now grows by more each year than the total money borrowed to finance the Canadian participation in World War I and World War II. The Hon. Member for Capilano (Mr. Huntington) was speaking this morning. He has been working on the Public Accounts Committee for the last 10 years trying to bring some sanity into the spending and accounting procedures. They drafted 10 concise reports and all kinds of recommendations to bring some control over the spending, and only one has been implemented. They will not implement the other nine.

That is what the Auditor General said. The all-philosophy Liberal Party does not have the will to do it. Liberals, please read the Auditor General's report. Take it home with you tonight and go through it. You will learn something.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. He has spoken about the deficit and the wastages. I am not going to defend the wastages. He has spoken about the very large increases in the expenditures. Surely the Member knows that the increase in expenditures in recent years has been due to the increased levels and funding of services such as medicare, hospital care and post-secondary education which we share with the provinces.

How does the Hon. Member think we can stop this increase in spending, particularly since, according to today's newspaper, his Leader made it very clear yesterday to members of the Conservative caucus that universal programs which are now in place are a fundamental principle which a Conservative Government would follow? If we cannot get rid of universal programs and cut the expenditures for the large number of programs which are cost-shared with the provinces, how does the Member think we can get back to the days when we did not have the kind of expenditures we have at the present time?

Mr. McKenzie: Mr. Speaker, it is unfortunate the Hon. Member for Winnipeg North (Mr. Orlikow) was not here for all of my address. The Auditor General is not pointing out that we will have to cut back on medicare or other specific areas. He is pointing out the waste of hundreds and hundreds of millions of dollars. A Conservative Government will be able to attract investment into the country. It will stop flowing out of the country. That is on record in the United States. They are waiting for a change of Government here. If the $14 billion which the all-philosophy Liberal Party has driven out of the country since 1980 had stayed here for development, we would have jobs. All this money would not be spent on unemployment insurance. The Government revenues would be increasing and we would be able to increase our social benefits. We are running into real trouble finding the money to keep the social benefits up. That is the problem. We need a change of Government, Mr. Speaker.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Laval (Mr. Roy)—Industry—Development of high-tech industry—Montreal region; the Hon. Member for Ottawa-Vanier (Mr. Gauthier)—The constitution—Request for interpretation of Section 23(3)(b) of Charter of Rights; the Hon. Member for Dauphin-Swan River (Mr. Lewycky)—Agriculture—(a) Farm fuel sales tax, (b) Throne Speech proposal to help farmers.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and be referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, in speaking to Bill C-21, an Act to provide borrowing authority, it seems to me that I would be remiss if I did not suggest that this whole process can be repetitious and unnecessary. It suggests that we have to look again for major overhauls and streamlining in parliamentary reform.

The process we go through, in budgets and finance at least, Mr. Speaker, reminds me of the explanation a clergyman gave as to what he did when he gave a sermon to his congregation. He said, "First I tell them what I am going to tell them, then I tell them what I am telling them, and then I tell them what I told them." It seems to me that this applies to the whole budgetary process. First, we tell them what we are going to do. The Minister of Finance (Mr. Lalonde) brings in a Budget. Overall Estimates are given by Departments for what needs to be done. Huge piles of information are provided as to what will be spent. Documentation which we get when the Budget is brought down can literally be six or seven inches high. Then we explain not only what will be spent, but also what we will receive in terms of revenues in our Budget papers. Then we talk about what the shortfall, which is called the deficit, will be. Finally we discuss what must be borrowed. All that is in the budgetary process. We debate the Budget for eight days, giving quite a bit of time to all of these facts. That is telling them what we are going to do.

Then we tell them what we are doing. That process goes on at length. We submit the Estimates in detail as to how much each Department will spend. These Estimates, as they are called, comprise what the Government submits are going to be the amounts of money needed to conduct the Government's business. We take into account the fact that aside from the money the Government collects in income tax for the provinces, a very large part of the federal Budget, that section which is given for federal taxation, is also transferred to the provinces. In fact, estimates have been made, Mr. Speaker, that approximately 60 per cent is now either collected by the provinces or transferred to the provinces in what is collected through income taxes. In other words, we then say how much we will have to spend. The Government again submits huge piles of material to give a detailed accounting of what was spent last year and what the Estimates are for this year. They are debated, sent to committee, witnesses are called, there is ample opportunity to discuss and debate them some more, and then they are finally passed.

Then we continue to tell them what we are telling them. We have Budget Bills. We may have one, two, three or more Budget Bills. These are there to implement the raising of the money and to authorize the taxes. Each of these, Mr. Speaker, is debated, discussed, passed through various phases, sent to committee perhaps, and then finally they come back and are passed.

You would think that after all this debate on the Budget, the Estimates and the Bills for executing the Budget, we would then have exhausted the subject. But no, we must still have another Bill. We now have to tell them again what we told them. This one is to authorize the Government to borrow the money needed to do what Parliament has already agreed needs to be done.

That is what we are doing now, Mr. Speaker. We are debating the Bill to borrow the money which the Budget has predicted will be needed, that is, $29.550 billion, which includes a $4 billion cushion to meet possible unexpected contingencies. It seems to me that there is a little too much repetition. Think of the time which could be saved if the parliamentary system were streamlined and planned in order to eliminate at least one of these operations. However, such is the system we have. Even though we have already justified the expenses and revenues, and therefore the deficit and borrowing needs in the Budget, we now come back to hear the same repetition and litany of gloom and doom from the Opposition Members. But there are many others who are not as pessimistic as they are. Last night, when I attended a meeting of the Canadian Manufacturers' Association, I was impressed by the fact that they did not bring to Ottawa a long list of grievances, pejorative attacks and a crying towel. To the contrary, they came to express a feeling of relief that a real process of consultation has been developing over the last several years between business, labour and government. They pointed out that this dialogue which the Minister of Finance has initiated led to real results and improvements in creating a positive climate for business over the last two budgets. It is a positive

climate for businesses, large and small, to develop an ability to improve their productivity, profits and competitiveness. They also felt that this dialogue must continue.

● (1630)

They pointed out that we in the country are not yet back to where we were before the recession. They also noted last night that the recovery was real and the future, if this dialogue between government and business will continue, was more promising.

We in the Government share their concerns, lest the deficit become a chronic case, lest interest rates and inflation rise and the recovery be nipped in the bud. But what was significant was their anticipation of better results from dialogue and co-operation.

Business leaders to whom I spoke last night and to whom I have been speaking generally have expressed those thoughts in the last couple of years. They also asked me last night what I thought. I explained that we believe the deficit which we have budgeted is necessary to keep the economy growing and fuelled, to honour the commitments to social justice we have made, as well as to provide useful employment. I pointed out that our deficit is not as serious in its implications as is the American deficit, as the Americans themselves have pointed out, because ours is not the same kind of structural deficit and therefore not as dangerous as the one in the United States.

If we get the economy stoked up to a sufficient level, more people will go to work and therefore will be able to pay their taxes. In turn, we will be able to receive revenues, which again will increase the amount of employment and reduce the deficit. If the money we borrow is spent to provide jobs, those who will be earning money will no longer need the social safety nets which cost the Government money. The system will prove beneficial because when they return to work the deficit will be reduced.

I also observed that our deficit is a lower percentage of our GNP. This is something that the Hon. Member for Mississauga North (Mr. Fisher) just indicated. Our deficit today is a lower percentage of our gross national product than it was some 30 years ago in the days of the Right Hon. John Diefenbaker. My reason for pointing this out was not to minimize the seriousness of deficits but to put them in perspective. When we have a deficit, we must borrow. That is the reason for this borrowing Bill. But the reason why we are budgeting and planning a deficit is that we are investing in Canadians and in the future of Canada. If a government of Canada does not believe in Canada, then we cannot expect other Canadians to believe in Canada. In other words, we are not just borrowing to give handouts. We are borrowing to make the new Budget possible, and the new Budget will invest in making the climate better for large and small businesses, farmers and fishermen to enable them to become the engine for industry to work and the economy to roll.

Of course, making the climate for businesses better will cost the Government money. It will increase our deficit. But we are assured in our dialogue with businessmen that the gains that we make in improving the climate for businesses will be so great that they will fuel a recovery which will more than compensate for the revenue that is lost. For example, some of the deficits in our new Budget will go to creating a better tax system, a system which will stimulate and reward investment in business. The new Budget will simplify the tax reporting system and the bookkeeping for over 300,000 small businesses, which will give them the incentive to continue to increase investment in their own companies and motivate them to continue to be in business. While that will cost the Government revenue, it will provide relief for the small businessman and provide him with incentives to invest further.

The new Budget will improve the fairness of the tax system. It will give farmers the long hoped for break in transferring their farms to the next generation, and it will also ensure that they will have an opportunity to work incrementally on the side in other kinds of work in order to keep their farms operating and to survive without being penalized. They will be able to write off the losses of their farm operations.

Again, the new Budget will provide aid to the private sector to play a larger role in international development. It will aid the Canadian automobile industry by ensuring that it has a fairer opportunity to compete with foreign auto makers in the Canadian marketplace.

The budget will aid the petroleum industry and much more. All of these programs will cost money. This will increase the deficit. However, we believe, as a result of our dialogue with businessesmen, that they have convinced us that if we take certain measures which will cost us only a relatively small amount of money, the returns from the infusion of enthusiasm and elimination of much paperwork will give those companies new opportunities to grow and be encouraged. For example, this will be done through our efforts in making rather large investments in aid overseas through aid in trade. It will also provide Canadian businesses with new opportunities that otherwise would not be there. In order to help business we must bring up a deficit at this point. Of course, that deficit requires us to borrow money, and that is the purpose of our debate today.

The Opposition questions us about all the money we are wasting. If we were wasting money, I would be against it. When evidence is brought to light which indicates that this happens, I certainly am the first to call for a halt. On the other hand, it is the opinion of some Members that the money we spend on some programs is wasteful. Some in the Opposition do not favour the growth of social services and social spending, but I must ask if raising the guaranteed income supplement to bring single pensioners over the poverty line is wasting money. I do not think so, and I hope that not too many Members of the House hold that view. I believe that giving money to pensioners who built this country and are now elderly Canadians, but whose present pensions have been eroded before their eyes because of inflation, is paying an old debt. They are in a situation where they are no longer able to live in dignity, and it seems to me that we are simply paying an old debt. If we must borrow to pay that debt it should be our first priority.

Furthermore, it is not like buying oil overseas when money is being sent away, because giving pensions to elderly Canadians means that Canadians are paying Canadians. The money that those senior citizens receive is not being put away in a bank; it is money that will be spent immediately and put back into the system. People at this level of income, such as GIS recipients, will certainly be putting that money back into the Canadian economy immediately through the purchase of goods and services and professional assistance. This, in turn, will put Canadians to work who will then be able to pay taxes. Those revenues will ultimately lead to a reduction in the deficit. Therefore, the money paid in pensions will be circulated throughout the country, and some of it will come back to the federal government in the form of taxes that are paid by those who serve pensioners.

Is putting billions of dollars into employment wasting money? That is one of the many reasons we incur a deficit and borrow. We are putting billions of dollars into employment. We believe retraining Canadians for more relevant jobs is a good investment. We believe that putting money into educational programs, job retraining, career planning and job searching is an investment into our human resources. This will pay off because it will enable our people to do the kind of work and to provide the services that can be carried in goods and trade to other countries. People will be more capable and more productive if they are retrained and re-educated. They will be able to hold jobs that are more productive. This in turn will make Canadian products more competitive abroad.

● (1640)

Sure, it causes a deficit if you put money into that kind of retraining and education. But so does borrowing for improving plant facilities. Businessmen know that they have to renew their plants, buy new machinery and keep up with modern technology to be competitive. Therefore, they are prepared to invest in their resources and their plants. We, on the other hand, have to be prepared to invest in human resources, the engine to make plants work using modern technology. While it may seem a great expenditure of money, it is money that is worth borrowing and worth spending. We are investing in the best and most important thing we can, the people of our country. That is what our Government is doing.

I could go on to discuss all the steps we have taken to invest in Canada, Mr. Speaker. You could look at the renewal of railway lines in the West, the double-tracking and the building of tunnels. Yes, the Government is putting in billions of dollars, but then more and more billions of dollars are being put in by private enterprise, not only to match but to double and triple that investment. This will provide the kind of swift transportation needed to carry the products of the people of central Canada to the West Coast and will provide an outlet for Canadian goods to get to the ports and then on to the marketplace in the Pacific Rim.

While we invest in the railroads, this investment brings people to work. Canadians can then sell their wheat, their potash, and other products, thus earning money for Canada, which will produce taxes and reduce the deficit. That is an investment in the future. I could give examples of other investments in our infrastructure—the building of roads, communications systems, and so on—which will make us more effective and more competitive. This will bring more sales for Canadian goods and trade. Most of the spending which causes deficits puts Canadians to work. People then pay taxes which reduce the deficit.

We believe in Canada, Mr. Speaker. We want Canadians to believe in Canada. The world sees us as a shining example. Others believe in Canada more than Canadians believe in Canada. We hear carping and negative voices amplified by the purveyors of news who usually think that the only good news is bad news. They talk of gloom and doom. We borrow because we believe in Canadians, we believe in Canada, and we believe in our future.

Mr. Blenkarn: Mr. Speaker, could the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) tell us if he knew anyone who ever borrowed himself or herself rich and became rich borrowing more money all the time? Could he tell us how he felt if he believed in Canada that borrowing 31 cents out of every dollar this Government spends can somehow be treated as a progressive thing to do, particularly when that borrowing represents 91 per cent of gross domestic savings?

Mr. de Corneille: Mr. Speaker, the question is somewhat rhetorical, I suspect. In any case, I suggest that, yes, Governments borrow. If you look at the United States of America, you will see—

Mr. Munro (Esquimalt-Saanich): This is Canada.

Mr. de Corneille: —that is also the custom there at the present time. Countries borrow because they believe in their future. They borrow because they know that when the opportunity is there to repay, it will be done in times of prosperity and growth. Therefore, they anticipate that as an investment in their future. I think the question is rhetorical.

Mr. Blenkarn: Mr. Speaker, being very rhetorical, then, perhaps the Hon. Member would advise me when he anticipates we might be paying back some of this debt? The Minister of Finance (Mr. Lalonde) has indicated that we will have 5 per cent growth this year. It would mean that this year must be almost a boom time. We have not had 5 per cent growth in Canada since the very early 1970s. The Minister says we are going to have 4.4 per cent growth next year. That will be boom time too, and the following year we are to have 4.4 per cent growth. On that basis, should we not be paying back some debts? And on that basis, could the Hon. Member tell the House why the forecasts in the Budget indicate not only borrowing well over $20 billion this year, next year, the year after, and the year after, and into the dim, distant future? Why do we have a Budget with all these good times forecast where we will never pay any money back but we will just borrow more, more, and more?

Mr. de Corneille: Mr. Speaker, I think it should be remembered that we owe the national debt to ourselves. It is not as though we owe these debts to some foreign nation. If you look at it, it is a fact that makes the associated taxation, bond interest payments and the principal retirement simply redistribution within our own society. As I understand it, very little of the federal debt is held by foreign interests.

Some critics have pointed out that it is unfair to transfer tax burdens from one generation to the next. I would say to you that when we are borrowing, as I was describing, to provide a better education and to provide jobs for young people, that is not borrowing against their future but for their future. It is investing in their future now so they will have a future.

In terms of the specific question, when does this ever get paid off, I think that all nations at present have to be asked that question. It is a game they are all playing. All nations have to play that game in order to try to bring about a recovery and regain confidence. I suggest that one of the problems is not so much the statistics but rather a lack of trust and confidence in the future, and that can bring a nation to its knees. I often feel very concerned psychologically when people talk of gloom and doom. That is a self-fulfilling prophecy and a dangerous one. One has to be very careful about how we approach the subject of discussing the future of Canada. I wish there were a little less oratory and a little more careful analysis before suggestions are made. I have not heard suggestions from the Hon. Member's Party as to how to reduce the deficit other than maybe to save some money on a motel.

Mr. Blenkarn: Mr. Speaker, I am interested in what the Hon. Member says. The Hon. Member for Eglinton-Lawrence utters the usual Liberal myth. He says that there is nothing wrong with having a large national debt, that we owe the money to ourselves. He must appreciate that as far as the direct federal debt is concerned, that is 90 per cent true. But if he takes a look at the municipalities, the provinces, and the provincial Crown corporations—the hydro corporation for instance—and if he takes a look at large corporate debt, he will find that over $78 billion is owed by Canadians to foreigners. Of course, the enormous drop in the exchange value of the Canadian dollar as of today makes that debt, which is usually denominated in American dollars, very much more expensive and more dramatically costly for Canadians to repay. It will likely lead to their bankruptcy and the bankruptcy of the entire economy, very much like in Mexico or Brazil. Does he not realize that the total Canadian foreign debt approaches the foreign debt of Mexico and is in excess of the foreign debt of Brazil?

• (1650)

Mr. de Corneille: Mr. Speaker, I am afraid that we cannot take the blame for literally everything, athough the Hon. Member may wish us to. Never mind from a political point of view, just from the point of view of fairness, I do not think it is possible for the federal Government to explain how the provinces are spending 60 per cent of the revenues which are collected either by themselves, through us or which we transfer to them. They in fact do spend, as the Hon. Member has been pointing out, a lot of the money. They spend 60 per cent of the money collected in revenues by the federal Government and the federal Government spends 40 per cent. I certainly understand that there are problems for provinces when they get themselves into deep debt.

Talking about when this will ever stop, let us look at the figures that have already been brought to the attention of the Hon. Member. I believe he was in the House when the Member for Mississauga was speaking. He should look at the figures on the fiscal plan, table C-2 on page 62 of the net public debt. If he looks at what were the percentages of the net public debt against GNP in billions of dollars, he will see that the percentages, as was pointed out, have historically been lower in the last 30 years than in the period before that.

In the 1926-27 period, 45.6 per cent was spent as a public debt of the gross national product, that is public debt over against GNP. Imagine how this Member would be railing if he had been around then and heard that. In 1946-47, it was 109.8 per cent. In the period 1958-59, the net public debt was 37.9 per cent, nearly 38 per cent of the GNP. We have seen this pattern in Canada since 1926-27. I happen to believe the same pattern existed before that.

Governments believe in the country. Governments invest in the country and provide that infrastructure which allows the country to grow in its economy and to be so successful in its business that the gross national product becomes enormous. That is how every year the various administrations, whether they have been Conservative or Liberal, have conducted themselves. In the Diefenbaker years, the amount of percentage against gross national product was slightly higher than even this past year.

Mr. Bill Domm (Peterborough): Mr. Speaker, I have been here for some time listening to the discussion as it pertains to the borrowing of $29.5 billion which the Liberal Government is looking for in order to carry on the business of government. It amazes me that they are spending so much time talking about this Bill, taking unnecessary House time from more important matters. All we are asking the Government to do is to look at its history of borrowing. We ask it to look at its specific needs as laid out in its fiscal planning policies for the years 1984-85 and relate the borrowing requirements to the budgeted figures.

What we have is a request from the Liberal Government, not to borrow what it needs for the fiscal year 1984-85, but for an additional $4 billion plus in order to cover contingencies. If they were responsible Members of Parliament looking after the moneys collected from their constituents, they would first take the time to justify the need for the $4 billion extra amount of borrowing at a time when our deficits have reached an all-time high in Canadian history.

We could go back over the requests for borrowing just since the 1980 election. I am sure the Hon. Member for Eglinton-Lawrence (Mr. de Corneille) would agree that it is reasonable for a government to ask for the moneys it needs in order to

fulfill the commitments that it places on the Supplementary and Main Estimates. Why is the Government all so fired up to borrow an additional $4 billion if there is no possible devious program for which it wishes to use the money? That would not require coming back to Parliament to ask for endorsement of those extra funds.

The Member for Eglinton-Lawrence clearly stated that we are just not borrowing money to "hand it out", using his exact words. Having sat in the House for the past five or six years, I question whether they are perhaps thinking about the possibility of borrowing money for other purposes than carrying on the business of government. Perhaps they are concerned about their re-election. It would be nice to have a little slush fund of $4 billion or $5 billion which they could direct wherever they wished.

Those on the Government side are not so naive that they think for one minute that we are not suspicious of that. Therefore, why would they expect us in Opposition to endorse a request for funds in excess of what they have given us statistics to substantiate?

It stands to reason that any lay persons, regardless of whether they have been in business or not, with the kinds of statements coming from the Government side that affect us, would believe it is all right to have increased deficits year after year, accumulating to the point where it takes almost our national savings, public or private to pay the national debt.

It is not logical to assume that you can run a government any different from a business. It is grossly unfair to leave the impression that we are just borrowing from ourselves, that it is totally okay for A to borrow from B because we are all in the same nation. That is like saying it is all right for Eaton's to borrow from Simpson's or The Bay to borrow from some other retail establishment. If their debts keep going up and up, sooner or later the day of reckoning will come. It will not come during your or my term of office. The day of reckoning will come when our children and grandchildren cannot borrow any more just to service the debt.

We are now looking at a debt in Canada that exceeds the total budget of the Canadian Government of not very many years ago. I am getting a little tired of listening to Members on the Government side saying that it does not matter how much we borrow, that we can borrow all we need plus. They expect the NDP and Conservative Opposition to hold up their hands and say there is nothing wrong borrowing more than you need. There is. We are not going to trust the Government with a $4 billion extra amount this time around. We are asking for a $10 billion reduction in the $29.5 billion for which it is asking. The reason we ask that is that in the short term that is the amount we can establish as a credible request to carry on the approved business of this Parliament.

The Government is irresponsible. It is not accountable to the Canadian people if it believes it is going to hoodwink everyone in Canada into believing that a $4 billion slush fund is okay. With the permission of the House, Mr. Speaker, I will call it five o'clock and ask to be recognized at a future time.

• (1700)

The Acting Speaker (Mr. Guilbault): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, I rise on a point of order. I ask that with the unanimous consent of the House the order for the second reading of Bill C-222, to amend the Criminal Code, be discharged and the Bill withdrawn.

The Acting Speaker (Mr. Guilbault): The House has heard the terms of the Hon. Member's motion.

Is there unanimous consent that the order for the second reading of Bill C-222, to amend the Criminal Code, be discharged and the Bill withdrawn?

Some Hon. Members: No.

The Acting Speaker (Mr. Guilbault): There is no unanimous consent.

[*English*]

Shall all orders and items listed under Private Members' Business preceding Order No. 14 be allowed to stand by unanimous consent?

Some Hon. Members: Agreed.

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CRIMINAL CODE

AMENDMENT TO REINSTATE CAPITAL PUNISHMENT FOR CERTAIN CRIMES

Mr. Bill Domm (Peterborough) moved that Bill C-213, an Act to amend the Criminal Code (capital punishment), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, in recent months, a series of events have occurred in Canada, some of them very close to home here in the Ottawa area, which would give rise to a concern for the need for a review of the issue of capital punishment. Here in Canada, we have recently witnessed an unprecedented wave of violence and unwarranted acts of brutality, and in many cases this has resulted in death. A list of most recent victims is very ample proof of the rise in violent crimes in the country.

Barbara Turnbull is a perfect example of this rise in violent crimes. She is an 18 year old girl from Mississauga, Ontario,

who was a Becker's store clerk and was shot during the course of a robbery on September 23, 1983. She remains paralysed from the neck down. Nizam Ali, an 18 years old boy from Mississauga, was a promising youth with all kinds of expectations for his future. He was stabbed to death last Saturday while he worked the overnight shift. Right here in Nepean, a Nepean police constable by the name of David Utman was shot to death at the Bayshore Shopping Centre in Nepean, Ontario, on October 14, 1983. As well, there is the case of Paul Chapman. He was fatally stabbed on the night of June 22, 1983, after being strapped into a chair while the two men accused of the crime sexually molested his girlfriend.

It is clearly evident to many of us that the increase in rampant crime demands that some action be taken by Members of Parliament. Subsequently, some surveys have been taken here in Canada. Not too long ago, a 7,000-response survey was taken in the riding of Peterborough. I was surprised by the results of that survey when 87 per cent of the respondents supported capital punishment for premeditated first degree murder.

I would like to use today's time from five o'clock until six o'clock during Private Members' Hour for the purposes of looking at statistics, looking at the responsibilities of Members of Parliament to their constituents, and looking at the responsibility of Government to allow the voices of those constituents to be heard through their elected Members of Parliament. More specifically, we are faced with the frustration of being unable to respond to the concerns of our constituents.

It is not good enough to say that we must always vote on every issue according to our conscience, because in reality we must live with our conscience. Having been an abolitionist all my life, I have a great deal of difficulty living with my conscience when I do not represent my constituents. The issue is not cut and dried. It is not easy for a Member of Parliament to say: "The only way that I can satisfy my conscience is by voting the way I think I should vote and by ignoring 87 per cent of my constituents".

I challenge any Member of Parliament to show me one poll that has ever been taken in Canada which supports abolition. There has never been such a poll taken and there has never been an opportunity, during my five years as a Member of Parliament, to vote on the issue. The issue has been muffled, it has been shoved under the rug and it has been railroaded into such a position that the Government does not wish to hear through elected Members of Parliament about where their constituents stand.

Mr. Laniel: Do you want to vote on abortion?

Mr. Domm: I am saying that we are discussing the issue of premeditated first degree murder. We are talking about a perceived guilty person. In answer to the question, an unborn child is not a perceived guilty person. We are dealing with a first degree murder charge.

It is grossly unfair of members of the NDP to stand up in the House and say that if members of the Official Opposition had had their way, we would now be facing a situation where Mr. Marshall would not be around to be acquitted but would have been hanged. That is not true because, according to the Solicitor General of Canada (Mr. Kaplan), Mr. Marshall was accused of second degree murder. I have confirmation of that fact from the Minister's office. We are not discussing second degree murder here but, rather, first degree premeditated murder.

There are no members of the NDP in the House today, but the Hon. Member for Hamilton Mountain (Mr. Deans) stood in the House on November 29, 1983 and, as reported in *Hansard*, asked how, had the Government followed the advice of the Conservative Party and reinstated capital punishment, we would have apologized to Marshall for the errors which would have been made, because the accused would be dead. Because of that statement which was made by the Hon. Member for Hamilton Mountain, I looked up every Private Member's Bills which has been brought forward for first reading by members of the Official Opposition. I have them all here and I will table them as evidence. There is not one Private Member's Bill here that advocates capital punishment for second degree murder.

We now have that out of the way and we know that we are talking about someone who carries a gun or knife and goes into a retail outlet and fatally stabs an 18 year old boy, or shoots down a girl and paralyses her for life, or shoots down police officer in Nepean in the line of duty, or stabs someone who is tied in a chair. We are not talking about second degree murder. We are talking about first degree murder and we are only asking government Members to speak on behalf of the majority of their constituents once in a while. If they do not wish to vote or if they have very strong feelings on the issue, then they should not stand up as members of to Cabinet or as Privy Councillors and unanimously support a position when they know full well that they did not take that position at a certain time with their constituents.

What happened in 1976 was shameful. When we abolished capital punishment in 1976, it was not a free vote, and no one will ever convince me that it was. We in the Official Opposition, when we form a government, have committed ourselves to having a free vote. We support a free vote even though many of us have been born and raised as abolitionists. There is something wrong with a system of Government that will not allow the people to be heard.

• (1710)

I think it should be noted, so that we can discuss a few statistics, that in reports prepared by the Government, it is shown that more acts of first degree murder have been committed while in the act of committing a federal criminal offence since the abolition of capital punishment. People come into the Becker's or Mac's Milk stores and the like with guns in their pockets or knives under their coats, but without fear of retaliation. We have to realize that when we give these people a 25 year sentence and a chance of parole, something is going to happen very suddenly in the next generation. Some of the people committing these acts today are in their twenties. It is

safe to say that anyone who commits first degree murder today will be locked up for 25 years, and anyone who commits second degree murder will be locked up for 15 years with no chance of parole before the sentence is served.

The same things will happen in 25 year's time that happened prior to 1976 when such people got out after five or ten years. In the United States they are still getting out in five or ten years because they do not have a 25 year life sentence. Prisoners are eligible for parole for good behaviour, and they get out into the public and commit acts of atrocity. There is not a punishment that fits some of the crimes I have mentioned this afternoon.

When there is a full attendance in the House, how many Members would stand up and say that they do not think that 70 per cent or 80 per cent of their constituents should have any say in this; that they were elected to parliament because their constituents knew they would act as they saw fit on every issue? Why do we have political lobbies? An Hon. Member opposite mentioned the pro-life movement. If I happen to be a pro-life supporter and my constituents lobby me long and hard enough, they might convince me that there is a need to study the issue of abortion—not to reinstate it—and I would be prepared to study it in committee.

Who in the House would not be prepared to study the most recent statistics dealing with criminal acts of violence resulting in murder? I suggest that a lot of people on the other side of the House would not be too willing to have that reviewed in committee. I think there is a good deal of piloting on this issue by some leaders on the other side of the House. Why else would they vote against referring the matter to the Standing Committee on Justice and Legal Affairs?

I brought the same issue before the House on the only day we had a vote on capital punishment, to my knowledge, since 1979. There was an all-Party vote not three years ago on a motion that I presented to the House. It did not deal with a return to capital punishment but was a simple request for the subject matter to be referred to the Standing Committee on Justice and Legal Affairs. The purpose was to review the most recent statistics; to determine in our minds, as the responsible Members of Parliament we think we are, just where we are going on the issue. There is not only our own position to consider but also the position of the people who sent us here. There are only three ways you can vote, Mr. Speaker—with your Party, with your conscience, or with your constituents. There is no other way to go.

In this Private Member's Bill I am asking that consideration be given to referring the subject matter of the Bill to the Standing Committee on Justice and Legal Affairs. In that way we could review the most recent statistics and determine in our own minds whether someone who stabs an 18 year old boy to death in Mississauga should be eligible for parole in 25 years; whether someone who shoots a girl in a Becker's store in Mississauga and paralyses her for life—not 25 years, but life—should be eligible for parole, in 15 years, and whether a man who stabs a man fatally after raping his wife or girl friend should get more than a slap on the wrist and five years in jail.

Things change, Mr. Speaker. Circumstances change, society changes and society needs protection in some of these areas. We cannot just pass a Bill and hope that the whole thing will go away. There is a lot of unrest in the country about what is happening to law enforcement today and about whether the sentence fits the crime.

It can be asked how someone can be a pro-life supporter and, at the same time, support capital punishment. That is a difficult question to answer. It took me a long time to solve that problem in my own mind. When I am dealing with the pro-life issue versus abortion, I am dealing with an innocent person, the unborn child. For that reason I have a great deal of difficulty supporting abortion under any circumstances. But when I am talking about capital punishment and the way to treat an individual who stabbed, shot and murdered, I am dealing with a person proven to be guilty by the courts. I would be the first to admit that the courts are not always right and that you cannot bring life back once it is taken. At the same time, however, you cannot say to the people adversely affected by the act that it is fair to let the perpetrator free to go out and do it a second time.

If government does not satisfy society's need for protection with a sentence to fit the crime, then it is irresponsible. That applies to all of us.

Bills that go from second reading to committee do not always return to the House in the same form, Mr. Speaker. It is very easy for anyone to find something in the bill that he or she does not like. Perhaps they do not want to see a person hanged but would sooner see them electrocuted, injected or have any number of things happen to them. That is not what we are discussing at the moment; all we are discussing is whether the issue deserves consideration in committee.

I hope that at the conclusion of today's debate there will be an indication from Members of the Government that the issue can be reviewed in committee. We could hear witnesses and listen to some of the associations that are interested, such as the police associations and law enforcement agencies, and people who have been affected by a murder in the family. We could review the subject matter and perhaps make another decision for a free vote. I hope serious consideration will be given to the matter of how to deal satisfactorily with people who commit premeditated first degree murder.

Mr. Jack Masters (Thunder Bay-Nipigon): Mr. Speaker, the issue raised by the Private Member's Bill is a very serious one. It is one that keeps coming back to the House through the efforts of Members and, from time to time, of the public. It is a difficult question to handle, and I believe the Hon. Member would ultimately like it to go through the next stage and eventually end up as a free vote, because that is where it would end up somewhere down the line. There is an attractive thought to that, to review a process which has already been reviewed and on which in fact we had a free vote in 1976. The result at that time, Mr. Speaker, as we know, is that Parliament passed into law a Bill which officially brought capital punishment to an end. However, the death penalty was replaced by a mandatory sentence of life imprisonment with a

minimum parole eligibility period of 25 years for first degree murder and a 10 year to 15 year minimum eligibility period for second degree murder.

• (1720)

It would appear from this motion which has been brought forward before the House today, and the many motions which have come before us over the years, that in fact the 1976 vote did not forever settle the matter. In fact, since then we have had a stream of Private Members' Bills, motions and proposals for a national referendum on the subject, another look at the whole situation and, perhaps, another free vote in the House.

I suppose we have to take opportunities like this. I do not think there is anything wrong with it. It is a very serious moral question in the country, as the Hon. Member has said. It is also a subject which each of us as an individual will have to work out in his own mind, whether we do it in the formal setting, as has been suggested, or as we contemplate the lurid crimes which take place in many of our communities across the land. I suppose we would then, Mr. Speaker, have to dwell a little bit on the effectiveness of capital punishment as a deterrent. The Hon. Member opposite is quite right to bring this matter before us again for perusal, whether it be in committee, as was suggested, or in this forum. However, the statistics which I have seen on the subject so far do not seem to indicate that there has been an increase in capital crime since the law was changed. I have not looked at these statistics within the last couple of weeks, but if memory serves me correctly, I think in fact there has been a decrease in capital crime.

It is a moral question with which we must deal, and I suppose it will continue to come up in light of the cold-blooded crimes which have been committed very recently, and they have been mentioned before. We have had in my riding comparable crimes, very sporadically, thank the Lord, but they do happen. Therefore, when one looks at those cold-blooded crimes, it seems to be a very appropriate solution to take the position of an eye for an eye. However, one must take a look at the other side of the coin, I feel, and try to maintain a cool perspective on the whole situation. The question is whether the state has the right deliberately to take a human life. The right to life is given explicit recognition, I remind each of us, in our new Charter of Rights and Freedoms. I do not believe we can simply accept the principle of an eye for an eye. There are other areas where the state, in punishing people for crimes committed, does not work on an eye-for-an-eye principle, and that is what taking another life by the state is all about. If we work on that principle, we could perhaps drift back to the extreme example of societies where if one mutilates another individual, he will be mutilated in return, and so on. I feel the suggestion of capital punishment is that it suits the crime because the person has taken someone else's life, and if we extend that theory, then that presents a pretty monstrous thought of how we might deal with a number of possible situations.

We are dealing with a very moral question and a difficult one to resolve, and I come back to the question: Does the state have the right to take someone else's life deliberately? Would a return to capital punishment be in fact an effective deterrent? Once a crime has been committed, yes, we must appropriately punish the person responsible for the crime, no matter what its nature, but more important, in another sense, we must try to deter future actions in that same area. I do not believe that capital punishment would necessarily act as a greater deterrent. Nothing has been stated so far which would prove that. In fact, I do not believe we are coddling criminals or acting immorally in handing out the kinds of sentences which are being handed out now in relation to mandatory life sentences and matters of that sort.

Once again I come back to the question of the appropriateness of capital punishment. Those who are in favour of it have the burden of proving that this form of execution by the state is justified. It seems that this ultimate penalty carries with it the seeds of severe injustice through its potentially unequal application to the poor, the ignorant, the uneducated, and through the very real possibility that it might be applied in error. This has happened, despite the elaborate safeguards which have been built into the system. No matter how shocking some of the particular examples which are described by anti-abolitionists, it is unlikely that many of those crimes would constitute first degree murder, given the emotional element of the crime and the lack of premeditation.

I believe that, as the Hon. Member has suggested, we have to also consider the feelings of the public at large. We are in this House, after all, representatives of the constituencies, the constituency of Canada and the constituency of our individual ridings. While it is attractive to take a look at capital punishment as the ultimate solution to a problem, I am not aware of any overwhelming change in public opinion which says we must return to capital punishment. I do not believe Gallup polls of which I am aware would support that idea.

While I personally have had some representations in my riding on the subject, as I suppose all Hon. Members have had from time to time, particularly when some abhorrent crime takes place within our area—and perhaps participating in this kind of a discussion will precipitate it—I am not aware, nor have I had any strong representations from my constituents at large telling me that they would like to see this matter reopened, re-explored and perhaps once more go back to the House for a free vote. There are many things within our system, Mr. Speaker, with which we are not comfortable, which we do not like, which we as Members of Parliament must deal with. We must deal with tax matters, and everyone would rather not talk about that. However, we must act as parliamentarians and do the necessary things to make sure that the country has the revenue it needs to carry on the programs deemed necessary.

The problem is, as I said earlier, a moral one. Is it right for the state deliberately to take a life? In so doing it might be justified if we had proof positive, or a stronger expression of proof, that by taking the life of a particular abhorrent criminal

we have done something more than just take revenge, that we have actually done something which would add to the deterrent factor in capital crimes.

While it is argued, I believe, by the Hon. Member opposite that capital punishment would in itself deter capital crime, I cannot agree with that particular argument. I agree that we have to take a firmer stand on capital crimes. We have to become more firm in the sentences passed. But that is another way of dealing with the same problem. I would support capital punishment if it would preclude someone else's life being taken in a particularly abhorrent fashion. I too have wrestled with this issue and I would go that route. However, I am afraid that I personally am not convinced that that is the way to go at this particular time.

• (1730)

This debate is useful in that it reminds us of a subject that we, whether we like it or not, as Members of Parliament have to look at one way or another periodically. That is necessary. When I was given the opportunity to participate in today's debate, I did so almost reluctantly because we are opening a can of worms that we really do not want to get into if we can avoid it. However, that is a coward's way out, so I am pleased to have been given this chance to express a few thoughts on the subject.

I know I will probably hear from many people in my constituency on this issue, pro or con. I welcome that because this is a way of developing opinion and a feel for the people we are here to serve. However, I must conclude that so far I have not heard any compelling reason for reopening the debate further than we have done here today. I believe the matter has been given careful attention over time in the House and elsewhere, and I believe this debate will precipitate another careful look at a very difficult issue.

Mr. Dan Heap (Spadina): Mr. Speaker, in dealing with this debate I am not primarily in agreement with the argument that all we want is a discussion. As I understand it, we are asked to give approval to the Bill on second reading, which would mean approval in principle. That I cannot do.

A few years ago Parliament decided to abolish the death penalty. As part of the general public I was very much in agreement and pleased with that decision. I still believe the decision was sound. I want to give my reasons for that, but first I want to consider what I find to be the main arguments in restoring the death penalty.

The most common argument I hear is that it is needed as a deterrent. This is where the extreme examples are most powerfully used. The example of a particularly recent and particularly dreadful murder is bound to move a person. There is also an argument which is a little bit more general, and which I would say really means we want in principle to satisfy our anger. Some people would use rather old fashioned imagery, perhaps even quoting selectively from the Old Testament about justice and retribution. However, I think the moving force there is anger, which I note can arise over one matter but be expressed on something entirely different. In this case people find their anger is often brought to the surface when they read a newspaper story about a dreadful murder. They say that that guy ought to be hanged, or else they express even more lurid alternatives for what ought to be done to him. They are not angry at that guy. They may not be particularly concerned with the person killed. They may be just angry, angry about something in the family, something at work, on the street, and this is an outlet for the anger.

The third argument is like the second, but there is an attempt to make it much more reasoned. Those people argue that there is a principle of justice involved in which the innocent victim should be distinguished from a guilty killer. If we do not make that distinction, quite apart from anger or deterrence, we are simply being unjust.

On the other side, Mr. Speaker, I find mainly two arguments used in opposing the death penalty. One is that the courts, with the best will and effort in the world, are still subject to error. There have been cases of the wrong person being executed for a crime. There is a case we all know of the wrong person having been imprisoned for a crime. Fortunately he was not executed, although in his case he probably would not have been executed under the previous law. But the case does raise the question.

The other argument is that focusing on the death penalty for carefully defined premeditated murder, while having some merit in the abstract, I think narrows far too much the attention of people to a very limited kind of crime. It narrows it down to the individual who may be frustrated by all kinds of injustices he or she has experienced directly from the person he or she killed or, more generally, from society, as when a person walks into some public office and kills one of the public servants there because of what he thinks is the run-around he has received over life necessities such as workmen's compensation or other public obligations. The two great dangers of using the death penalty are that we may make the ultimate mistake of killing the wrong person. Second, it seems to treat the matter, in a sense, too easily. I know it may seem ridiculous to say that killing a person is treating it easily, but killing one individual may be a way of kidding ourselves into thinking that we have solved the problem of violence in our society to an extent that we simply have not.

That is a brief statement why I think there are strong arguments against the death penalty, and I want to return now to the arguments in favour. The first one I mentioned was that of deterrence. There will be less people killed by murderers if we restore the death penalty. That is an attractive argument and, like many others, if I were convinced that the argument was true I would have a much harder time opposing or voting against the death penalty. But I am not convinced. There are studies, not just in Canada but in many other countries, which show very powerfully that whether there is a death penalty or not, it does not seem to make much difference overall. Undoubtedly there are some cases in which we are told it does. When you add it all together, it does not seem that it is a

reliable method worth stacking against the risk of an innocent person being killed by the State.

• (1740)

Further, there is the evidence in our own country that since the death penalty was repealed, not only did the rate of murders per capita not rise, but in fact it declined slightly. I have not heard anyone argue that abolishing the death penalty caused a reduction in the rate of murders. I cannot imagine that being a likely argument. However, I cannot find any argument that the abolition of the death penalty caused an increase or was followed by a significant increase. There were ups and downs, but more downs than ups, in the rate of murders per capita. I do not think there is a sustainable argument that the death penalty is an effective deterrent.

I believe anger may be the main motivating factor among people who say "hang him" or "shoot him" or whatever else. It is sometimes justified by words taken out of an historical context from the Old Testament; "an eye for an eye and a tooth for a tooth", anyone that kills shall be killed and so on. That is a law which very few people now take seriously in all its instances in the Old Testament, the scripture of the Jewish people. It is also a law which was specifically superseded in the teaching of the religion to which I belong. The teaching there is that law is now superseded and anyone who is angry with another person will be brought before the court of judgement. The teaching says that the distinction between the murder and the anger which may have led to the murder should not be made so hard and fast. We should not think we are free to indulge in anger and in expressing our anger in all kinds of ways, but so long as we stop short of murder we are all right. That is a misunderstanding of the teaching of the Old Testament which was specifically countered by the teaching of the New Testament.

I find from my own experience, and I see around me, that vengeance is a very common desire. I will not say it is natural to people because I am not sure what is natural to people. It certainly is habitual. If somebody hurts me, I want to hurt him. It is often done vicariously. When I hear of somebody in our city, our country, or another country doing something dreadful, I may want to hurt that person. That is not healthy. I say it is habitual. I do not think it is natural to human beings and I do not think it is healthy. I find from personal and public experience that indulging in anger does not satisfy. When I decided to hit back at somebody physically when I was younger, or verbally now that I have grown older, and I do hit back, usually I want to then hit back again and again. It is never enough. I think that is not a unique experience. Anger does not really satisfy. Rather, there is something inherent about it which dissatisfies. Of course, when you kill a person, you cannot kill him again. However, you can go on looking for more people to kill and more excuses to kill them. That is not a healthy habit for society.

There is the third argument about principle and fairness. Why should an innocent person suffer by being murdered and a guilty person suffer less, that is, by not being killed? On this point we have to look again at the remark of Jesus about anger to which I referred before, that anger is like murder. He did not say they are exactly the same but he said we will be judged for either of them. When we are angry at murders we should also remember there are people who are angry at deaths by automobile accidents on the road. There are people who are angry at death by fire when they are caused by negligence, for example, of an absentee landlord. We have had some terrible fire-trap deaths in downtown Toronto. There is bitter, deep-seated, long-running anger amongst hundreds of thousands of industrial workers in Canada over our country's negligent record of industrial safety. Construction workers, miners and other workers have been required to work under unnecessarily dangerous conditions by employers who sometimes conceal the facts of the danger. An example of this is asbestosis. Governments connived that concealment and therefore caused painful death by cancer of employees in those industries. There is a lot of anger over those deaths. However, no employer or Government inspector is ever brought to court and accused of those deaths in the criminal sense. There is anger over those people being let off scott free with what is not legally defined as murder but, in the minds of many workers in this country, is equivalent to murder. Why not put a negligent employer at least in jail when he knowingly profits by risking the lives of employees because he is too cheap to pay the cost of safety devices and procedures?

We must go a little further with this. This country likes to indulge in violence where it is profitable. The TV industry peddles violence continually. It makes violence attractive to look at, think about and contemplate because there is money in peddling violence. This country allows the TV industry to do it in the same way as this country promotes the consumption of alcohol to excess. We have ads in the streetcars saying, "Don't drink too much, but drink". The question of what is too much, of course, is uncontrollable.

We have the often unnecessary use of firearms for sport. We have the glorification of the way of life of killing, whether in the military or hunting. This country likes to promote a spirit of violence. However, when someone is carried too far by it and kills a person, we then want to use that person as a scapegoat. We want to blot out all the other violence in the country and blame that person for the whole of it as a scapegoat. We want to transfer our sense of guilt to him. It is not healthy, Mr. Speaker. It does not stop murder. All the public hangings in the 19th century did not wipe out murder. Although hangings are not made such lurid festivals any more, the statistics in the 20th century show the same thing. They do not blot out murder.

• (1750)

There is no serious reason for supposing that if this Bill were approved at second reading it would lead to anything that would reduce murder, the occasion of anger or satisfy any principle of justice within our country. I believe it would be far more to the point to pay stronger attention to the care of victims of murder, that is to say, those immediately connected

to the murder victim. This is an area in wich there is still a great deal of room for positive and constructive action.

I believe there is also a great deal of room for intelligent action on the reduction of social activities that encourage violence, whether it is the careless use of automobiles, the careless use of alcohol, the careless use of firearms or, for that matter, the glorification of physical violence in certain sports. I have played football, rugby and soccer. I have boxed. I have engage in unarmed combat training in the army. I understand something of the enthusiasm for combat. I also understand that it can be very dangerous. I believe that the entire sports enterprise must be much more careful about how body contact sports are promoted. Whenever there is money to be made in those sports, anger and violence is peddled for the sake of earning that dollar. We are told that hockey games would not draw the same gate if there were not a little violence taking place on the ice. That is quite cynical.

As long as the country wants to live by violence, some people in this country will die by violence. We will not end those deaths from occuring just by being violent toward the killers, because we have in fact been contributing to the killing by the way we let these patterns of profiting by violence by action or inaction, as in the case of industrial accidents, grow unchecked in our country.

There is no good reason for trying to blame it all on individuals who have committed murder. Therefore, I would not be able to support second reading of this Bill.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, on seeing this Bill before the House, I am somewhat surprised because I realize that this is partly due to the Progressive Conservatives. At present they claim they are for the death penalty, but actually they are against something, they are against abolition because, they are against anything which exists, anything that is valid in our society. This will give me an opportunity, Mr. Speaker, to quote from the official Record of Hansard of December, 1983, when the Right Hon. Prime Minister (Mr. Trudeau) rose, this is on page 46 of Hansard, and asked where the Progressive Conservatives were standing. Well, here is the sponsor of the Bill who is always proud to launch crusades for or against something. Today, the only positive thing that can be noted, is that in the title of his Bill, he is in support of something because, actually, he is against it. That Hon. Member! He is against metric, as is his Party. He is against everything, against abolition. And, if I quote from Hansard on page 47, as suggested by the Right Hon. Prime Minister, when the more negative elements of reaction look for a place to go, they inevitably flock to the Progressive Conservative Party. It is the Party of those who are against. All those who say no when everybody else says yes, all those who are in favour of negativism, you can find them there, in the Opposition, Mr. Speaker. This is why we can draw an exhaustive list of them. We only have to dig in our memory, to remember those who are against bilingualism, against unemployment insurance, against the changes in the Crow rate, against helping Canadair, against Bell Helicopterestablishing a plant in Quebec, against bilingualism in Manitoba. That is the Progressive Conservative Party. Today, the Hon. Member for Peterborough (Mr. Domm) supports something; but what he supports is capital punishment, Mr. Speaker. Therefore, the only positive aspect of the matter is that, for once he is "for" something, despite that positive "for", he is against abolition of the death penalty. When the Right Hon. Prime Minister, at that time, and this is again taken from December 9, was referring to those who had not yet reached the current century, he meant the Progressive Conservatives. And this is where the previous speaker said: "You killed me, I am going to kill you. You did this, I am going to strike you. You slapped me in the face, I will slap you. Well, through that Bill, you killed, I am going to kill you."

Mr. Speaker, in 1976, this House voted the death penalty out of the books, yet the Official Opposition Party has not forgotten it. I remember that as recently as 1982, when the Hon. Member for Yellowhead (Mr. Clark) was leading the Official Opposition, there was an opposition day on that subject. I recall that the then leader of the Official Opposition, the Hon. Member for Yellowhead, was beyond himself, suggesting he was not supporting the reinstatement of capital punishment, but various things had to be considered and studies made. Although this is always a situation that has to be monitored, my view is that there was a vote here in this House in 1976. The penalties in the Criminal Code were changed to life emprisonment. When there is reference in the amending bill, through Clause 1 of the bill, for instance . . . Section 47 of the Criminal Code deals with high treason offences. What is the present wording of subsection 47(1) of the Criminal Code? Everyone—and besides, my colleague from Lévis (Mr. Gourde) agrees with me, and I wish to congratulate him on his recent appointment as Parliamentary Secretary to the Solicitor General. He will surely see to it that all those questions are debated and this one in particular, but today he may not have the opportunity to tell his constituents whether he supports capital punishment or not. However, he surely has a lot to say on the matter and he will deal with it in detail at a later date. Therefore, Subsection 47(1) at present reads as follows: Everyone who commits high treason is guilty of an indictable offence and shall be sentenced to imprisonment for life. Then, Subsection 47(4) at present reads as follows: For the purposes of Part XX, the sentence of imprisonment for life prescribed by subsection (1) is a minimum punishment, Mr. Speaker. Of course, first degree murder is also mentioned, under Section 218 of the present Criminal Code. Having practised law and as a practising lawyer from time to time, Mr. Speaker, when faced with this situation at the present stage of development of our society, one must look at reality with a view to improving things instead of remaining at a standstill as the Progressive Conservative Party wants to do. We must do one thing, namely

try to improve our social programs in order to help people who are in a depressive state, in financial difficulty or otherwise, and tend sometimes to be aggressive or too harsh with their fellow citizens. We must try to implement social programs but not at the expense of society by spending huge amounts of money to improve the social conditions of our fellow citizens, but in order to prevent violence. This is in contrast with the maxim I quoted at the beginning of my remarks: Thou hath killed, I will kill thee ... Will that solve in anyway our society's problems? This maxim comes to my mind and I cannot help repeating it when I read the bill before us. In fact, since capital punishment was abolished, statistics do not point to an increase in violent crimes. May I call it six o'clock, Mr. Speaker?

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

INDUSTRY—DEVELOPMENT OF HIGH-TECH INDUSTRY—MONTREAL REGION

Mr. Marcel Roy (Laval): In the 1980s and the 1990s, some high technology companies will be looking for locations giving them the opportunity to control their operating costs, to improve their productivity and maintain a fast pace of technological and product development. An important consultant firm for the establishment of companies, Fantus has recently made an analysis and a detailed assessment of the Montreal area to determine to what extent it would offer special advantages as a site for various kinds of high technology centres.

That report indicates that the choice of Montreal has substantial advantages for high technology. The table on page 6 clearly shows the advantages of that area as far as costs are concerned. Some annual savings of 37 to 51 per cent can be made in the region in comparison with other large metropolitan areas in the United States such as Boston, New York, Los Angeles, San Francisco and Chicago and the savings according to the size of the plants considered could vary between $8 and $11 million.

Now, Mr. Speaker, on February 8, I informed the House of the situation and of the contents of the report in a statement under Standing Order 21 and I asked the minister during the question period whether he had contacted his Quebec counterpart about this report because of the numerous advantages mentioned about Montreal. There is an ample source of electricity, a substantial pool of technical engineers and scientific personnel, a network of 20 CEGEPs in the metropolitan area of Montreal have turned out some 12,300 graduates in 1982 and finally, the seven engineering schools actively involved in research produced 2,100 graduates in 1982-83. The aerospace centres are also mentioned.

On the basis of those advantages Montreal seemed to be the ideal place to establish high technology plants. However, during consultations with several other companies mention was made of the limited nature of these advantages. How come? Well, management in the Province of Quebec, was too heavily taxed and Bill 17 created some political uncertainty. That was another constraint that made those advantages less appealing.

Mr. Speaker, when we hear Minister Gilbert Paquette speak of separatism, of independence and of sovereignty for Quebec, can we really say that such comments contribute to the establishment of Montreal as a aeronautical centre? Do they really help create jobs for our young people looking for one or is it not rather the way of mortgaging the future of thousands of Quebecers?

Therefore, I would ask, Mr. Speaker, and this is the reason why I took part in the debate this evening ... I think that we cannot overlook the tremendous advantages the city of Montreal has to offer, and I am proud of being part of a Government which over the last ten months has invested $2 billion in high technology in the Montreal area.

Therefore, I would ask the Minister not only to send the report to his Quebec counterpart, as he mentioned in his answer to me, but also to meet with Mr. Paquette in an effort to show him the district advantages offered by Montreal where young people would have extraordinary opportunities to find jobs in the field of high technology and where they could be assured of a good future rather than signing away their future as a result of his separatist attitude.

Therefore, I ask the Minister of State for Science and Technology (Mr. Johnston), through his Parliamentary Secretary (Mr. Dion), to request a meeting with Mr. Paquette in order to discuss this report and to consider seriously the best ways to encourage high technology industries to settle in Montreal.

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I am pleased, on behalf of the Minister of State for Economic and Regional Development and Minister of State for Science and Technology, to reply to the concerns of the hon. member for Laval (Mr. Roy) who, incidentally, is working very hard for the economic development of the Montreal area.

As a matter of fact, Mr. Speaker, the Minister of Regional Industrial Expansion (Mr. Lumley) has commissioned a report called the FANTUS report on the advantages of the Montreal area with regard to the establishment of high technology

facilities. This report confirms that Montreal is a very attractive location for such investments and even provides many advantages as compared with many cities in the United States. More specifically, the area has several excellent technical colleges and universities in both English and French languages, something few North American cities can boast of.

Those, Mr. Speaker, are major assets to ensure the future industrial growth of Montreal as well as the diversification of the Quebec economy in general.

Mr. Speaker, I want to point out to the Hon. Member for Laval that the federal government is fully confident in the potential of Montreal; this is reflected in the major investments in science and technology announced by this government over these last few months. The global value of those facilities exceeds $110 million to this day, and as was mentioned by the Hon. Member, the future investments in science and technology over the next few years will reach over $2.1 billion. The Office automation Centre in Laval, the Bell's Helicopter Plant, the Robotic Training Center in Sainte-Thérèse, the Food Processing Center in Saint-Hyacinthe, although only a few miles from Montreal, and the expansion of the Pulp and Paper Institute are some of the capital investment projects of the federal government. This demonstrates a genuine government concern for investments in the Montreal area.

• (1805)

The Hon. Member asked if the minister mentioned them to his Quebec counterpart. He told me personally, although the report is available to both levels of government, that he would certainly discuss the matter not only with the minister responsible for Science and Technology but also with all Quebec ministers who are again campaigning on the independence platform for the next provincial election. Their statements are of public record and they can only bring uncertainty once again to Quebec and to the Montreal area. And we have to dispel that uncertainty to be able to attract investments in Quebec and the rest of Canada. I will most certainly communicate the representations made by the Hon. Member for Laval to the Hon. Minister who will inform the Quebec government accordingly.

THE CONSTITUTION—REQUEST FOR INTERPRETATION OF SECTION 23(3)(B) OF CHARTER OF RIGHTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my contribution to the debate this evening follows a numbers of questions I put to the Minister of Justice (Mr. MacGuigan) on January 20 and January 27 of this year. Briefly, I was seeking to establish as clearly as possible the position of the federal Government on the interpretation of Section 23(*b*) of the Canadian Constitution of 1982, and more specifically, what this section means for Ontario, and I would refer my hon. colleagues to *Hansard* of January 23 of this year, when in a debate similar to the one being held this evening, I said that in my opinion, Section 23(3)(*b*) gave the linguistic minority of a province the right to manage and control its educational institutions.

Mr. Speaker, the House will recall that last year, the Province of Ontario asked its highest court, the Ontario Court of Appeal, to rule on four questions. These four questions may be found in Order in Council 2154—83—Ontario, and I would invite my colleagues to read them if they are interested.

• (1810)

Among other things, the Court of Appeal was asked to rule on the matter of control and management by minorities of their educational institutions. The Court heard testimony in the middle of January of this year.

Intervenors included the federal Government, of course, which, in a well-prepared statement, unreservedly supported the position of the minorities, that is, that Section 23(3)(*b*) could be interpreted as giving a minority a constitutional right to control and manage the institutions in question or, if you prefer the constitutional term, its educational institutions.

It will be recalled that in his testimony, Federal Government counsel Brad Smith had expressed some doubt about management and control. He had stated, at least according to certain press reports, and I quote one of them: "The Canadian Constitution does not give minorities the right to manage and control their educational institutions". And again, according to Mr. Smith: "Management and control if necessary, but not necessarily management and control".

The press report goes on to say that Mr. Smith had maintained that the right to education in the language of the minority as guaranteed in the Constitution does not include the management and control of educational institutions.

That is the intervention which prompted me to ask the Minister of Justice to take a stand in the House on January 20. I do not blame him, he supported his counsel by saying: "The Canadian Constitution does not guarantee to minority groups the right to control their educational institutions".

The media, newspapers, TV and radio, reported freely the remarks of the Attorney General and Minister of Justice, so much so that it has become a highly politicized issue with us, and people were wondering just what the federal Government position was on this question. Although the brief on the case tabled before the judges was clear and accurate enough, the interpretation given was not quite what was expected.

I think it might be appropriate as well to remind Hon. Members that, last January 27, I again put a question to the Minister and asked him to set the record straight and perhaps repeat or give us his interpretation. He stated, in a clear enough answer, clearer than the others, in my opinion: "Should a province decide to share its authority over education with its residents, it would then be under the obligation to

ensure equal treatment of the majority and minority groups in the province".

That, Mr. Speaker, is the essence of the federal argument. In other words, when a province has exclusive jurisdiction such as it has over education, but decides to share it with its residents, it must do so equitably with all residents, be they majority or minority groups. That has been the basic argument of minority groups for many years. Mr. Speaker, there is no question of invading a provincial jurisdiction. We are saying: Indeed, the province has exclusive jurisdiction, but if it does share it with its residents, it must do so equitably. A province which established school boards, for example, must establish school boards which take Section 93 into consideration, including religious denominations, as well as Section 23 of the Constitution Act, 1982, that is to say minority language educational rights. It must do so equitably.

I asked the Minister—and again I do so in concluding, Mr. Speaker, because my time is running out—to present, because of the perceptions, additional submissions to the courts. I realize that it is seldom done, that it is unusual. Still I thought it was necessary, considering that people feel that the federal Government was in fact quite ambiguous and hardly convincing on this question.

The Minister replied vaguely in the House that it might be something which he would take under consideration. I wrote to the Prime Minister to seek his support. I saw the Ministers whom I believed were involved in this matter. I am now asking the Parliamentary Secretary to tell me whether the federal Government has decided to present additional submissions to the courts in order to clear up this issue.

• (1815)

[*English*]

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) is raising a very important question concerning the federal position on minority language education rights and, more specifically, on the interpretation to be given to Section 23(3)(*b*) of the Charter, insofar as it may relate to the management and control of minority language educational facilities by the linguistic minority of a province. He is also asking whether the Attorney General of Canada intends to present additional submissions to the Ontario Court of Appeal on this matter.

The Hon. Member is probably already aware that, on Tuesday, March 6, counsel for the Attorney General of Canada (Mr. MacGuigan) asked the Registrar of the Ontario Court of Appeal to inquire whether the court would be prepared to entertain a motion to permit the Attorney General of Canada to add to the submissions originally made on his behalf in the Ontario language reference which was heard last January and referred to by the Hon. Member. We are waiting for an answer from the court to that inquiry.

In these circumstances, the Hon. Member will no doubt understand that it would be highly inappropriate to discuss in this House the reasons for which the Attorney General is asking the court to entertain the motion. Such reasons would have to be submitted to the court itself if it accepts to hear the motion. Morever, for the same reason, it would be totally inappropriate for me to outline here the nature of the additional submissions that would be made on behalf of the Attorney General of Canada, if it was decided by the Court of Appeal to entertain and to grant a hearing on the motion. The Hon. Member for Ottawa-Vanier will understand that such additional submissions would first have to be made to the court itself. I strongly believe that, having regard to the circumstances, with deference for the Court of Appeal, we ought to refrain from discussing this matter for the moment.

Having said that, however, I feel it is open to me to reaffirm the Government's position on Section 23. That section confers rights which are of fundamental importance to Canadians and to the nature of Canada as a bilingual country. There should therefore be no doubt about the approach of the Government to the interpretation of the section. It is our view that Section 23(3)(*b*) in particular should be given a broad and liberal interpretation, a generous interpretation that is most consistent with the fullest realization of the minority language education rights which it entrenches and which lie at the very root of the future of bilingual Canada.

AGRICULTURE—FARM FUEL SALES TAX. (B) THRONE SPEECH PROPOSAL TO HELP FARMERS

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I would like to pursue the question I raised on March 5 regarding the problems faced by farmers. I would like to say that I am happy to see the Parliamentary Secretary to the Minister of Finance (Mr. Ferguson) here to answer the question. He has served on the Agricultural Committee so I think it is appropriate that the Department of Finance have the benefit of his expertise in that area. I am glad he will listen to the problem I raise here, because I was not satisfied with the answer I received from the Minister of Agriculture (Mr. Whelan).

The Minister said that when the farming industry in Canada is compared to that of other industries, it is probably the best in the country. That particular response did not really strike any kind of soft chord in me, Mr. Speaker. All I have to do is look at the statistics we have with regard to the farm income situation in 1983, and the outlook for 1984. I refer the figures of the agricultural statistics division of Statistics Canada. The prediction for Manitoba is that we can expect a 26 per cent decline in realized net income for 1984. That is a rather bleak outlook in contrast to the rosy picture the Minister of Agriculture was painting.

• (1820)

I just want to emphasize how important it is that there be some sort of triggering of the mechanism with regard to the western grain stabilization fund, that there be some payouts

immediately, because many of the farmers are in dire straits. I could elaborate further in respect to the farm incomes to which the Minister of Agriculture referred. He should be aware that the projected net farm income for 1984 is actually lower than the 1973 net farm income. In terms of actual dollars, the actual net farm income for Manitoba for 1984 is projected to be some $244 million and in 1973, it was $278 million. A lot of things have taken place between 1973 and 1984 and this certainly is not a bright picture.

On the other hand, if we were to look at the projected net income in terms of 1971 constant dollars—and again these are statistics from the agricultural division of Statistics Canada—we find that projected in 1971 constant dollars net farm income for farmers in Manitoba is $83 million for 1984, and it was $296 million in 1974. So we are talking about something projected for 1984 to be roughly between a quarter and a third of the 1974 net farm income for Manitoba.

I am trying to emphasize this critical situation, Mr. Speaker, so that the Minister of Agriculture will understand. Hopefully, the Parliamentary Secretary to the Minister of Finance (Mr. Ferguson) will communicate this to him; that these rising costs are really hurting the farmers. If we look historically at why this has happened we find that the number one increase in costs to farmers in Manitoba—and farmers in my riding come into my office and show me their bank books and their income tax statements—is in fuel and fertilizers. These costs are becoming the number one costs farmers are faced with. It is because of this that I have been asking the Government to consider giving an energy rebate to farmers who are using diesel fuel and, of course, gasoline.

The excise tax which is rebated now, I am told by individual farmers, is of some help, but the excise tax does not apply, of course, to diesel fuels. More and more farmers are using diesel equipment on their farms and, therefore, we need some sort of rebate of sales tax. Of course, this sales tax would apply to gasoline and diesel fuel. I believe that the Government has room to manoeuvre in this regard, if it looks at the breakdown of the sales tax and, of course, other federal taxes which are involved there. These are things which could be done immediately to assist the farmer.

As far as the western grain stabilization plan is concerned, we had promises in the Speech from the Throne of changes, but I was a bit baffled as to why there was nothing in the Budget which would show that the Minister of Finance (Mr. Lalonde) is at least working on this particular problem. Hopefully today the Parliamentary Secretary to the Minister of Finance will give me some good news which I can immediately pass on to the people in constituencies such as Dauphin-Swan River.

• (1825)

Discontent with the western grain stabilization plan is pretty well universal out west. There is a need for something to be done there and I suggest the Government consider making a pay-out retroactive to 1983 immediately so that farmers have money in their pockets to finance their seeding. It might also consider combining any sort of new grain stabilization idea with something along the model of crop insurance, making it available on an individual basis to insure against crop fluctuations. I will eagerly await the Parliamentary Secretary's comments. I hope he has some good news for the farmers in western Canada.

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I want to thank the Hon. Member for his comments. I have been following the situation very closely and I believe the Minister of Agriculture (Mr. Whelan) said a few days ago that the Western Grain Stabilization Act is under review. However, we have to realize that wheat and grain prices reflect world market conditions.

Perhaps it sounds old hat, but for other commodities we grow, not only in western Canada but in eastern Canada, there are vehicles and legislation in place whereby farmers can organize to ensure that they have an income from the marketplace commensurate with that of the rest of society. I am speaking here of the poultry and dairy industries which have an excellent system of marketing in place, perhaps the envy of the world.

I fully realize that there is a special problem regarding grain markets which are depressed at the present time and we trust they will pick up and that this will be reflected in farm income.

The Hon. Member also raised an issue debated in this House on February 17, 1984, specifically that the federal Government provide a further subsidy for Canadian farmers by eliminating the 9 per cent federal sales tax on diesel fuel and gasoline used by farmers. At that time the Hon. Member for Vegreville (Mr. Mazankowski) proposed that the subject matter be referred to the Standing Committee on Finance, Trade and Economic Affairs for consideration. Subsequently, with some wording changes, the House approved referral of the issue to the committee.

During that exchange of views it was pointed out that exempting gasoline and diesel fuel from sales tax for farmers, hunters, trappers and fishermen would present problems in ensuring that only those persons benefited from the relief, and denying it to others who would like to get on the tax free bandwagon. I should point out that the federal sales tax represents only a small portion of the price of a litre of fuel, less than 3 cents, and all users of motor fuels, including individuals, transportation companies, municipalities and manufacturers, in addition to farmers, are required to pay the tax.

However, it is important to look at what has been done for farmers in the recent Budget. There are proposals to shelter up to $120,000 in capital gains by placing them in RRSPs. Incorporated farmers and fishermen will benefit from the new proposals which will simplify the law for small incorporated firms. The Budget went a long way to accommodating the concerns of farmers, and I hope the committee will seriously consider the pros and cons of a sales tax concession for farm

fuels, as the Government is well aware of the needs and concerns of the agricultural community.

The Acting Speaker (Mr. Herbert): I regret to interrupt the Hon. Parliamentary Secretary, but his time has expired.

Adjournment Debate

The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6.30 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, March 9, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INSOLVENCY ACT

CALL FOR EARLY PASSAGE

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, Bill C-17, the Insolvency Act, was introduced for first reading in the House of Commons on January 31 of this year. However, the Government has not seen fit since that time to bring forth the Bill for second reading and debate. The only conclusion that I can come to, Mr. Speaker, is that the Government is not giving this Bill high enough priority for active consideration.

Many segments of our society, including the farming community, are counting on this Bill to offer some direction and some relief to individuals who may be on the verge of bankruptcy.

Procrastination by the Government on this Bill has been responsible for many producers going out of business and losing everything that took them years to accomplish. To add insult to injury, it has come to my knowledge from constituents in my riding that some government Members and some staff members of Ministers are spreading untruths and utter falsehoods, to the effect that the Opposition is preventing the passage of the Bill. This is utter nonsense, Mr. Speaker, and all they are doing is putting even greater distance between themselves and their credibility with the Canadian people. Therefore, Mr. Speaker, I call upon the Government to stop this nonsense and bring forth Bill C-17 so that it can be debated and passed into law as soon as possible.

* * *

MEDICAL RESEARCH

IMMUNILOGICAL SYSTEM DISCOVERY MADE BY TORONTO RESEARCHERS

Hon. Jake Epp (Provencher): Mr. Speaker, medical history was made in Toronto this week. A team of eight researchers, led by bio-chemist Tak Mak and post doctoral fellow Yusuke Yanagi, revealed to the world that their group has discovered the key to the human body's immunilogical system and thus have handed to the world's scientists the tools necessary to unlock the medicine chest of curatives for such haunting diseases as AIDS, arthritis, leukemia and other cancers.

I think this incredible news will go a long way to dispel the fears of many who wondered whether Terry Fox's fabulous gift could be made adequate use of here in Canada. Our country's bio-medical research community has proven to all that they are of world class calibre and deserving of world class recognition.

As well, maybe now Terry's Marathon of Hope will bear the fruit he so passionately strove for, as Canadian scientists and, indeed, those the world over, can now undertake a giant leap forward the likes of which has not been witnessed by humanity since the invention of the microscope.

Dr. Mak and his team, the Canadian Cancer Institute, the Ontario Cancer Treatment and Research Foundation, and the Medical Research Council of Canada, deserve this Chamber's heartiest congratulations.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

ABORIGINAL RIGHTS

AGREEMENT ON RECOGNITION OF INDIAN RIGHTS

Mr. André Maltais (Manicouagan): Mr. Speaker, in connection with the Constitutional Conference on Aboriginal Rights which started yesterday, I would like to point out Hon. Members that the Provinces should put more emphasis on the need to reach an agreement with the federal Government that will confirm the rights of the first inhabitants of this country. Mr. Speaker, I think it is very important to understand the requests of the native peoples. Considering the vagueness that seems to prevail at this Conference, I think that in the next few hours, the provinces should do a great deal more to ensure that they have something to show for their work at the end of the two-day Constitutional Conference on Aboriginal Rights.

Mr. Speaker, I also wish to draw the attention of the House to the need for recognition by the Premier of Newfoundland of the hunting, trapping and fishing rights of Indians in Labrador, especially of those living on the Quebec side, because at the present time, they are being prevented from living the kind of life they lead on the Newfoundland side of Labrador. I therefore hope that the Premier of Newfoundland will listen to those requests. It is very simple . . . Newfoundland would take the same approach already being taken by Quebec, which is to

let the caribou and the Indians cross provincial boundaries freely and let the Indians use their skills to make a living.

* * *

[*English*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

DECISION-MAKING ROLES FOR WOMEN

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, a crucial factor in Third World development is the work of women. In Africa, 80 per cent of the agricultural work is done by women. In all Third World countries over 50 per cent of the non-imported food is grown by women. In Benin, Burundi, and Liberia, significantly more women are in the labour force than there are men. In Kenya, Lesotho, and Botswana, women head one-third of the families. Actually, over one billion women in Third World countries live in rural areas with agriculture as their primary occupation. In Southeast Asia and West Africa women dominate rural market trade upon which local economies and families are sustained. Third World women have a vital influence on the quality of education, nutrition, and health care.

Cultural patterns in both the North and the South have conditioned people to regard men as the primary movers in economic and social progress. This cultural mind-set has blinded many people to the enormous latent power of women to effect change, if given a helping hand.

At this time the president of CIDA is a woman, Margaret Catley-Carlson. Women are rare in other significant areas of CIDA, however. I suggest that this policy be rescinded and that a far greater emphasis be placed on Canadian women in leadership roles in CIDA programs and projects.

I call on the Government to act on recent OECD guiding principles to aid agencies so that women are brought into decision-making for the design, development, and implementation of projects. Take affirmative action. Place more women in decision-making roles in CIDA. Canada's program could produce much more and better development.

* * *

LABOUR CONDITIONS

WOMEN'S UNEMPLOYMENT LEVELS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, the labour force figures released this morning show that once again the number of people without jobs in Canada has risen.

Unemployment hits hardest at young people, and at heads of families who grow discouraged and despondent from weeks and months of looking for jobs, without success. One group which must be of particular concern are single parent families, headed by women who have lost their jobs. Their numbers have increased in the past year, and their needs have become greater.

● (1110)

With rising rates of divorce and rising rates of unemployment, there are now substantial numbers of women who are being told that their jobs have been terminated, while their responsibilities for the needs and support of their children increase.

The average income of families headed by men is approximately $34,000. The average income of families headed by women is just half, or $17,000. Some 45 per cent of female headed families live in poverty. That surely is tragic enough, Mr. Speaker, but to have that tragedy compounded by increasing unemployment among their ranks is totally unacceptable.

* * *

NATIONAL DEFENCE

SUPPORT FOR RIFLE PURCHASE CONTRACT

Mr. Peter Lang (Parliamentary Secretary to Minister of State (Youth)): Mr. Speaker, I rise to correct some erroneous information which the Hon. Member for Calgary Centre (Mr. Andre) has left with the House in his statements and questions on March 7 regarding the SARP Program, the production of rifles in Kitchener for the Canadian Armed Forces.

The Hon. Member claimed that rifles being made by Diemaco in Kitchener are costing the taxpayers twice what it would cost if we purchased them from the United States. Does the Hon. Member realize that his figures are quite inaccurate and based only on what was in the press? He has simply divided the number of rifles into the total price of the contract. If he had looked past the press reports, he would have been able to realize that over $30.1 million of the $107 million contract is money being used for engineering, design, tooling and gauging, spare parts, training aids, cleaning kits, and preservation packaging.

Mr. Forrestall: It is still part of the cost of the rifle.

Mr. Lang: The actual cost of the Canadian rifle is $850.

Mr. Forrestall: No, it is not.

Mr. Lang: The cost of buying the rifle in the United States was a low estimate at $820. This did not include the massive subsidization of the production of those rifles by the United States Defence Department. Is the Hon. Member for Calgary Centre a spokesman for United States protectionism against Canadian jobs? This contract is providing long-term employment for—

Mr. Speaker: I am sorry to interrupt the Hon. Member but the time allotted to him has expired.

PROVINCIAL AFFAIRS

MANITOBA PUBLIC SERVICE LAY-OFFS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the lesson for today, Sir, is, "Put not thy faith in the NDP". This is the sad lesson which is currently being learned in Manitoba as the socialist Government of that Province lays off hundreds of provincial public servants. Woe betide any public employees who vote NDP because they think their job will thereby be secured. The truth of the matter is the exact opposite. NDP mismanagement and socialist stagnation results inevitably not only in the reduction of jobs in the private sector but, because public revenues decline, it means that public services must be cut back and that public servants must be thrown out of work. The New Democratic Party socialist Government means joblessness.

Mr. Waddell: I will resist replying to that. It is nice to be taken seriously, though.

* * *

IMMIGRATION

CONDEMNATION OF IMMIGRATION LAWYERS' PRACTICES IN HONG KONG

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would like Members to see this booklet I hold in my hand. It is entitled "Your Passport to Canada". It has the Canadian Coat of Arms on it, and says "Passport" in English and "Passeport" French. It looks like an official Canadian document. Of course it is not. It is put out by the rip-off immigration lawyers in Hong Kong.

This is a matter which I raised in the House of Commons on October 31 last. I suggested to the Minister that he should do something about it for people in Hong Kong who are paying $15,000 to $30,000, in the case of a panic situation, to get some advice about coming to Canada. They have no way of verifying the information they received. They have no place to complain if they get the wrong information. It is a bad situation. The Minister is too busy running for the Liberal leadership. He has not done anything about it.

I would like to suggest to the House what the House could do and, more specifically, the Bar Associations in British Columbia and Ontario. I believe we can regulate lawyers who practise outside Canada. They have offices in Canada, and they are registered with the Bar Association in Canada. I propose we do three things: first, that Canadian lawyers be forced to register in Canada if they are practising immigration law outside Canada; second, we should apply Canadian advertising codes, the kind of things we apply to the Bar in Canada, which should apply overseas as well; third, when a client is served, the client should have a chance to complain, should be told where he or she can complain, and—

Mr. Speaker: I regret to interrupt the Hon. Member, but his time has expired.

• (1115)

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

INCREASE IN UNEMPLOYMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, in the absence of the Minister of Employment and Immigration on the day scheduled for release of the labour force data, I will direct my questions to the Minister of Finance.

The figures are very disturbing. They show that for the fourth month actual unemployment has increased. The decline in the value of the dollar means we are facing higher interest rates, which will further exacerbate the situation. Given the fact we now have almost 1.4 million unemployed, up more than 100,000 over last year, and given the fact we are now facing higher interest rates, which means the rate of economic recovery has not only slowed down but has stalled, is the Minister of Finance satisfied that his Budget can address the situation?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am surprised the Hon. Member would want to choose only the darkest possible description of the situation. The figures this morning are encouraging in many regards. As he knows, the labour force has known a large increase of .6 per cent last month. A large number of Canadians are coming back into the work force. What he has not mentioned is that employment has grown very substantially during the month of February. We created 54,000 new jobs during that month. Youth employment went up by 1 per cent, and employment in the goods producing industries went up by 1.5 per cent. Employment in the construction industry went up by 5.4 per cent. The month of Feburary was a very positive month for job creation.

I am confident, Mr. Speaker, on the basis of those figures and those I produced in the Budget, that we will know a decline in unemployment this year and a very significant rise in the number of jobs created during 1984. The measures I announced in my Budget were predicated on the type of figures released today, the employment statistics, and I am confident that this year we will achieve a level of unemployment not higher than the one I forecast. As a matter of fact I am confident that, with co-operation from all economic sectors, we will achieve a lower unemployment figure than even the one I forecast in my Budget.

COMPARISON WITH UNITED STATES

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have not tried to present the worst case scenario; I just tried to present the facts. The Minister does not seem to be aware of the facts. He does not seem to be aware of the fact that we are still 352,000 jobs below the peak reached before the recession started.

How can the Minister explain our economic performance in Canada compared with that of the U.S.? Not only have they picked up the jobs they lost, they have increased their job creation by 2.8 per cent. If we had the same performance in Canada, we would have 450,000 more people working. In actual fact unemployment in the U.S. continued to go down, from 8 per cent in January to 7.8 per cent in February, whereas ours went from 11.2 per cent to 11.3 per cent. How can the Minister explain that?

Hon. Marc Lalonde (Minister of Finance): In a very simple way, Mr. Speaker. The participation rate in this country has increased very significantly, while in the United States it did not increase as fast. As a matter of fact the Hon. Member must know that last year, for instance, the participation rate in Canada increased by 40 per cent more than in the U.S. That obviously has an impact on the statistics to which he refers. What he should bear in mind is the number of jobs created. Again, last month 54,000 new jobs were created in all sectors. There was a significant increase in full-time jobs last month. I find this a very encouraging development.

I indicated in my Budget Speech that I expected the participation rate to increase, the growth of the labour force to be significant this year, and this would mean the unemployment figures would not come up in percentage terms, and they would not come down as fast as I would like or would prefer, but the fact is that we are creating jobs at a very rapid rate. Far from being stalled, the recovery is expected to be strong this year, in the 5 per cent range.

• (1120)

FUNDING OF YOUTH CAREER ACCESS PROGRAM

Hon. James A. McGrath (St. John's East): With regard to the participation rate, how can the Minister explain the fact that the actual rate of unemployment went up 21,000? How can he speak about participation when there are 1,400,000 people unemployed, which is up 100,000 over last year? We have 728,000 long term unemployed, which is up 94,000 from the previous month. We have 536,000 young people unemployed, which represents 18.5 per cent. How can the Minister speak in the House with any credibility about participation? I am trying to explain it to these people.

Can the Minister tell us specifically what he proposes to do about the $150 million in his Budget for the Youth Opportunity Program? How much of that will go into the Career Access Program? Now that the Government has been caught with its hand in the cookie jar, is it the Government's intention to take the $90 million left in the Special Initiatives Program and put it into the youth Career Access Program?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, perhaps the Hon. Member will understand better if I speak French. Twice I gave him a clear and concise answer but he does not seem to understand what an increase in the participation rate means. I informed him that although we created 54,000 new jobs during the past month, the labour force in Canada was growing at an even faster rate. In other words, the number of people entering the labour market exceeded the number of jobs we created. However, the employment rate rose in all sectors last month, including youth employment, employment in industry, and especially the construction industry. We had an increase of more than five per cent last month.

The Canadian economy is not slowing down and is not in a decline. On the contrary, it is making very sound progress. I pointed out that in 1984, the growth rate of our economy will be around 5 per cent, which is very high. During the month of February, the number of new jobs created rose considerably. In fact, since the recession, we have created about 424,000 new jobs in Canada. This is an impressive record. Perhaps I should point out, in answer to the specific question asked by the Hon. Member, that the Minister of Manpower and Immigration will be discussing with his colleagues, especially the Minister responsible for Youth and the Secretary of State, how these new funds are to be used. As soon as the Minister has finished his consultations, he will be able to give further details.

[*English*]

Mr. McGrath: Mr. Speaker, a short supplementary—

Mr. Speaker: The Hon. Member has had two supplementary questions. The Hon. Member for Kingston and the Islands.

Mr. McGrath: Mr. Speaker—

Mr. Speaker: The Chair attempts to apportion time fairly between Hon. Members, and it is difficult. The Hon. Member had a lead off question and two supplementaries. All right, I will give a supplementary to the Hon. Member for St. John's East, but that will have to be recognized in the time of other Hon. Members from his side.

Mr. McGrath: Mr. Speaker, I will decline.

Mr. Speaker: The Hon. Member for Kingston and the Islands.

CORRELATION BETWEEN UNEMPLOYMENT AND HUMAN SUFFERING

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, there was a statement in yesterday's press which could bring the jobless situation into sharp focus, even for the Minister of Finance. It said this:

> Canadians are paying a frightful price in ill health and early death for today's heavy unemployment—

Yesterday there was a study released in the United States showing the very definite relationship between high unemployment and the increase in cardiac arrests, homicides, suicides, early deaths, and infant mortality. The author of that study said the same results as in the United States could appear in Canada.

Can the Minister of Finance tell us whether any studies have been done in Canada which show the correlation between high unemployment and the human suffering which that is inflicting on Canadians?

• (1125)

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am not aware of any study made in Canada on this particular subject. I have heard a number of speeches and press reports, but I have not personally seen any scientific studies that may have been made recently on the subject.

[*English*]

REGIONAL UNEMPLOYMENT RATES—EFFECT ON PEOPLE

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, that is an incredible admission by the Minister of Finance and by the Government. If he would pay attention to what is going on in the rest of the world, he would find that the study in the United States indicated that the stress and shock of being without a job strongly influence psychiatric disorders and aggression, and this is reflected in the home and in crime.

There are eight regions in this country where the average rate of unemployment is over 20 per cent. That is what the figures which were released today show, over 20 per cent. Why has his Government not even taken the trouble to find out what the toll of human suffering and tragedy is in these regions across the country where unemployment is over 20 per cent?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, what is incredible is the inability of the Hon. Member to hear or understand what I answered to her question. I said that I was not aware of a scientific study being carried out in Canada on this particular subject. She asked me whether I was aware of such studies being made, and I said that there have been many speeches and statements made on this subject but I am not aware of any scientific study that has been made on it. It is for a very good reason. It is a subject on which it is extremely difficult to be scientific. These are, at best, assumptions and analyses made by individuals.

Frankly, I do not need all the sermonizing by the Hon. Member, or to be shown any great press headline, to make me realize that unemployment is indeed a tragedy and has a very serious impact on the individual lives and families of those concerned, in all social environments. I do not need any great sermon from the hon. lady in that regard.

I have a large number of constituents who are unemployed. I personally know a number of Canadians who have suffered from unemployment and who have had a very difficult time over the past many months. I share the concern of Members of the House in that regard. We have been doing everything we can on this side to help those people who are unemployed.

We have tried to stimulate growth in the economy and we have maintained the social safety net, contrary to what the Hon. Member for St. John's East would like us to do, that is, to carry on an attack on the old, on women and family allowances, while there are so many people who are unemployed. We have rejected the approach of the Tories to cut back on social security and the social safety net in this country.

POSITION OF MINISTER OF FINANCE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance. He has just stated that the Government is doing everything it can to assist the unemployed of Canada. Just a few weeks ago the Minister brought in a Budget and said that this was a stay-the-course Budget because there was no need for a major new initiative or no need for a major new change in government policy when the recovery was well in place and the unemployment situation was in hand.

The Minister of Finance knows full well that for the past three months, both in terms of the percentage rate and absolute numbers, the number of unemployed has increased. We see it again today. What is his line today to the 1.476 million Canadians who are unemployed? By all indications we will see that figure increase next month and see the percentage of unemployed increase as well. There is a definite trend—a very slight trend—but what is his response to that?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would first like to respond that the Hon. Member must look at the number of measures that have been introduced in the last Budget and that will continue to have a very significant impact and effect this year.

With regard to youth unemployment, the Hon. Member will recall that the Speech from the Throne announced a $1.1 billion special youth employment fund, to which I have added $150 million, for a total of $1.3 billion allocated to the problem of youth unemployment. He also knows that we will be spending over $1 billion this year on special capital recovery projects. The Government's expenditures on capital projects will increase by 25 per cent this year at the federal level in order to help create jobs and help the construction sector.

I would submit that, as well as a recovery in the area of housing, the federal Government's expenditures on capital projects have been a factor in providing a 5.4 per cent increase in construction employment last month. I have also indicated that there would be several hundreds of millions of dollars, as a matter of fact certainly over a billion dollars worth of tax incentives that will generate activity in the private sector.

• (1130)

Again, I have to tell my friend that last month 54,000 new jobs were created, and around 424,000 jobs have been created since November, 1982. I am confident that in the course of 1984 we will succeed in creating jobs at this rate over the year and that we will a see a decline of unemployment across the country during the course of 1984.

Mr. Riis: Mr. Speaker, the Minister of Finance has just indicated one more time that the Government has provided tax incentives, tax initiatives, to create jobs in the private sector. The repeated comment is that the public sector in not going to be creating the jobs and that we are looking to the corporate sector to do that job on our behalf. The Minister of Finance has now given the corporate sector $3 billion in the last two Budgets in tax breaks, presumably to invest in Canada and then to create economic development which would result in jobs. It is perfectly clear that what the Minister of Finance says is going to happen and what does happen are two different things.

In spite of the tax breaks to the corporations, we have seen that investment in Canada fell last year by 12.2 per cent, and that investment by Canadian corporations abroad went from $200 million in 1982 to over $2.5 billion in 1983. In other words, the profits of those tax breaks that are being accepted by the corporations are not being invested in Canada, but are being invested abroad in some foreign country.

REQUEST THAT TAX BREAKS BE TIED TO JOB CREATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have another question for the Minister of Finance. Is it not time for the Minister of Finance, if he is going to continue giving tax breaks, in a sense, grants from Canadian taxpayers to the corporations, to tie them in such a way as to ensure that the corporations receiving them create jobs in Canada, and not abroad?

Mr. Speaker: I am concerned about the nature of questions which involve a very prolonged debate. The questions are long, and the answers are long. It makes it difficult for other Hon. Members to have their share of participation in Question Period.

Hon. Marc Lalonde (Minister of Finance): I will try to be short, Mr. Speaker.

Mr. Crosbie: That will be a job.

Mr. Lalonde: To answer the Hon. Member, I have to draw to his attention the measures that were announced in the Budget debate of last year, to which I have no doubt he refers in terms of tax incentives. The Hon. Member will know, for instance, tax incentives were provided for research and development, which were quite significant in the last Budget, and which make Canada the country which has probably the most generous regime in the world for investment in the area of research and development, so important to creating jobs here. Those incentives are available only if you invest in research and development in Canada. It is the same thing with the possibility of the tax credits given for investment. They are related to investment that is taking place in Canada, not investment abroad.

I would submit to my hon. friend that if he makes a careful reading of the measures that were announced in the April Budget he will find that these were not measures that are giving tax breaks for investment abroad, they are relating, most of them, to a specific activity having to take place in Canada, creating jobs in Canada, and making the Canadian economy more competitive. When we saw, for instance, the large surplus that we had last year *vis-à-vis* the rest of the world—

Mr. McCuish: Order.

Mr. Lalonde: —obviously this must come from good measures, that is, measures that have helped Canadians compete in selling abroad.

Mr. Speaker: A second supplementary for the Hon. Member. Could the Hon. Member for Kamloops-Shuswap keep in mind that a full-scale budget debate can hardly take place in Question Period?

CALL FOR MEETING OF FIRST MINISTERS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to call for something that is different and something we have not called for before. I believe the Minister of Finance would have to admit in spite of what he says today that on the horizon there are real storm clouds.

Mr. Evans: Question.

Mr. Riis: I am trying to ask the question in some intelligent sort of manner, so give me an opportunity.

An Hon. Member: Try hard.

Mr. Riis: The question, Mr. Speaker, is this. Considering that interest rates are obviously on the upward migration, that unemployment is rising, that investor competence is going down, and consumer confidence is going down—

Mr. Speaker: In fairness to the Hon. Member, this is hardly a question for question and answer. If we transform this into a series of mini-debates, and one can see this procedure is becoming more than mini-debates, it makes it difficult for other Hon. Members to participate. The questions are long and involved, and so are the answers. Can the Hon. Member ask his question?

Mr. Riis: Will the Minister of Finance, considering the information that has become available in the last two days, call a meeting of First Ministers to address what has to be the number one problem facing this country, that is, the problem of high and increasing unemployment?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): No, Mr. Speaker.

[*English*]

FINANCE

INTEREST RATES AND EXCHANGE VALUE OF DOLLAR

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. I might remind him that in November, 1982, he was quoted in the *Toronto Star* as suggesting that the baby bonus payments be eliminated for wealthier people who do not need them. I suggest the Minister should not be such a hypocrite when he makes comments in this House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Stevens: Old Scrooge.

Mr. Crosbie: The Liberal policy conference turned that suggestion down a few days later, and repudiated the Minister.

The Minister has made some alarming statements in the last few days that he is not worried about the level of the Canadian dollar and there is no connection between interest rates and the Canadian dollar. My question is an important one. Would the Minister tell the House whether the Government and the Bank of Canada prefer a Canadian dollar lower in value to higher interest rates, or do they prefer higher interest rates to the devaluing Canadian dollar? Which policy are they going to pursue now?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member could tell us first of all who has repudiated him. One thing is clear on the Liberal side. Our national party has taken a clear stand in that regard, and it has been a consistent stand.

Some Hon. Members: Hear, hear!

Mr. Lalonde: That stand is very different from the stand taken by the Conservatives. Mind you, they have not taken a formal stand on anything. But I have to remind the Hon. Member of the famous survey carried out by the Conservative Party among its delegates at one of those important conferences they had, because they do not dare have resolutions on anything. The survey was made public. In that survey of delegates it was quite clear that the Conservatives' main line of attack was against social programs.

Mr. St. Germain: Shame.

Miss MacDonald: Did you hear Donald Johnston last night?

Mr. McCuish: Answer the question.

Mr. Lalonde: And that Conservative delegates and Conservative supporters were all trying to reduce the social security—

Some Hon. Members: Oh, oh!

Mr. Speaker: With all due regard to the Minister of Finance, the Chair has the same difficulty as was indicated previously.

GOVERNMENT POLICY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister is a convincing argument for retroactive birth control.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Might I remind the Minister that the Minister of State for Economic and Regional Development said yesterday that the principle of universality should be reviewed? That is a statement from a member of the same Government to which the Minister of Finance belongs.

Let me put my question again. It is an important issue. The Canadian dollar is declining in value. It is down below 79 cents compared to the American dollar. Interest rates are rising, and mortgage interest rates have gone up half a point. Is the Government's policy now that it prefers the Canadian dollar to decline in value rather than having interest rates rise? Is the Government going to adopt a policy of allowing the Canadian dollar to devalue wherever the market sends it, rather than have any increase in interest rates in Canada that might counteract the lower Canadian dollar which will stimulate inflation again? Which is your policy? Nothing could be more important.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member should first check the statements before making allegations like the one he made about social programs. He should check exactly what has been said, particularly by my colleague to whom he referred. He might learn a few things. As a matter of fact he might learn a little consistency in terms of the Conservative Party, as to where it should stand—means test one week, universality the next week.

• (1140)

Mr. McGrath: Answer the question.

Mr. Lalonde: It will be interesting to see where the Conservatives are going on this very important issue.

Mr. St. Germain: Answer the question.

Mr. Lalonde: I see the Conservatives are all very nervous when we touch the question of social security.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I have a supplementary question for the same Minister.

Mr. Speaker: With all due respect, the Hon. Member has had a supplementary question.

Oral Questions

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF UNITED STATES ATTORNEY GENERAL

Mr. Speaker: I should like to call the attention of the House to the presence in the gallery of Mr. William French Smith, Attorney General of the United States of America; Mr. James C. Miller, Chairman of the Federal Trade Commission, and other distinguished members of the party of American visitors.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM—FUNDING FOR BRITISH COLUMBIA REGIONS

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, my question is also directed to the Minister of Finance. The Minister of State for Economic and Regional Development, who would be Prime Minister, released the day before yesterday a glossy brochure reporting on a $650,000 government conference called "Canada Tomorrow". In the covering foreword there is not one mention of employment creation or technological opportunity, but the Minister, beside his glossy picture, merely points out:

> The only certainty upon which a consensus was clear is that technological change is coming—

Would the Minister of Finance confirm that the Minister of State for Economic and Regional Development has not invested any money in the West Kootenay region of British Columbia under the Special Recovery Capital Projects, where unemployment is currently at 24 per cent, with over 12,000 people out of work, and that in the Kamloops region, with over 10,000 people out of work, the only capital recovery project there will produce 100 jobs? Will the Minister confirm these factors?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first of all the Hon. Member should take the trouble and the time and make the effort to read more than the introduction to the document to which he referred. If he can muster all his courage and strength and go beyond the first page, he might find out that this very useful and important document treats extensively the subjects which he said were absent from the first page he managed to read in the last few days. I will give him another couple of weeks, and maybe he will have finished reading the document and can come back to it.

As far as his question is concerned, I want to be quite clear that the Hon. Minister of State for Economic and Regional Development has mentioned a number of important Special Recovery Capital Projects taking place in British Columbia. These are capital investment projects of a significant or large nature. It is obvious that they are not taking place in every constituency in the country, or even in every specific area of the country. What is important is that they have an impact and effect upon construction all across the country in terms of supplies, in terms of secondary effect, and in terms of job creation.

Second, the Hon. Member will remember what the Minister of Employment and Immigration stated in the House quite clearly, giving all the detailed figures, that the investment in direct job creation in British Columbia corresponds practically exactly to the percentage level of unemployment in that particular province. This is in spite of the fact that we do not have a single Member of Parliament on this side of the House from British Columbia. However, we care for the people of British Columbia, and we care for the unemployed in that province.

Mr. Siddon: In regard to the document which I have read, it spreads doom and gloom about technology in the future and offers not a single recommendation. So much for $650,000.

PERMANENT EMPLOYMENT PROSPECTS

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, does the Minister of Finance agree with the Minister of State for Economic and Regional Development, who would be Prime Minister but is not here today, when he said to the Macdonald Commission:

> The idea of a steady full-time job for everyone who wants to work perhaps is no longer a sensible and realistic goal.

Is that why, under the Special Recovery Capital Projects Program even the Library of Parliament predicts that no more than 20,000 jobs will be created by this massive expenditure of government money on pavement and concrete?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if the Hon. Member looks at British Columbia, for instance, he will find that a very substantial federal investment was made in Ridley Island, and also a very significant investment in Vancouver itself, in B.C. Place. I hope he will also remember that British Columbia is the province which will have, of all the provinces in Canada, the largest investment resulting from important Crow rate changes passed by the House during the course of last year, in spite of the opposition of Conservative members from British Columbia who voted against this measure that will benefit British Columbia more than any other province in the country, to the tune of several billions of dollars.

Mr. Huntington: Nonsense; absolute nonsense.

Mr. Lalonde: This is the attitude of the Conservative Party toward British Columbia.

Mr. Siddon: Mr. Speaker—

Mr. Speaker: Order, please. Obviously we are not in question and answer; we are in debate where highly controversial statements are made and Hon. Members seem to feel they have the right to extended supplementary questions. This is a difficult position for the Chair. The Hon. Member for Selkirk-Interlake.

HUMAN RIGHTS

SEXUAL HARASSMENT CASE IN DEFENCE DEPARTMENT—APPEAL AGAINST COMMISSION'S RULING

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question will be short, and perhaps I will set an example. It is directed to the Minister of National Defence who is aware of a case of sexual harassment in his own Department, indeed which happened in his own riding. The case to which I refer is that of Bonnie Robichaud who complained of sexual harassment in 1979, and whose complaint was upheld by the Human Rights Commission in February, 1983.

How can the Minister justify appealing this ruling to the Federal Court? How can he morally defend proceeding with this appeal, not only in light of the ruling of the Human Rights Commission but also in light of the Government's stated policies which discourage sexual harassment in the Public Service and provide for disciplinary action when such harassment is proven to have taken place?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I am very sensitive to that particular issue for the reasons the hon. gentleman has identified. As well, I am sensitive to it because indeed there has been an increase in the number of women who have joined the Canadian forces. Of course there are substantial numbers of women within the civilian complement of Canadian National Defence, so doubly I am concerned about having a very good record in that area.

However, there are a number of issues which have been raised that I felt, having reviewed the appeal which was launched prior to my assuming this responsibility, still needed to be dealt with by a court of appeal. That is why the process has been undertaken and will be proceeding.

REQUEST THAT APPEAL BE WITHDRAWN

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my supplementary question is directed to the same Minister. He is aware that no sanctions have been taken against the man involved in this case. He is still on the job, despite the fact that Treasury Board guidelines indicate that management also has a continuing responsibility to stop any harassment that occurs in the work place whether or not there has been a complaint.

The Minister cannot have it both ways. Either the Government is committed to fighting sexual harassment, or it is not. Will he live up to the Government's stated objectives and withdraw this appeal in the Robichaud case?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I am not ready to withdraw the appeal. As I indicated to the Hon. Member, I have reviewed the matter very seriously because of its sensitiveness. Indeed I take my responsibilities very, very seriously. Under the circumstances I feel there are still some issues that have to be dealt with.

Until the appeal is disposed of I am not in a position to address the question of sanctions.

LABOUR CONDITIONS

REGIONS WITH HIGH UNEMPLOYMENT RATES

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, my question is also directed to the Minister of Finance. There are some eight economic regions in the country which are now running at well in excess of 20 per cent unemployment. If the criterion is whether or not they are represented by Liberal or Conservative members, I would point to Cape Breton, one of the hardest pressed areas in Canada, and the fact that it is represented to a large measure by the Hon. Member for Cape Breton Highlands-Canso.

Some Hon. Members: Question.

Mr. Forrestall: Can the Minister of Finance give some hope to these people that he is considering, with his colleagues, special programs which can be put into place in these particular economic areas where unemployment ranges from 22 per cent to 24 per cent, and even worse with respect to youth unemployment and women who are having enormous difficulty entering the labour force and re-entering it? Re-entry seems to be almost impossible. Is there some special initiative or some special attention being given to these specific eight economic regions?

• (1150)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, indeed the answer is yes. I invite my hon. friend to look at the various programs that are available and are in operation at the present time, particularly those under the authority of the Minister of Regional Industrial Expansion. As well, there are the agreements which were provided for by the Minister of State for Economic Development.

We are in the process of negotiating economic regional development agreements with a number of provinces, including the Province of Nova Scotia. These agreements will provide for significant amounts of money for regions which are suffering from high levels of unemployment. The programs under the authority of my colleague, the Minister of Regional Industrial Expansion, also provide for special incentives which are related to the levels of unemployment in various regions of the country so as to attract industrial investment in those areas in which there is high unemployment.

As to the other measures which have been taken by the Government in order to help the economy of Nova Scotia, I must remind the Hon. Member that, particularly under the offshore agreement we have with the Province of Nova Scotia, we have been able to sustain and encourage the development of an industry related to offshore development, and we have also provided for money to be available to the Government of Nova Scotia in order to ensure the appropriate infrastructure development in that province. I leave aside all the amounts of money that have been spent by the Government, whether in regard to Devco or to other activities in Nova Scotia.

Mr. Forrestall: Mr. Speaker, it is quite obvious then that government Members did not sit down this morning and say:

"We have a serious problem and we should address that serious problem".

OFFSHORE DEVELOPMENT INVESTMENT

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, the Minister of Finance has cited the offshore program. I wonder if I might ask him whether or not he and his colleagues have taken any steps to reduce the drain on offshore investment money from the East Coast of Canada. We lose over 94 per cent of the billions of dollars which are going into that development. What has he done to turn that investment around and make it stay in industrial Cape Breton, for example, where it might create the new jobs which are required particularly in these economic regions? The Minister laughs.

Mr. Speaker: The Hon. Member has asked his supplementary question. Could the Minister please answer the question?

Mr. Forrestall: If the Minister laughs in the face of a Cape Bretoner once more, he will be looking for another job.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am surprised that the Hon. Member wonders whether or not we sat down this morning to do something exceptional. No, we did not sit down this morning to do something exceptional because we have been at work on the problems of unemployment for a heck of a long time. We have been taking quite effective steps to deal with these problems, particularly in the Hon. Member's own province.

The Hon. Member is raising the issue of offshore development. I must remind him of the agreement with his province concerning the creation of ocean industries and the fact that we have been taking such steps. These steps have been taken in spite of the opposition of the Conservative Party concerning support for offshore development, in spite of the opposition of the Conservative Party to the measures taken under the National Energy Program to develop offshore, in spite of the opposition of the Conservative Party to the support for Canadian industrial development in those particular areas, and in spite of the attitude of members of the Conservative Party who would favour multinational corporations over Canadian corporations in that regard. We have—

Mr. Speaker: I believe that the Hon. Minister has answered the question.

* * *

[*Translation*]

EXTERNAL AFFAIRS

ATTACK BY TURKISH NAVY ON GREEK VESSELS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, my question is directed to the Hon. Minister of State (External Relations). There has been some very alarming news about an attack by the Turkish navy against a Greek vessel or vessels in the Aegean Sea. Could the Minister give the House some additional information that would clarify for the Canadian public the tragic situation in that part of the world and would also reassure the many Canadians of Greek origin who were very alarmed by the news this morning?

Mr. Speaker: The Hon. Member has asked a very general question, and I would invite the Hon. Minister to answer fairly briefly, if possible.

Hon. Jean-Luc Pepin (Minister for External Relations): I like that "if possible", Mr. Speaker. I am aware of the interest of the Hon. Member for Saint-Denis in matters pertaining to the Middle East in general, and to Greek issues in particular. This morning I tried to get some information from the Minister on the events to which the Hon. Member is referring. Unfortunately, the Minister did not have much first-hand information. However, he did say that the hypothesis that it may have been just an accident, without any material damage, was quite plausible. I shall continue my enquiries and I hope I will be able to give the Hon. Member some reassuring news, probably on Monday.

* * *

[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT IN PRINCE EDWARD ISLAND

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question would be directed to the Minister of Finance if I could get his attention. From January to February, Prince Edward Island lost 1,000 jobs. February was the third month in a row in which the unemployment rate in Prince Edward Island jumped sharply, creating an over-all increase of 2.1 per cent in three months. Would the Minister explain to the people of Prince Edward Island how such a dire situation constitutes the recovery about which he boasts?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member refers to the specific situation of Prince Edward Island in particular. I want to remind him of the investments made by the Government in Prince Edward Island and in his own riding by the Department of Veterans Affairs, which will create hundreds of permanent, well paid jobs in his own riding.

I would also like to remind the Hon. Member that, out of all of the provinces in Canada, the province that receives the greatest support from the federal Government per capita is Prince Edward Island. The support through the regional development grants and programs represents $1,200 per capita in Prince Edward Island. This is much more than the support that has been given to any other particular area or province in the country, by hundreds and hundreds of dollars. The concern and interest that the Government of Canada has taken in the welfare of the people of Prince Edward Island should, I think,

be quite evident to the Hon. Member, even in spite of his partisan approach to this particular problem.

MINISTER'S POSITION

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my supplementary question is directed to the Minister of Finance. When a province like Prince Edward Island loses hundreds of jobs in three months despite all of the *ad hoc* programs to which the Minister of Finance has made reference, and the Minister describes that as recovery, could the Minister stand today and describe to the House, for the sake of the people of Prince Edward Island and the people of Canada as a whole, what recession means in his mind, if that constitutes recovery?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, again I invite my hon. friend to examine the level of support for the economy of Prince Edward Island that has been undertaken by the Government. This level of support has been consistent over the years, and we intend to continue that kind of support.

If my hon. friend would bother to check the exact figures he would find, as a matter of fact, that the Prince Edward Island economy has fared relatively better than many other regional economies during the recession, and that the level of unemployment in Prince Edward Island, although high, is still lower than that which exists in some other provinces in the country. I invite my friend to consider this situation by comparing his province with other provinces which are also entitled to support from the federal Government in order to meet their difficulties.

* * *

CONSUMER AND CORPORATE AFFAIRS

DISCOUNTING OF INCOME TAX REFUNDS

Hon. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Last year I urged the Minister's predecessor to table a Bill putting an end to the activities of tax discounters, those social vultures who prey upon the poor, the unemployed, and particularly poor women, by charging annual interest rates which are effectively well over 200 per cent in many cases. In view of the Minister's admission earlier this week that there is something wrong with a system which permits this kind of activity to take place, and in view of the lengthy delays taken by the tax Department when issuing refunds, what action is the Minister prepared to take now to stop this legalized theft, particularly of child tax credits and other tax refunds?

● (1200)

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, I agree. I abhor the practice that is under way. I can assure the Hon. Member that I have taken steps. I am having discussions with the Minister of National Health and Welfare who is as disturbed as I am, as well as with the Minister of National Revenue.

Unfortunately, it is too late to do much this year, but I can assure the Hon. Member that a new system will be in place by the next taxation year. I congratulate those credit unions that have taken up our suggestion that they occupy that territory. They have begun to do so very well, particularly in the Hamilton area.

Mr. Robinson (Burnaby): Mr. Speaker, the Minister should have moved on this question a long time ago.

MONEY MART—FEES CHARGED FOR CASHING GOVERNMENT CHEQUES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question relates to the activities of another group of commercial parasites, the Money Mart franchises. In view of the extortionate fees charged by these outfits to cash government cheques—fees which banks are prohibited from charging by law—will the Minister support speedy changes to the Bank Act to, in effect, prohibit the Money Mart chain from charging fees for cashing federally issued cheques? I would point out that the primary clientele of Money Mart are low income people.

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, as usual the Hon. Member has some very simplistic solutions to practices which I abhor as well. I suggest to him that if we were to take up his suggestions there is always the tendency they would drive all those people underground where they would charge even higher fees. There must be a balanced and realistic approach to the problem. I suggest that he offer some realistic solutions, not the kind of band-aid solutions he is putting forward in the House.

Mr. Speaker: One short question for the Hon. Member for Capilano (Mr. Huntington).

* * *

REGIONAL DEVELOPMENT

DISTRIBUTION OF FUNDS TO BRITISH COLUMBIA—ALLEGED STATEMENT BY MINISTER OF ENVIRONMENT

Hon. Ron Huntington (Capilano): Mr. Speaker, in reply to my colleague, the Hon. Member for Richmond-South Delta, the Minister of Finance said that the Government, and he in particular, cared about the people in British Columbia. In that statement is he refuting absolutely the statement made yesterday in Vancouver by his colleague, the Minister of the Environment? When he was asked if the federal Government would be prepared to co-operate with assistance for reforestation, the Minister of the Environment replied that the Government would not do so because the Province of British Columbia does not vote Liberal and does not lobby properly.

Does the Minister of Finance refute absolutely the example of the Minister of the Environment, who said that Quebec

manufacturers knew how to get money out of the Liberal Government and the Province of British Columbia did not?

Mr. Nielsen: Dance around that one.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the question of the Hon. Member is so—

Mr. Nielsen: Factual.

Mr. Lalonde: —obviously wrong that it does not deserve much of an answer. The Minister of the Environment has declared that the federal Government is not spending funds for reforestation at the present time in British Columbia because—

Mr. Huntington: Because they do not vote Liberal.

Mr. Lalonde: —we have been unable to get an agreement with British Columbia on reforestation. That is his statement. That is what he actually said.

Mr. Huntington: They don't know how to lobby is what he said.

Mr. Lalonde: This has been the situation because of the attitude of the provincial Government which controls all Crown land in British Columbia and under whose authority the reforestation program would have to take place.

Mr. Huntington: They don't vote Liberal is what he says.

Mr. Lalonde: We have had agreements with Manitoba and with other provinces regarding reforestation. The Government of Canada is ready to enter into an agreement also with the Government of British Columbia.

Mr. Huntington: Only if they vote Liberal.

* * *

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I have a short point of order arising out of the response of the Minister of Finance (Mr. Lalonde) to questions relating to British Columbia. I am sure he would not want inadvertently to mislead the House but he did imply that the money arising out of the Crow benefit would be spent in Canada. I think that if he checks he will find that $600 million of that—

Mr. Speaker: This is argument, not a point of order. This is debate.

* * *

PETITION

MR. PARKER—TELEVISION RECEPTION IN BRITISH COLUMBIA

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) on Thursday, March 8, 1984, meets the requirements of the Standing Orders as to form.

POINT OF ORDER

MR. PAPROSKI—LACK OF OPPORTUNITY TO ASK QUESTION

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I rise on a point of order. I really felt neglected today in the Question Period. I could not ask a question of the Minister of State for Fitness and Amateur Sport (Mr. Olivier) because he was not here. The former Minister of Sport was not here, and the other former Minister from Halifax who is now running for—

Mr. Speaker: Order. I call to the attention of the Hon. Member that even if the parties named had been here the length of the questions and the length of the answers would have precluded him from having the opportunity in any case.

Mr. Paproski: They are going to lose $34 million and none of the Ministers is around.

ROUTINE PROCEEDINGS

[*English*]

PETITION

MR. COSGROVE—PENALTIES FOR DRUNK DRIVING

Hon. Paul J. Cosgrove (York-Scarborough): Mr. Speaker, I have a petition to present to the House signed by residents of the Province of Ontario, drawing the attention of the House to the serious problem of drinking and driving. They urge passage of amendments to the Criminal Code which will increase the penalties of those found guilty of drinking and driving.

This is the third such petition that I have presented, Mr. Speaker.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 366, 584, 615 and 643.

[*Text*]

BOUNDARY BAY AIRPORT, DELTA, B.C.

Question No. 366—**Mr. St. Germain:**

Did the Department of Transport incur any cost in reactivating the Boundary Bay Airport in Delta, B.C., and, if so, what was the cost of the (a) runway resurfacing (b) construction of a control tower (c) other servicing or provision of facilities at the airport?

Hon. Lloyd Axworthy (Minister of Transport): Transport Canada costs in the reactivation of Boundary Bay Airport:

(a) Runway resurfacing (actual)	$ 750,000
(b) Construct Control Tower (estimate)	$1,800,000
(c) Other services and facilities	$4,100,000
Breakdown for "C"	
Field Lighting	$ 885,000
Access Roads	$ 820,000
Water Supply	$ 500,000
Misc. site development (demolition, grading, etc.)	$ 450,000
Site Drainage Improvements	$ 435,000
Power Supply	$ 320,000
Fencing	$ 220,000
Flightway Obstruction Removal and markings	$ 210,000
Temporary Structure and services for Airport Operations	$ 210,000
Miscellaneous Contingencies	$ 50,000

CITIZENSHIP COURT JUDGES

Question No. 584—**Mr. Howie:**

How many persons are currently employed as Citizenship Court Judges and what is the salary range for such judges?

Hon. Serge Joyal (Secretary of State):

Title	Salary Range	Number
Per Diem Judge	$39,830 — 46,850	1
Judges	39,830 — 46,850	28
Regional Co-ordinators	46,740 — 54,970	3
National Co-ordinator	52,860 — 62,210	1
Total		33

ROYAL CANADIAN MINT

Question No. 615—**Mr. Howie:**

Did the Royal Canadian Mint operate at a profit in either of the last two fiscal years and, if so, in each case, what was the excess of revenue over expenditures?

Hon. Charles Lapointe (Minister of Supply and Services): I am informed by the Royal Canadian Mint as follows: Yes. 1981 calendar year—$10,699,793. 1982 calendar year—$14,856,000.

MACHINERY PROGRAM

Question No. 643—**Mr. Stewart:**

Is there a Machinery Program and, if so, in the fiscal year (a) 1982-83 what amount was expended under the program (b) 1983-84 what amount was budgeted for the program?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Yes. The Machinery Program was introduced in 1968 pursuant to the provisions of the Customs Tariff Act. (a) $298,169,863 in the form of duty remission, (b) There is no amount budgeted for remission of duty under this program. The amount of duty remitted varies depending upon the volume and value of goods imported under those tariff items subject to the provisions of the Machinery Program.

[*English*]

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

Security Intelligence Service

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

The House resumed from Monday, February 20, consideration of the motion of Mr. Kaplan that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I should like to review a little of what I said on February 20. Bill C-9 is an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto.

In my opening remarks I began to discuss the notion of what security means in current English. I believe there has been a change in the meaning of the word in our part of the world.

During the break we had last week I visited a number of high schools in Saskatoon and spoke to student bodies. I was surprised to find among them a great concern about this Bill. In fact, I received more questions about the security Bill than about any other area of activity in the House of Commons. This was an eye opener to me because I did not realize young people had this concern.

In my opening remarks on the Bill I spoke about the notion of security. Words indicate what is happening in society so the change in the meaning of a word indicate a change in mentality. When I was younger I believed that the word "security" referred to a state of well-being. You were secure when you were in your home; you were well looked after, you were warm, your parents were with you and there was a state of security. In today's world I believe there is an almost completely different understanding of the word, and that is why I think it is important to define what we mean by the word "security" in the Bill.

Today I think security almost means looking at someone as an enemy. To be secure you have to be sure that you can check everybody out. To be secure you have to sort of work against everybody who might be trying to damage your own security. Probably the best example of how the meaning of the word has

changed is with the systems at airports. People now take it for granted that they go through security. They are actually going through a machine which is there because the airline company or society has indicated that everyone in the airport is possibly suspected of subversion. Interestingly enough, no one stands up and protests that what is taking place is an indication to every person that they are actually a security risk and cannot be trusted. I feel that change in mentality is something which is very significant in terms of this Bill which is before us.

● (1210)

I have had the experience of living in a part of the world in which there was a radical change in the notion of security. In Latin America in the 1960s the policy which was adopted by five of the major countries there is what is known as the "doctrine of national security". That doctrine began in Brazil in 1964 when the military overthrew the democratically elected Government of Goulart and then put into effect the military regime which has lasted down to the present time, although the severity of that particular regime has tapered off in the last number of years.

Following that takeover there were the coups which took place in Argentina, Uruguay, Chile and Bolivia. Each of them had basically the same mentality and philosophy, which was always based on the idea of national security. National security was understood in the kind of philosophy that one had to be against the enemy and the enemy was, for simplistic purposes, communism. Therefore, the military took over and took away the rights of people. There was no problem at all. There was no discrimination whatsoever. Everyone in a sense became the enemy. Just as Pogo said in the comic strip: "We looked for the enemy and the enemy was us". And that was the factual situation in those countries.

I am not talking about what used to be called "the banana republics". I am talking about countries with high levels of historical democratic process such as Argentina and Chile which had 132 years of democratic governments prior to these takeovers. The reason they were finally taken over was the idea that in those countries there were subversives, communists, people who were going to take over the government, the government having already been taken over by the military. There was this idea that one had to protect oneself against the subversive.

When I learned that the Government was going to introduce a Bill which was based on the idea of having a Security Intelligence Service, I could not believe it. I just could not believe that those kinds of words could be used in Canada. I would like the Government to look seriously at what is happening, because if there is any possibility at all of the philosophy which I have been outlining, under which I have lived and which I have seen operate, taking place right now, I say to government stop, and stop now. Once this kind of operation is in place with its secrecy, there is no way to find out what is happening; and if you happen to be one of the "subversives", there is no way of telling whether your telephone is tapped or your mail is being opened. I have lived through all that. Even today I have great difficulty feeling really secure that my phone is not being tapped or that my mail is not being opened. That is because I lived for six years where that was a reality in part of the world which not very long before had been a democratic country.

What happened in the situation where everyone became a subversive, and where those countries had to set up a security service not unlike what we have here? It had a body which was the directorship and it had under it the agents. The agents had absolute and total power to do whatever they wanted. Whom did they go after? They went after anyone who questioned what was going on in the government. Who were they? They were the university community.

In the area I lived in Brazil in the 1960s, near the place where I lived, there was a city which had a state university, the city of Maceió. During the period of January, 1969 every single university professor was arrested or detained. Why were they arrested or detained? Because they were subversives? No, because they "might" be subversives. They were questioned and put through police procedures and looked upon as being spies and enemies of the state.

I lived in another reality in which there were a great number of so-called "subversives", people one could not trust. It was the church. People who were actively involved in church responsibilities became the subversives. Many of my friends and colleagues and many of the people I worked with became the subversives. They were arrested and imprisoned and sometimes they were killed. This was all done under the notion of security of the state. Other subversives were the labour unions. Anyone at all who had any influence over the workers, the leaders of the organizations of the workers, became the subversives, the enemies of the state, so they likewise went through the same procedure.

Young people were also involved. They became the enemy because they were asking why this was going on. They asked how it was possible that a government could set up a system which treats its people as though they were all enemies of the state. But it did, and that situation still exists, Mr. Speaker. It exists in several countries yet.

I am happy to say, after having been to Brazil and talked to the human rights people, that much of the early violence against civilians which was carried out by the security services in the name of guarding security has disappeared. However, in Uruguay it still exists. In Chile it is very real. There is no break at all I can see in the position there. Thanks be to goodness, in Argentina I believe there has been a change and that a democratic election has brought back to Argentina—again, a country with a long tradition of working and democratic processes—a system in which it is going back and rechecking that period of its history, the period of violence carried out against its own citizens in the name of justice.

What this Bill is attempting to deal with is the difficult distinction between legitimate dissent and subversion. I admit there are times when that must be a very difficult thing to decide. However, I am very much afraid of the fact that if that is done through a secret system in which the citizens of the

country cannot get a responsible answer, it will become very dangerous for the citizens of the country.

What would be considered legitimate dissent? Could it happen down the road that there will be a militant group which will get into government and take over this civilian service? I suspect that that is a real possibility in our country when I observe the ease with which some people, including people in this House, throw around the word "communist" or the word "subversive", and I have heard them use those words. Could it just be down the road that suddenly the same thing will happen and the same kind of people who suffered in Latin America will suffer under this super security mentality, this super necessity to get intelligence and information out of anyone no matter how, whether by using the telephone, the post, or by using prison, intimidation, torture or even death? Is it possible that the beginnings of that kind of mentality in a system is already among us? I speak with emotion about it naturally, because I have lived and suffered under that system.

I ask the Government, and I ask it seriously, to reconsider what it is doing. This notion of setting up a Security Intelligence Service which is not part of the RCMP, which is not something we can question, we can see, talk to and check on to find out what is going on, is a very dangerous precedent in Canadian life.

How did the situation happen in Latin America where there were people who knew about democracy, who had constitutions and well formed governments? I lived through it and I watched it take place. I would like to introduce into the debate today some ideas which have been presented by the Interchurch committee on Human Rights in Latin America. They are ideas which have been put forward by some of the most outstanding theologians, philosophers and historians of Latin America itself, including José Comblin, a theologian who is well known throughout all of Latin America and who has written extensively on the church and the national security state in Latin America.

It is claimed that the ideology of the national security state had two main sources. I believe it is true because I have seen it. One might be called indigenous in that it goes back to the roots of Spanish and Italian fascism and those Catholic organizations on the far right involved in all of that. The other can be traced to a much more recent event, the training provided for military and security forces in the U.S. and in the School of the Americas in Panama founded by the U.S., and in the Supreme War College of Brazil. I have spoken to graduates of both places and they have told me about what took place there.

• (1220)

That is where this philosophy, this mentality, was brought forward that you had to have this super security over all citizens so that there would be no subversion, which I agree with, but also that legitimate dissent did not exist. There was no way that you could question what was going on because "big brother", the government, said what is going on is good and you should accept that because "Big Brother" said it is good. There was no way to have legitimate dissent. When there was any form of dissent at all from the church, the universities or labour unions, they then became the targets.

What happened next was that, because people could see this was oppression in its worst form, throughout Latin America there was a strong movement among many people, including church people, to have people study in the light of the Gospel and other values whether this was right or wrong. What took place was "conscientization". It is a difficult word, it does not really exist in English, but it is a word—*concientizacão*—which basically means that people, after studying a reality, grow to a new awareness of who they are and what their rights are under the system they live in. They can have legitimate dissent and speak up and find a better way down the road.

Unfortunately my time is running out, Mr. Speaker. Thank you.

Mr. Blaikie: Mr. Speaker, I have a comment and perhaps a question. I was glad the Hon. Member for Saskatoon East (Mr. Ogle) mentioned the Interchurch Committee on Human Rights in Latin America because I think it is important to see this whole debate about what constitutes subversion as compared to legitimate dissent in the proper theological and historical context. I ask Members who are genuinely interested in this debate to remember that this debate is at the centre of the very beginning of our civilization, to the extent we call ourselves a civilization based on the Judaeo-Christian tradition.

The central event at the beginning of that tradition, the crucifixion of Jesus Christ, was a matter having everything to do with subversion versus dissent. The crucifixion was a Roman punishment, not a Jewish punishment, for enemies of the state. Christ was regarded as an enemy of the state because He called into question the supremacy of Roman law and Roman authority. He said that people owed their obedience more to the Kingdom of God in its justice than to any temporal or earthly authority. People should keep that in mind and perhaps the Hon. Member would want to comment on that.

Mr. Ogle: Mr. Speaker, I thank my colleague for putting it into very clear religious terms. We are dealing with the essential value of human life and the essential rights of humans. There are different ways of handling that. There is a way of saying that without becoming a criminal. The example of Christ and the crucifixion can be looked on as my colleague demonstrated. There was no way for legitimate dissent against what was going on. You became a subversive and that meant death. His historic example is one that we see many times in modern day life, and death is the answer. I know people who have been killed because they asked questions. I hope this Government looks at the basics and that it will find a way so that our democratic processes and freedoms will be protected without turning us into a police state.

Mr. Heap: Mr. Speaker, my question concerns the Hon. Member's reference to the School of the Americas and the War College in Brazil. He talked about the teaching carried

on there but he has not made any connection between these two colleges and Canada. There is a connection with the word "security" which is no doubt very similar to the word in the Spanish language or the Portuguese language used in those countries. Does the Hon. Member have any information which connects the teaching of those two schools with Canada? Were there personnel exchanges, or any indication that the teaching has come back to Canada from those schools?

Mr. Ogle: Mr. Speaker, I thank my colleague for the question. I cannot say if there has been any information which has come back from those two schools. However, I think it is interesting to know the history of those schools. In 1969 Nelson Rockefeller was asked to make a report on the whole of Latin America before the Alliance for Progress went into effect. After he made his report it was made a condition of the Alliance for Progress program that countries would receive aid if they were against communism. They would have to prove that they were against communism.

The two schools I speak of are where people were trained to find a way to bring about the total destruction of communism. Now, of course I speak about it in simplicity, but the people who became the communists were the people who were asking questions. They may have been communists, but in my experience the majority of the people were the poor, the oppressed and those who wanted a better deal, a change. But when they started asking for a change they became the subversives. The people who brought about the attack against them, and I have spoken to many of them, have told me that they learned how to do it at either one of those two places.

Mr. Flis: Mr. Speaker, I ask the Member whether he does not feel there are enough safeguards in the Bill to protect the Canadian Security Intelligence Service from the kind of abuses he and his Party are afraid of. I draw his attention to the definition of "threats to the security of Canada":

(a) espionage or sabotage that is against Canada or is detrimental to the interests of Canada or activities directed toward or in support of such espionage or sabotage,

(b) foreign influenced activities within or relating to Canada that are detrimental to the interests of Canada and are clandestine or deceptive or involve a threat to any person,

I will not read (c) or (d), but I would like to remind the Hon. Member that the Bill clearly states:

—but does not include lawful advocacy, protest or dissent, unless carried on in conjunction with any of the activities referred to in paragraphs (a) to (d).

● (1230)

Would he not also agree that there is a great deal of security protection built into the Bill under Section 34, which provides for the setting up of a Security Intelligence Review Committee? Section 34 states—

The Acting Speaker (Mr. Herbert): Order, please. I have referred to this matter before. On second reading we should not be discussing the individual clauses. We are supposed to be discussing the Bill in principle only. Maybe the Member would confine his remarks to the principle of the Bill.

Mr. Flis: Yes. I would like to ask whether the principle of building in such a Security Intelligence Review Committee provides the kind of protection he is looking for, especially when there are representatives of the Leader of the Official Opposition (Mr. Mulroney) and the Leader of the New Democratic Party (Mr. Broadbent) on that Committee. Surely the Bill gives adequate protection against the kind of concerns and fears the NDP is expressing.

Mr. Ogle: Mr. Speaker, with all due respect to my colleague, I would say no. I think my response reflects the idea of all civil libertarian groups I know in Canada, as well as bar associations and other groups.

Mr. Blaikie: Mr. Speaker, I would like to make a final comment. What is being missed as we move from the RCMP to a new civilian security service is the opportunity to have a genuine change in our view of what constitutes subversion. Some of the views which the Member for Saskatoon East expressed about the future are already here. The Government has 800,000 files on Canadians. In 1969 I attended a demonstration at a Liberal fund raising banquet in Winnipeg at which the Prime Minister was speaking in which I protested, a second voyage of the oil tanker *Manhattan* through the Northwest Passage. I later discovered I was listed as a potential communist because I did not want the *Manhattan* to go through the Northwest Passage. That is the type of paranoia which has existed in the country at least since 1969—not in the future but since 1969—and which, if we do not change, will lead to the kind of future which the Member for Saskatoon East fears.

Mr. Ogle: Mr. Speaker, I would just say I agree with what the Member said.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, there appears to be a kind of love-in with the few remaining socialists in Canada.

Mr. Waddell: He said he was President of the YPC.

Mr. McKinnon: I would like to tell the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) and the Hon. Member for Saskatoon East (Mr. Ogle) that the rights of free speech and dissent are not in the hearts of the NDP alone. It goes back to the axiom that I disagree with everything you say, but will defend to the death your right to say it. I am not quite prepared to go to that length, but Voltaire said that quite some time ago and I do not think he could have been accused of being a socialist. It is true that one must have the right to dissent. I believe all of us on this side of the House certainly believe in that and will sustain it.

This Bill succeeds Bill C-157. It was a feckless, gormless government which produced Bill C-157. At the time of the production of that Bill Canadians were looking for something which would enable us to have a less militant organization, possibly something like the CIA of some years but not of others. We wanted it to be somewhat milder. Instead of that, the Government produced Bill C-157 which would not have

given us anything like the CIA. It would have given us something more akin to the KGB. Fortunately the place of sober second thought looked it over and successfully pointed out to the Government that it was a totally inappropriate Bill to be put in front of the Canadian people.

Bill C-9, which is in front of us at the present time, sets up the Canadian Security Intelligence Service. This Bill is somewhat better. It needs a lot of improvement yet and we hope there will be some improvement when it gets into committee. Perhaps it would be useful to the House if I were to discuss this Bill in terms of the organization we have at the present time of which not everyone is aware. It is extraordinarily difficult to get any information on the way the system works at the present time, as everyone knows. I will discuss the organization in those terms first and then review the Bill. This may help us see where we are in danger of going in the future.

The current organization for security and intelligence is amorphous, to say the least. At the present time it does have some component parts which, fortunately, are distributed among several Departments whereby the Ministers can have something to say about what their component is doing. There are three Departments which are quite seriously involved and I think the Solicitor General's Department is first since it controls the RCMP.

As a result of the difficulties in 1970 with the FLQ in Quebec, it was determined there was no crisis management capability in the Government. It was then decided to set up a security section of the RCMP as a result of what happened in those days. At the present time there are sections A, B, D, E, F, H, I, J and L which are operating sections of the security division. I believe these sections are alphabetically designated for functional purposes with certain sections looking after certain problems. One wonders what happened to C, G, and K sections which are missing from their alphabetical list. However, that is a rather specious curiosity.

At that time they decided they should have a civilian in charge of this section of the RCMP. They did not go all the way to choosing a civilian but rather chose Lieutenant General Dare, a very competent and highly qualified military man who had been of considerable assistance during the problems in Quebec at that time. His capabilities had impressed the Government and they made him the head of the security section of the RCMP. I have a great deal of admiration for his capabilities. I do not believe the direction he received was what it should have been.

I will move for the time being from the Solicitor General's Department to the Department of National Defence. There exists the famous section known as the Communications Security Establishment which is located here in Ottawa. It arouses the interest of the media about once a year when someone in the media stumbles over the Communications Security Establishment. We then see a headline such as "Electronic Spy Agency has Doubled in Nine Years". It is difficult to think of anything which has not doubled in nine years, of course. The media immediately interprets it as a great spy agency which is doing something that should not be done. I heard it best described as being there to ensure the security of our communications and the insecurity of everyone else's. That may well be the real purpose of the CSE.

It has quite a collection of information for intelligence and other purposes. It does have several sub-parts which are not all that well known. It is useful sometimes in peace-keeping. Under capabilities I would like to mention the electronic surveillance units which they have at the present time. There are very excellent units indeed and the capability of Canadians in electronic surveillance is well known everywhere.

● (1240)

I visited the Sinai desert at the time when Canadian troops were there in a peace-keeping role. As an example of how there can be advantages to this kind of capability, a group had been formed by the United Nations to supervise the green line at that time between the Egyptians primarily and the Israelis. This group which had been established under United Nations supervision had an electronic surveillance capability and possessed some of the most exotic sound detection systems one could imagine. This organization sat on the green line and was able to report not only to the UN or just one side, but to both of the contending sides about what the other side was doing. Everything which they reported was automatically conveyed to both sides. Consequently there was no danger of one side basing its decisions on hearsay information and attacking in a panic situation. Pre-emptive attack is very popular among small countries that get into difficulty and require peace-keeping forces. There was quite some use at that time for surveillance units.

I sometimes disagree with the appropriateness or capability of the RCMP involvement in international espionage when dealing with certain Canadians who occasionally become involved in it. I must confess that the RCMP seems to have a great predilection to turn traitorous Canadians into double agents. As best I can tell, it has a success rate of absolutely zero in this matter. To my knowledge, everyone whom the RCMP has picked off turned out to be too stupid, incapable or had already blown their cover as a double agent.

I would like to refer to a book entitled *Men in the Shadows*. It mentions that at a certain period of time:

> There was a whole new series of successful recruitments in Moscow during the late 1960s and early 1970s. A Canadian corporal acting as chauffeur-assistant to the Canadian Military Attaché in Moscow—

As an aside I might note that Canadian military attachés are there to report on the military of the country in which they are stationed. They are not there to open doors for visiting VIPs. They have a duty and are known in the trade usually as bright young officers with good cameras. This one had a chauffeur-assistant who spied for the KGB in the early 1970s. The book goes on to state:

> He was apparently caught black-marketing in the exchange of foreign currency and pressured into the role of an agent for which he was rewarded both financially and sexually. He did the usual things, like planting bugs within the embassy and reporting on the weaknesses of other Canadians, and continued to do so after being transferred to Peking. He was discovered by West German Intelligence—

Not ours, but by West German Intelligence.

—after being posted to the Canadian military base at Lahr and put under surveillance in August, 1974. He was escorted back to Canada and confessed but also was not prosecuted. He resigned with a pension.

This is why I sometimes have doubts as to the proper direction of our counter-espionage and espionage systems.

In Bill C-157 we found that there was no real accountability fixed anywhere. Bill C-9 would set up a review committee but neither Bill C-9 nor C-157 provides for the right of the review committee to seek Cabinet documents. I am sure the Cabinet will simply not let the review committee see Cabinet documents. It is interesting to note that the Senate committee recommended that the review committee be allowed to see Cabinet documents. With such a highly sensitive area as this, it is difficult to understand how the review committee could possibly function without that ability.

If one researches to see who is in charge of our present organization, it is the Cabinet Committee on Security and Intelligence. While it has that responsibility, it seems rather loath either to use or accept that responsibility. I recall when the Prime Minister (Mr. Trudeau) stood in the House and pointed out that in many of these cases it is best that the Solicitor General (Mr. Kaplan) not know what was going on. This is a thesis which I cannot accept at all.

I remember the first meeting of the Cabinet Committee on Security and Intelligence when we took office in 1979. We talked to the staff and they told us at that time that it was the first meeting of the committee in two years. To my recollection we had five meetings during the nine months in which we were in office. I understand that the committee has met twice in the last year but I do not believe it is really evidence of a reformation on any great scale since it has presumably spent some time studying Bill C-157 and Bill C-9. It would have a difficult time doing that without sitting once in a while.

The make-up of the committee is interesting. When the Right Hon. Member for Yellowhead (Mr. Clark) was Prime Minister, he chaired the committee, as does the present Prime Minister. I was the Minister of National Defence and in that role I was the Vice-Chairman of the committee. I notice that now it is the Secretary of State for External Affairs and Deputy Prime Minister (Mr. MacEachen) who holds that position. This puts External Affairs in a higher position than it was in 1979 as far as this particular committee is concerned.

There are not too many differences in the committee's membership. At that time the Minister of Public Works was on the committee. The present Government has on the committee the Minister of State for Social Development, who is in the other place, as well as the Minister of Energy, Mines and Resources (Mr. Chrétien) and the Minister of Finance (Mr. Lalonde). I am not quite sure why these economic Ministers are on the Committee on Security and Intelligence unless they feel that the economy is in such a terrible condition that the whole country might collapse and they will be needed there. I suppose that is for them to decide.

The present Cabinet committee is larger, as is the case with most everything in the Cabinet of the Prime Minister. There are ten men on their committee and six men on its alternate list. In our day we had seven men and one woman on the committee. I suggest that we should be concerned about the frequency of this committee's meetings.

If we look in the Bill to see who is in charge of this operation, it can be seen that it is quite clearly put into the hands of the Solicitor General. There is no longer any doubt about who is in charge. The definitions clearly put the responsibility on the Solicitor General, far more than it was under the old system when the Cabinet committee had that responsibility. The strange thing that has existed until today—one can understand, knowing that the Cabinet committee practically never met—is that there is a committee of deputy ministers which deals with security and intelligence. It is a committee that does not like to be known as a mirror committee but prefers to be called an interdepartmental committee of deputy ministers. It deals with security and intelligence and has two subcommittees, one on security and one on intelligence.

I have heard from members of that committee of deputy ministers, although General Dare was the person who chaired it, that they have been meeting once a month for four years and corresponding with the Cabinet committee but not receiving any replies. It eventually adopted a strategy of which I do not approve. When it made recommendations or passed resolutions in the committee, it would refer them to the Cabinet committee. If it did not receive a response it would consider that they had been accepted by the Cabinet. This is a very dangerous option for it to practise and I hope this will not take place in the future. When we see the lines of communication provided for in Bill C-9, the Solicitor General has a deputy minister who can report directly to that committee.

• (1250)

The Director of the service will be a very powerful man indeed. He can report either to the deputy minister or to the Solicitor General. But poor people like the Minister of National Defence (Mr. Blais) can only write to the Solicitor General.

Mr. Blais: And talk to him, too.

Mr. McKinnon: He will not be able to send a copy to the person who is making decisions, which would appear to be the Director.

In my last couple of minutes I want to mention a few concerns of mine having to do with personnel. First is the transfer of personnel. This Bill refers to what will happen to members of the RCMP who are transferred into the new organization. It does not mention what is going to happen to military personnel. I can say quite frankly I believe there are several hundred military personnel who are involved at the present time in electronic interception. Whether they are going to be converted into civil servants in this organization is not made clear at all. I know we should not be pointing out specific parts of the Bill at this stage of the discussion, but on page 26 of Bill C-9 the RCMP is mentioned very fully. There is no mention made, however, of what will happen to the service personnel.

I worry considerably about the make-up of the review committee, which consists of a Chairman plus two to four Privy Councillors. These Privy Councillors cannot be Members of the House of Commons or members of the Senate. This gets one into a very select little group. Everyone is casting around wondering who will be appointed. These appointments will be made by the Governor in Council; therefore, we will end up with the Prime Minister's friends on the committee. I believe this is of great concern to Canadians.

This Government does not have the confidence of the Canadian people. I do not know who will win the election, but I think it would be helpful if an election were held before something like this is put in place. When you consider that the Director has been given the authority for staffing this entire organization, one can see what could happen. All the applicants for porkbarrel treatment would be up at the top of this organization. There is one across the way. If the Hon. Member is certain of his future in the House, he might want to stay here.

Mr. Pepin: What about you?

Mr. McKinnon: There are other Privy Councillors around looking for work, I suppose, but there are not too many of them who have the qualifications. Jack Horner appears to be rattling around looking for work again.

Mr. Pepin: He has a job.

Mr. McKinnon: Senator Stollery, I understand, feels that his job is rather confining. He feels his hands are tied on occasion and he is not happy with it.

Mr. Waddell: He is a police counsellor.

Mr. McKinnon: He could be made a Privy Councillor. It takes only a day to make someone a Privy Councillor. I am not at all sure we would want to end up with somebody like that.

Personally I feel that this Bill, unless it is changed dramatically, cannot receive our support. I would like to see an election intervene because frankly the people of Canada worry very much about the track record which this Government has of Governor in Council appointments. People worry very much about having our intelligence and security operation put in the hands of somebody selected by the Privy Council.

Mr. Flis: Mr. Speaker, I have a couple of brief questions. I was very pleased to hear the Hon. Member for Victoria (Mr. McKinnon) say that Bill C-9 is much better than Bill C-157. He agrees that it needs some improvement. Could he tell the House whether, in light of the fact that the Senate committee made so many changes to the Bill, his Party is prepared to support this Bill in principle, keeping in mind there may be the odd amendment which the Government may have to accept. In light of the Hon. Member's comments, since he did seem pretty positive toward the Bill and mentioned it needed some improvement, could he indicate to the House whether this Party would be prepared to support this Bill?

Mr. McKinnon: Mr. Speaker, If I might first just apologize to the House, when we rise for lunch I have a plane to catch and I cannot be here for the few minutes that will remain for questions.

In answer to the Hon. Member's question, there has been considerable improvement to the Bill and if it gets improved quite radically in committee, then we would have another look at it. At the present time I would expect we will not be voting for it on second reading. However, the Government has a majority and, as it has demonstrated so often on so many matters—I am thinking particularly of the Crow Bill—the Government finally gets its way no matter how unjust the cause is.

Mr. Flis: Mr. Speaker, again what we are seeing is a Party of being against. Surely its members must have some principles for which they stand and could tell the Canadian public in this House.

Mr. Jarvis: That is baloney.

Mr. Flis: As you can see, Mr. Speaker, the Hon. Member is afraid. Rather than asking further questions, I have just a comment to make.

The Hon. Member for Victoria said that he would prefer to have an election prior to the passing of the Bill. Is he concerned that his new Leader has dropped in the polls from 52 per cent to 48 per cent and this is why he is urging upon us an immediate election?

Mr. Jarvis: I thought the Hon. Member opposite was serious about this Bill.

Mr. McKinnon: Yes, Mr. Speaker, I thought we were supposed to discuss the Bill. I am worried about a Party that has only 36 per cent of the people in Canada supporting it. The Liberals are glad to have that much support. They are overjoyed to get to 36 per cent. It means just over one-third of the people will vote for them. With that level of support, I do not want personal friends of the Prime Minister being put into very important and lasting jobs, such as those created by this Bill and, as well, being given the opportunity to appoint all of their subordinates. That is of great concern to the general public.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, we are dealing today with a Bill which, if and when enacted, will set up an entirely new security service and lay down the rules and procedures under which this service would operate. Since Canada became a country and up to now, security matters have been left to the RCMP. Most Canadians seem to be satisfied with that. Most Canadian Government and Ministers of Justice or Solicitors General who were supposedly responsible for the administration of the RCMP seemed to be satisfied with that situation.

A few years ago an RCMP officer acting on his own and in his free time in the City of Montreal was injured while placing a bomb on the premises of a private citizen. Because of what

happened he was charged and brought to trial. At his trial he made a number of allegations. He indicated that some RCMP officers had been involved in some highly illegal activities. Members of Parliament who were here will remember that questions were asked of the Solicitors General at that time. I remember the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) and the present Minister of Communications (Mr. Fox) indicated by their replies that they knew very little about what the RCMP had been doing.

As a result of the questions asked in Parliament and outside, a royal commission was appointed to look into all the questions surrounding the operations of the RCMP and its security service. This Commission, headed by Mr. Justice McDonald, held hearings across the country and studied the matter from 1977 to 1980. I hope the Hon. Member across the way who has been asking questions will keep in mind when he asks further questions that it was the McDonald Commission, not members of the New Democratic Party or civil libertarians, that found that the RCMP had been involved in kidnapping, in barn burning, in the theft of dynamite, in the theft of membership lists of legitimate political organizations—

The Acting Speaker (Mr. Herbert): Order, please. I regret to interrupt the Hon. Member but it being one o'clock I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

● (1410)

Mr. Orlikow: Mr. Speaker, during the few minutes I spoke before the noon adjournment, I was listing some of the findings of the McDonald Commission. It found that members of the RCMP had been involved in a number of highly illegal acts, including kidnapping, barn burning, theft of dynamite, the filing of false income tax returns and theft of the membership lists of a legitimate political Party, the Parti Québécois. I am a federalist, Mr. Speaker. I am completely opposed to the major principle behind separatism espoused by the Parti Québécois, as I am to the principles behind the Canada West party and other groups like it. However, surely as long as individuals, groups or political Parties wish to bring about changes in which they believe in a democratic way, there is no legitimate reason for the security service to be investigating such groups or individuals or to be stealing membership lists, as was done by the RCMP.

Another finding of the McDonald Commission was that the RCMP had files on 800,000 individual Canadians. That is mind-boggling, Mr. Speaker. Some of us have always suspected that the security service of the RCMP had looked into the activities of people involved in the labour movement, some farm organizations, peace organizations, anti-nuclear campaigns and the anti-Cruise campaign, but none of us would have suspected that the RCMP had accumulated files on 800,000 Canadians. There has been one political assassination in the whole history of Canada. There has been very little in the way of political violence. I have never been able to understand why the security service should be involved in that kind of surveillance.

Some years ago, bowing to pressure of public opinion, Parliament passed an Access to Information Act. Some Canadians were interested in finding out whether the RCMP had files on them and, if so, what those files contained. A number of people, myself included, applied, in the ways which were prescribed under the provisions of that Act, for permission to see our files. This is the kind of response we got from the RCMP, and we got similar responses from the Solicitor General:

> In regards to your request concerning our Security Service Records, . . . please be advised that the Governor-in-Council has designated our Security Service Records, described in the Index of Personal Information Banks, as exempt from access under Section 18 of the Privacy Act. We cannot comply with your request nor can we confirm whether or not such information exists concerning you.

That is the kind of reply we get in Canada. I thought that was very interesting because I knew that, using the American freedom of information act in the United States, individuals and organizations had been able to gain access to and acquire copies of information from CIA and FBI files from the 1960s and 1970s.

I wrote to the Director of the FBI asking to be furnished with a copy of any file which they had on me. I received a reply in January, 1984 acknowledging receipt of my request and indicating that a search of the records would be made to determine if the information I was looking for existed. Then on February 13 I received a letter from the Chief of the Freedom of Information Privacy Acts sections of the FBI which reads as follows:

> This is in further response to your Freedom of Information/Privacy Acts . . . request. Information pertaining to your request has been set forth below in appropriate paragraphs—
>
> Documents have been located which may pertain to your request and they will be assigned for processing in the near future.
>
> For your information, as a result of the large number of . . . requests received by the FBI, some delay may be encountered in processing your request.

Just think how ridiculous this situation is, Mr. Speaker. We live in Canada, a middle-sized power with virtually no record of violence, where information about people is being kept secret. The United States is a world power, a country in which Presidents have been assassinated and bombings and shootings have occurred. In the United States, the authorities are quite willing to allow people access to the information which is contained in their files. That is an indication of how seriously the Government of Canada takes the whole question of access to information and how that secrecy impinges upon the right of Canadians to receive the kind of information to which we believe they are entitled.

What do we see in this Bill, Mr. Speaker? The McDonald Commission recommended that the security agency have extensive powers, powers which we think are too great. However, along with those powers, the commission recommended a

strong set of controls. Those controls are not contained within this Bill at the present time. As a matter of fact, the first Bill which preceded this Bill met with much hostility. I say to the Hon. Member for Parkdale-High Park (Mr. Flis), who seemed to suggest this morning that only members of the NDP were concerned about this Bill, that the first such Bill met with almost unanimous condemnation from civil liberties organizations, Bar Associations and a host of other organizations. Most of the objections which these organizations raised have not really been looked into or dealt with in the present Bill.

The Government has refused to prosecute those RCMP agents who were involved in the illegal activities to which I referred earlier. Indeed, the Government has refused to discipline those agents, and in the case of one superintendent, not only was he not prosecuted or disciplined but he received a promotion. We have the idea, which may seem quaint to members of the Government, that if Canadians are expected to be law abiding, as they are, they have the right to expect that all Canadians will abide by the laws, including the members of the security service. Unless all Canadians obey the law, we cannot expect anyone to obey the law.

It is taking the Government too long to bring in legislation designed to create an up-to-date and efficient security service. As I have indicated, the first attempt, Bill C-157, was attacked by lawyers, civil libertarians, trade unions and the provincial Attorneys General. It was so deficient that it had to be withdrawn. That Bill gave the security service authority to open mail and enter premises surreptitiously and it gave the service access to confidential government information without the controls recommended by the McDonald Commission. Allan Borovoy of the Canadian Civil Liberties Association said that under the terms of that Bill as it was formulated, Canadian citizens could have their conversations bugged, their mail opened, their homes surreptitiously searched and their confidential records invaded, even though there was not the slightest suggestion that any law-breaking was involved.

• (1420)

This Bill provides for a Security Intelligence Review Committee comprised of Privy Councillors, former Cabinet Ministers, provincial Premiers or judges. I will not dwell on who the Government may appoint. When one looks at appointments the Government has made in all the fields where it makes appointments, one gets a pretty fair idea of the kind of support and co-operation it expects and gets.

Even this committee, however, will not have access to all documents; Cabinet documents are excluded. Nor does it provide for a review by this committee of the intelligence activities of other Departments. And most important, there is no provision for a parliamentary committee on security and intelligence.

In countries with a larger population than Canada, countries which have much more serious security problems than Canada has—I have mentioned the United States but the same is true of West Germany—parliamentary committees supervise the intelligence activities. There has never been a case where any member of the intelligence committee in the United States or West Germany has made public anything which might create difficulties for the security agencies in those countries. There should be a parliamentary committee with the authority to keep records of what the security service in Canada is doing.

The definition of who can be investigated is sadly deficient. People supporting resistance to the Soviet Union's invasion of Afghanistan could be investigated; an organization supporting some of the liberation movements in Africa could be investigated; people supporting the Government of Israel's activities in opposition to certain Arab countries or terrorism could be investigated. We know that in recent years the RCMP has kept under surveillance church groups that have been involved in the kind of activities I have mentioned.

Mr. Kaplan: That is false. Church leaders are not under surveillance.

Mr. Waddell: Then who is? Why don't you open the files?

Mr. Orlikow: Mr. Speaker, the Minister says that is wrong. The Minister can interject as he has and say that church leaders are not under surveillance. I say to him that there is evidence which has never been denied that people involved in Operation Dismantle were kept under surveillance. I will wait for the Minister to deny that.

Mr. Cosgrove: God watches us all. God looks out for everyone.

Mr. Orlikow: If the Minister does not, it is obvious that he knows that people involved in Operation Dismantle have been kept under surveillance. It is not important whether we agree with the work of the people involved in Operation Dismantle or not; the point is that they are conducting an open campaign in a peaceful way and they ought not to be under the surveillance of any security service.

In the United States telephone tapping, clandestine search or the use of undercover information must have the approval of their Attorney General. That would not be the case in Canada as a result of this legislation. Under this Bill judges determine who will be investigated and how individuals or groups will be investigated. Yet the Attorney General for Ontario, Mr. McMurtry, has described some of the definitions in the Act as being "flabby".

Both in Canada and in the United States a wide variety of legal activities have been investigated. I indicated one example, PQ membership. In the United States the FBI guidelines require that there be a reasonable indication that violence will occur in the not too distant future. This Bill has no such provision. The United States law requires reapplication for permission to wire-tap every 30 days; in Canada the Bill provides for reapplication once a year.

We are not opposed to Canada having a security service. We are not opposed to the security service doing the job it ought to do.

Mr. Kaplan: Why not let the Bill go to committee then?

Mr. Orlikow: What we are opposed to is the kind of things the RCMP did in past years and which we believe a new security service will do because the Act will make legal the illegal things that were done in the past.

Mr. Blais: Read the Act.

Mr. Orlikow: That is why we oppose the Bill, Mr. Speaker.

Mr. Robinson (Burnaby): Mr. Speaker, I should like to make a comment. I note that there are some interjections from the Government side of the House, yet not a single Liberal Member other than the Minister and his Parliamentary Secretary has been prepared, in four days of debate, to stand and defend the Bill.

Mr. Kaplan: You know why. It is because we want the Bill to move to committee. You want it to stay here.

Mr. Robinson (Burnaby): They have refused to defend the Bill because they know what this Bill will do.

Mr. Kaplan: You know why we are waiting.

The Acting Speaker (Mr. Herbert): Order, order.

Mr. Flis: Mr. Speaker, I rise on a point of order. I should like to ask the Hon. Member where he was this morning when I interjected and took part in the debate.

The Acting Speaker (Mr. Herbert): Order, please. That is not a point of order.

Mr. Robinson (Burnaby): Mr. Speaker, I maintain that not a single Member on that side of the House has taken part in the debate by making a speech, other than the Minister and his Parliamentary Secretary. If they want to defend this Bill, I challenge them to rise and do so. The Minister for External Relations (Mr. Pepin) has sat through the debate. Let us hear his views on this Bill, or let us hear one of the other Ministers, instead of having them interject but refusing to take part in the debate.

My question to the Hon. Member is with respect to an incident which he no doubt is well aware of since he was in the House at the time it was raised. I refer to the break-in and the arson at the public interest group, Praxis Corporation. Would he comment on the implications of that particular break-in and the fact that somehow, in some mysterious way, the documents stolen from Praxis Corporation ended up in the hands of the RCMP security service. Today, some 14 or 15 years later, in a lawsuit filed by Praxis Corporation against the Solicitor General of Canada, the Solicitor General has refused to allow a whole series of documents to be brought into court.

Mr. Cosgrove: Would you repeat your question?

Mr. Robinson (Burnaby): He is muzzling the full disclosure of the RCMP involvement in the Praxis Corporation break-in. I should like to ask the Member—

Mr. Blais: Mr. Speaker, I rise on a point of order. This is question time under the rules. This hon. gentleman, who has already spoken on the Bill, is attempting to introduce new debate, which he is not entitled to in accordance with the rules of the House.

The Acting Speaker (Mr. Herbert): Order, please. The ten-minute period is for questions, answers and comments. If the Hon. Member wants to use his time to make a comment, he can do so. The Hon. Member has been speaking for some while but I saw no interest from any other Member and I let him continue. Perhaps he could wrap up either his comments or his question.

Mr. Robinson (Burnaby): Mr. Speaker, perhaps the Minister of National Defence (Mr. Blais) would like to rise in his place and enlighten us on his views on this legislation at the appropriate time.

I should like to ask the Hon. Member for Winnipeg North to elaborate on his views with respect to what happened at Praxis Corporation and the dangers that incident would pose when dealing with a government which is asking for powers which significantly exceed the powers the present security service has.

Mr. Blais: The Hon. Member for Burnaby knows that that is highly improper.

• (1430)

Mr. Kaplan: Do not prejudice your friend's chances of having a fair trial.

Mr. Orlikow: I have no intention of saying anything which would jeopardize the case. However, I point out to Hon. Members on the Government side and to the Ministers who have been interjecting that in Canada documents stolen from an organization wound up in the possession of the RCMP who refused to turn those documents over.

Mr. Kaplan: Should you not let the judge decide that?

Mr. Orlikow: If the Minister wants to speak, I wish he would get up to speak on his own time and not mine.

Mr. Kaplan: I have spoken.

Mr. Orlikow: I simply want to point out, Mr. Speaker, that in Canada there were documents stolen from an organization which would up in the possession of the RCMP. I am not saying the RCMP security service stole those documents. I do not know. However, it has the documents and refuses to produce them. In very similar situations in the United States, Mr. Speaker, organizations and groups who were investigated and infiltrated by the FBI have used the American Freedom of Information/Privacy Acts and have obtained copies of all the files which that security agency has.

I say again, Mr. Speaker, as I did in my speech, that there is something very sad about a situation in which a world power like the United States can open its files and give information

to its citizens, while a country like Canada with so few problems refuses to follow a similar course.

Mr. Kaplan: Mr. Speaker, if I may ask the Hon. Member a question, the comments made by his colleague are designed to make the people in the gallery and the people in Burnaby think that somehow or other Hon. Members on this side of the House do not want a reform of our national security arrangement. Indeed, we do.

Mr. Benjamin: Prove it.

Mr. Kaplan: Hon. Members opposite are saying they want a reform also. The vehicle for that is moving this Bill through committee. I wonder if the people in the gallery realize that the Hon. Member intends to put every member of his Party up on their feet to speak on this Bill with the sole purpose, I would suggest—and I am asking—of preventing the Government from moving this Bill to committee so that there can be a reform of the national security arrangements.

Does the Hon. Member realize that his speech, and all the other speeches which Hon. Members of his Party intend to stand up and make, are providing a good opportunity and a good possibility of preventing this important reform from moving forward? To suggest that more of us should stand up to speak, to me just proves that. Perhaps the people of Burnaby can be taken in by that, I hope not for long. I wonder if the Hon. Member really believes so.

Mr. Cosgrove: Look at them laughing.

Mr. Orlikow: Mr. Speaker, I wish the Solicitor General would be, first of all, serious—

Mr. Blais: He is serious.

Mr. Orlikow: —and, second, honest. We are dealing with a Bill which arises out of an investigation which took four years and cost millions of dollars.

Mr. Kaplan: How many of your Members are going to speak?

Mr. Orlikow: That investigation by the royal commission led to a long series of recommendations. It is our contention, Mr. Speaker, and we are supported in this contention by the Civil Liberties Association and many of the Bar Associations and lawyers, that this Bill is somewhat better than the first Bill but it still has major deficiencies.

Mr. Kaplan: So let us take it to committee.

Mr. Orlikow: I say to the Minister, Mr. Speaker, that if the royal commission which his Government appointed could take four years to investigate and to write a report, then it will not be too bad for the people of Canada if we take another day or two to debate this Bill.

Mr. Blais: We started in 1969, do you know that?

Mr. Orlikow: To say that by keeping this Bill going past closing time today we are trying to destroy this Bill is just not true, and the Minister knows it.

Mr. Waddell: Mr. Speaker, I find the remarks of the Solicitor General and his colleague, the former Minister on the front bench, absolutely incredible. This is one of the most important pieces of legislation we could debate. It has never really been debated in the House of Commons.

Mr. Blais: You say that on each piece of legislation.

Mr. Waddell: It has been debated among Liberals, Senator Pitfield and in the Senate, but it has never been debated in the House of Commons where the people's representatives are.

Mr. Blais: You did the same thing on the Crow. On every piece of legislation you do exactly the same thing.

Mr. Waddell: We in the New Democratic Party make no apologies, Mr. Speaker, for not letting the Government get away with things like having 800,000 files on Canadians and opening first-class mail. We are not going to let them railroad the people and we make no apologies.

Mr. Blais: Thirteen per cent in the last poll and that's where you deserve to be.

Mr. Waddell: We are going to continue this debate until hell freezes over, if we have to, until we get the Government to bring in a decent security service which will protect ordinary Canadians.

The Acting Speaker (Mr. Herbert): Order, please. That is the end of the ten-minute question period. Debate.

Hon. Bill Jarvis (Perth): One would never know this is a Friday afternoon, Mr. Speaker. I believe, Mr. Speaker, it is almost a cliché when someone rises, particularly on second reading, to say how pleased they are to make their contribution and how much they welcome the opportunity to participate in the debate. I do not question for a moment the sincerity of any of us who say that rather repeatedly.

With respect to Bill C-9, the security intelligence Bill, I do not welcome the opportunity to speak. I am not particularly happy about the Bill. I am very concerned and deeply troubled, Mr. Speaker, and, worst of all, I am very uncertain about this legislation.

Mr. Benjamin: There is nothing new about that.

Mr. Jarvis: Someone says there is nothing new about that. No, there is not. There have been other Bills with which I have been troubled, concerned and uncertain and, unhappily, I do not have the perfection of my friends from the New Democratic Party and the divine revelation which comes to them with every piece of legislation.

Mr. Blais: Nor the holiness.

Mr. Jarvis: I believe part of my concern and uncertainty is that this is an extremely important piece of legislation. I would go so far as to suggest that if these times were normal times—by that I mean if they were normal in the economic and social sense, and if we were not in the midst of political events of high priority and high profile—this piece of legislation would have an extraordinary amount of publicity across this country.

Mr. Pepin: When were times ever normal?

Mr. Jarvis: The Minister for External Relations (Mr. Pepin) asks me when were times ever normal. I guess it is like the "ordinary, reasonable man"; it is a piece of fiction. But there are certainly times which approach normality closer than the times in which we now find ourselves.

I suppose that is part of the cause for my concern. My colleague, the Hon. Member for Saskatoon West (Mr. Hnatyshyn), put it clearly on the first day of debate when he said that we have "responsibility, as Members of Parliament, to ensure the right balance between national security and the fundamental principles of a free and democratic society". That is a challenge and a serious one. The Minister himself in that same debate, when he opened second reading debate, talked about "the necessary balance between effective national security and the civil liberties which are fundamental to our society".

The seriousness of the challenge is enough for concern, trouble and uncertainty, but I believe my feelings are compounded—and I am trying to put this as kindly as I can, for lack of better words—because I feel we are dealing with tainted legislation. I believe it is tainted in three distinct aspects. One aspect I do not believe is terribly important. It happens to be a fact of political life, and that is the timing of the bill. We all know that in any election year the atmosphere of debate and the approach towards various pieces of legislation takes on an added aura, and that is the election aura. We have seen Bills recently which could be quite legitimately called political bills. They were not substantive in the sense that we regard legislation as substantive; they were political bills. I am not terribly critical. That is a fact of political life. Anyone who has been around here for any length of time will understand that.

However, the two other aspects are much more important with respect to this legislation. They are the history of the legislation and the substance of the legislation and are very much interrelated.

I am happy the Solicitor General (Mr. Kaplan) is here because I am speaking very seriously about this. I would like to take a quotation from his speech on second reading as my starting point. He said:

● (1440)

Bill C-9 is the result of a long and difficult process which began 15 years ago.

It certainly has been long and difficult. Without wishing to nit-pick, I quarrel with his word "process". If you use that word in the broad sense, I suppose it has been a process. But I am afraid there has not been any legislative process and that is part of the problem. What we have had, unhappily—I am not pointing any fingers; I am simply stating what I believe to be an objective view of the facts—is a series of reactions or non-actions. The Minister of National Defence (Mr. Blais) interjected a moment ago to the effect that it is 15 years old. Yes, it is 15 years since the Mackenzie report, but that was followed by absolutely nothing. There was no action, not even a reaction. There was absolutely nothing for almost a decade and then the roof fell in.

I remember that well because I had been Solicitor General critic for 11 days when that roof fell in. We remember some very unhappy days in the House during that time which led up to the McDonald Commission. I do not criticize the establishment of that commission; it worked very hard and diligently to produce a very large report. But that was a reaction to the atmosphere in the House after revelation after revelation of alleged wrongdoing. After that commission reported, nothing happened for almost two years. Finally, we had the disaster, unfortunately, of Bill C-157. I do not know who drafted that Bill; I doubt very much the Solicitor General fully appreciated what a mess he was getting himself and the rest of us into with that particular Bill. But again it prompted a reaction, not a process.

Then, Mr. Speaker, a select committee of the Senate was formed. It worked diligently and its report was a damning condemnation. Now we have Bill C-9, a reaction to Senator Pitfield and his colleagues' report from the select committee of the Senate. As I said, it has not been a legislative process as I understand it. A legislative process is nothing more than exercise of government power, which is the right and responsibility to provide a service to the country and its people. It may be a social service, economic or cultural service, or it may be, as in this case, in the field of security.

As I understand the four-step process, Mr. Speaker, the Government examines the need for a new or altered service. That is often triggered by an event, perhaps a dramatic event, or perhaps a cumulative pressure on the Government to do something. It may be a report such as the Mackenzie report, but something happens to trigger that first step. The second step is the Government's diligent examination of the impact or significance of the implementation of the service or change. It may be very minor; a change in a custom's regulation. It could be very major, as I believe is the case with this particular legislation.

The third step is that if there is a major significant impact, then you make sure the public understands it. Before the technical process begins, make sure the public understands it. That can be done in any number of ways, by many vehicles. It could be a discussion or position paper, speeches by the Minister, reference to committee for study; there are all kinds of vehicles to use. I suppose the cliché is: Run it up the flagpole to see if anyone salutes it, or test the waters, or whatever. But it is a very legitimate part of the four-step process. Of course, the final part is to go through the technical process that we find ourselves in now.

With respect to the third part, if I can quote the Minister, who I think was dead on when he was talking about the legal framework, he said:

> We also believe that such a framework cannot be effective unless we have the support and understanding of the public.

Dead on, Mr. Speaker. I completely concur. Unfortunately, I do not think the Minister followed his own advice.

Having put it in that four-step context, I hope the Government and the Minister understand what I mean when I say the Bill is tainted. The first step, the examination of the need for a security intelligence service, I suppose was prompted by the Mackenzie Commission, but nothing happened. Nothing really happened after the McDonald Commission for two years. The second step, the examination of significance or impact, was really skipped, unhappily. We certainly did not have the opportunity to discuss it here in the House. The only discussion up until second reading of Bill C-9, I think, was a couple of hours' debate when the Mackenzie report was tabled some 15 years ago. Absolutely nothing has been done to examine publicly the significance or impact of this legislation. Unhappily, Bill C-157 is proof that there was not a diligent and careful examination of the impact of this legislation.

Those steps were ignored, Mr. Speaker, and where does that leave us? Well, we have to deal with this Bill. I am a little concerned because I am quite sure the Minister was not pressing the House to put this Bill into committee fast. He certainly did not say so on February 10. I commend him for that because every Minister likes his Bill to go through the House and into committee. However, I am starting to detect signs of impatience this afternoon. I do not agree with everything the NDP said, far from it, but in 15 years there has not been any real, legitimate debate on the whole area of security and intelligence. Unfortunately, it is compressed into Bill C-9. I say "unfortunately" in all sincerity. It is unfortunate, but it is a fact. The 15 years of legitimate need for debate is compressed into Bill C-9.

That leads me to a very unhappy position, Mr. Speaker. I now regard some of the statements of the Solicitor General with some suspicion, if not cynicism. I am going to use two or three examples. The Minister said:

> I am convinced that the mandate described in the Bill amounts to the best possible protection of civil liberties in Canada.

I would really like to be able to say: Yes, I agree. However, I am not in that position, not because of the substantive provisions of the Bill but because of the history, the cloud, changing over this. He then goes on to say:

> The Solicitor General will be fully responsible and fully accountable for the security service, as in the present system.

Again I have grave difficulty accepting that statement because I sat here in the pre-McDonald Commission period, as the Solicitor General did although not in that position, and heard more than one Solicitor General deny responsibility. They said: "Oh, that is the day to day operation". Of course the Solicitor General is not responsible for the day to day operations of the RCMP or the security service. Of course not.

Mr. Waddell: Yes, he is.

Mr. Jarvis: But they were so cumulative that they affected the very principle of ministerial responsibility. Therefore, when the Minister makes a statement like the one he made on February 10, given the history of this legislation, how can he with any reasonableness expect me to accept that at face value? I cannot do it because the history leading up to Bill C-9 does not permit me to do that.

Finally, we have the statement:

> The Review Committee will have full access to detailed information on the activities of the service.

We are talking about accountability. I have to say to the Minister that if there is to be accountability, it has to be complete. There is no such thing as being half accountable or partially accountable or even 99 per cent accountable. Unless it is complete accountability, there is no such thing. Unless those Cabinet documents in the possession of the security service are opened to the Inspector General, and through him to the Review Committee, I say there is not accountability. Those documents in the possession of the security service, even though they are classified as a Cabinet document, are likely the most vital documents relating to accountability.

• (1450)

As a result of this it will be heavy going in the committee. However, we have had committees before which were heavy going. I think the Minister and his colleagues on the Treasury benches have to be very flexible about this. I do not think there is any way to avoid giving this committee permission to travel. The historic element, the separation of the proposed force from the traditional RCMP force, dictates that necessity. Given the chequered career that this legislation has had, I see no way around that at all.

I believe it was either the Minister or my colleague for Saskatoon West who spoke about the morale of the force. I am concerned about that, as I think we all should be. While the principle of upholding the morale within the RCMP security intelligence branch is important, it is not as important as the principles of civil liberties and the security of the country. Therefore, while that morale may continue to suffer because of the 15 long and difficult years, I regret it very much but there are other principles which I believe are paramount to that. Those are the principles of the protection of our rights as citizens and the protection of the integrity of our country from those who would seek to attack it. I wish I had more time to deal with the mandate and powers; I know I have not.

Before the Speaker cuts me off, I would like to say that my principal concern is accountability. The Minister has made significant changes from Bill C-157. I am speaking about changes with respect to the operation and powers of the Director. I am a little concerned because the Bill does not correspond with the Senate committee report. I am concerned about the provision that the Minister may issue written directions to the Director. What about oral directions? Should all directions not be in writing? Would this provision create an

incentive for the Solicitor General not to reduce his directions to writing? If that became the case I would be concerned.

I am concerned about the establishment of the office of the Inspector General. Unless the Solicitor General follows the recommendations of the Senate committee which would allow the Inspector General access to Cabinet documents within the possession of the security service, accountability sadly suffers. Unless the accountability is 100 per cent, I do not believe it amounts to anything. The Inspector General would be deprived of the directives and documents of a Cabinet nature which he gets from his political superiors, which I believe is most important.

Finally, unless the Inspector General has access to those particular Cabinet documents, the review committee will not. My comments with respect to the Inspector General apply equally, and possibly with greater force, to the review committee.

With respect to the make-up of the review committee, I am not sure whether it is better to have Privy Councillors as compared to those who are now serving in either the House or Senate. I believe the recommended number is three to five Members. I doubt that that is large enough; it may be. The Senate committee in the United States has reasonably good sized membership composed of very senior and prestigious senators in that country. It is very prestigious in the sense that you are judged by your peers to be privy to highly confidential information.

I presume my time is just about up. I have no particular comment to make at the second reading stage with respect to the make-up of that review committee. I think that is something we could deal with in committee. I believe committee stage is absolutely crucial if the Bill is to be rescued. I believe it should be. I believe there should be a security service, either inside the RCMP or outside. The committee stage is going to be absolutely crucial to that.

Mr. Orlikow: Mr. Speaker, I would like to ask the Hon. Member a question. He has referred to the work of both the Inspector General and the review committee. Does the Hon. Member think it would be important or useful for either of those agencies to have the right, if it is felt necessary, to make public their questions and findings if they find the security service has acted improperly, as the McDonald Commission found the security service of the RCMP had done in earlier years?

Mr. Jarvis: Mr. Speaker, I believe I read the Bill carefully. I thought there was a provision for the review committee to report to Parliament at least annually, if not more often. I support that reporting principle.

Perhaps the Hon. Member's question is a little broader than that. If a particular incident occurs, should or could the review committee make it public? I would agree to that subject to it not threatening or putting in danger the security of the state.

Mr. Orlikow: Mr. Speaker, I do not think anyone would want any information to get out which would endanger security. However, if the Inspector General and the review committee are bound by the oath of secrecy, all they will be able to do is report to the Solicitor General. The Solicitor General can then decide whether to take action. We know from past experience that if Solicitors General knew what was going on they were, to say the least, loath to do anything about it. Surely the right of both of these groups to make public the type of situation which had occurred, although not necessarily the specific details of the act, in order for corrective action to be taken would be a necessary part of an Act which will do the job we want it to do.

Mr. Jarvis: Mr. Speaker, there are two report clauses, Clauses 52 and 53. Clause 54 is a special report section. I would have to read them carefully to discover whether they address the concerns of the Hon. Member. I notice one report must be laid before Parliament on any of the first 15 days on which the House is sitting after the Minister receives it. I do not know whether that will address his particular concern. There are four or five clauses dealing with reports so I really cannot be any more specific than that.

Mr. Robinson (Burnaby): Mr. Speaker, I would like to comment with respect to the last point which was made by the Hon. Member for Perth (Mr. Jarvis). The Member is quite correct that there is provision in the legislation for reporting to Parliament. The difficulty with that, as was pointed out by my colleague from Winnipeg North (Mr. Orlikow), is that before this report is tabled in Parliament the Inspector General of the civilian security servie must vet the report. It is up to the Inspector General to go through that report with a fine-toothed comb and ensure that in no way is the oath of secrecy of the members of the Security Intelligence Review Committee in any way breached. Therefore, the only document which could possibly come before the House would be a document so meaningless and devoid of any content that it would not be able to draw attention to any wrongdoing which had been identified.

Perhaps I can ask the Hon. Member a question and then he could comment. The McDonald Commission strongly recommended the establishment of a parliamentary oversight committee, made up of Members on all sides of the House, which would have full access to all of the documentation and the budget of the new civilian security service.

• (1500)

Similar committees are in existence in the Senate and the House of Representatives in the United States, in West Germany and elsewhere. The Hon. Member has considerable experience in this area and I know that he is a former spokesperson for his Party on justice and is an active member of the Justice Committee. I would be most interested to hear his views with respect to this very sensible suggestion of the McDonald Commission. It is a suggestion which unfortunately has been rejected in this Bill.

Mr. Jarvis: With respect to the comment about the fact that the report would be meaningless or have nothing in it, to use

the Hon. Member's words, I am not so sure that I would be so quick to prejudge what that type of report would be. I am quite prepared to discuss and debate that in committee, which I believe is the place to do it. My opinion is quite flexible in that respect.

With respect to his second point, it is quite difficult to say who should be the watcher of watchers. The Minister proposes a committee of Privy Councillors. On the other hand, it was proposed by either McDonald or Mackenzie to have a watchdog committee composed of Members, as it is in the United States. A few years ago I would have opted for Members, without question. Now, as I approach the exalted status of being nothing more than a Privy Councillor, whenever the election occurs, my opinion of Privy Councillors is starting to go up. However, I do not want to be facetious. On balance, I believe I prefer the recommendation of the McDonald Commission. I regret that I am not on the particular committee that will be studying this, but I would be quite prepared to discuss the two alternatives at committee stage.

Mr. Blais: Mr. Speaker, I would like to ask the Hon. Member for Perth (Mr. Jarvis) a question. He has followed this entire issue as critic and now as a member of the Loyal Opposition responsible for this legislation. He has shown a great deal of interest in this particular legislation and knows full well how controversial and sensitive it has been. The questions which he has been asked today in terms of the content of his address have been basically directed to matters that can be dealt with in committee. In view of those facts and the fact that the security service now is basically in limbo as a result of the legislation being introduced and the uncertainty in view of the NDP's attitude toward the passage of this legislation, would he not agree that it is time that we proceeded to send this Bill to committee so that the matter can be dealt with there very thoroughly, and that the committee should take as much time as it requires to deal with all the specific items that are still controversial and need to be resolved?

Mr. Jarvis: Mr. Speaker, the short answer has to be no. I might comment that I am not responsible for our Party—

Mr. Blais: You should be.

Mr. Jarvis: The Minister says I should be. I should be the Minister of National Defence, but the fact is that I am not.

To deal seriously with what the Minister of National Defence puts to me, the short answer, regrettably, is no. The reason is that during 15 years—the Minister is well aware of this, having served as Solicitor General—there has not been public debate on this in the House. The only occasion was when the Mackenzie report was tabled. I believe the debate lasted either two hours or four hours.

The Government side may not like the quality of the debate. That is unfortunate. The quality of the contributions may not be of what it thinks are acceptable standards, but who are we to judge our colleagues? If there remains room for legitimate concern and for positive contributions at second reading stage, then I do not believe that we should be in a hurry to send the Bill to committee. I emphasized the committee stage because I thought there was an enormous amount of work to do there. I think the Minister of National Defence implied in his question that he agrees that there is an enormous amount of work to do.

I will not use the usual vehicle of blaming the Government for holding off the legislation this long, but now we are at this stage I do not think I would tip my hand, were I the Solicitor General or a Member of the Government, by trying to push it through second reading stage too quickly. Often that results in its going more slowly than quickly. That has been my experience.

Mr. Dick: Mr. Speaker, a number of comments have been made in the House regarding the committee stage and the fact that the committee should have the right to travel. As well, the Senate committee did hold extensive hearings but did not travel, which meant that only those who could afford to come here did so. Has the Hon. Member heard the Solicitor General (Mr. Kaplan) indicate a willingness to have the committee travel?

Mr. Jarvis: Mr. Speaker, no, I have not heard the Solicitor General's opinion on that. I alluded to it during my contribution to the debate, perhaps too quickly. I merely thought it was absolutely essential that the committee travel. For example, those of us from Ontario are not sufficiently aware of the historic roots of the RCMP in western Canada to be as sensitive as we should. Taking the security service outside of the RCMP may cause fellow Canadians in other provinces, particularly in the West, grave concern. It may be an emotional concern. An emotional concern is a legitimate concern. I do not know how the committee can possibly discharge its responsibilities without being empowered to travel.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is a pleasure to be able to add a few words of wisdom to the debate this afternoon on Bill C-9, the successive Bill to Bill C-157 that was dealt with in the last session of Parliament and gone over in some detail by the Senate committee.

When we look at the question with which we are faced today, namely the establishment of an independent Canadian Security Intelligence Service, we will see that there has been a gestation period of considerable length. The idea of a separate service and the idea of a specific Act of Parliament to control activities of a Security Intelligence Service goes back to sometime before the 1969 report of the Mackenzie Commission. It has been around that long. Very good recommendations were made on this subject by the McDonald Commission. I understand that it published its findings in 1981. There has been some debate in Parliament. It certainly has been a matter that has come up from time to time in Question Period. It has been on the minds of parliamentarians both in the House and the other place for some time. It has been a subject of comment in the press for a number of years. It has also been a matter of debate within the Department of Justice, within the interior works of Government, and I have known some of the people in the Department of Justice who have been involved in bringing

this legislation forth. I should like to compliment them on the work they have done in this regard.

While handing out compliments, I think some could be validly paid to our colleagues in the Senate whose committee did some excellent work on the old Bill C-157. We can thank them for the improved form that we have today.

As we debate this issue and study it, as public concerns are raised and debated, it seems that we are proceeding to some kind of general consensus on what type of Security and Intelligence Service would serve us best in Canada.

I would like to examine some of the issues, a non-exhaustive list of them but nevertheless issues which I would consider to be important ones which are addressed in this Bill, as they should be because they are certainly important when it comes to security work.

First, the security agency should operate under the rule of law. Unfortunately, this has not always been the case in the past, as the McDonald Commission has brought to light. Unfortunately, from time to time a security agency of the type that we envisage and of the type which exists presently in Canada and elsewhere in the world would have to do things that are normally outside of the law. So what we must build into the Bill, which I believe is there in large measure, although it will be examined again in committee, is some judicial control over actions which may become necessary in the best interests of Canada.

• (1510)

As I understand it, under this Act, if the security service would want to tap a telephone, open mail, or do any of these other things to which we have a natural repugnance but which may be necessary, it would have to seek judicial consent and get itself some kind of warrant. I hope that when such warrants are issued by some members of the judiciary they will not be blanket warrants. We do not want anything of the nature of a writ of assistance, which fortunately we are going to be rid of. Such warrants would give specific authority to do certain specific things within a certain specified time period. I hope that when judges are requested and give permission for these types of things to happen, they will be very cognizant of what they are doing and will be very careful and insist on having presented to them sufficient facts to justify the granting of such permission before they give that permission.

The second issue I would like to speak about briefly is the protection of the general public against possible abuse by the security service. In this imperfect world, even in a non-militaristic country like Canada—and the Minister of National Defence (Mr. Blais) knows how non-militaristic we are—there is a need for a security service. I hope it will be of a passive nature rather than an active nature, by which I mean that we would not go to other countries ferreting out their secrets. In other words, I hope it will operate within Canada and it will be a counter-espionage sort of organization instead of one that actively promotes espionage and related activities.

We need such a service, but it must not be allowed to get out of hand. I personally do not share in a paranoia of members of the New Democratic Party, Mr. Speaker. I have a reasonable degree of confidence in officialdom in Canada. I know that often this is not a popular thing to say and that it is something that we on this side of the House very seldom say, but by and large the police in Canada, the existing security service within the RCMP, do a pretty good job, I think, and honest, law-abiding Canadians do not have much to fear from them. However, from time to time things do go wrong. There must be guidelines for the conduct of security officers laid down in the Act that is to govern them. There must be constant surveillance of the agents themselves to see they do not breach or use in excess the powers given to them. There must be a recourse for a person who feels he or she is wrongfully being investigated. Maybe they feel they have been harassed. There must be a recourse where they can go for a redress to their grievances. What we are saying here is that there must be a system of review.

I am pleased to see that a system of review is built into the Bill. It is a fairly sophisticated system of review. I hope that when this matter is studied in committee we can improve it even more, because it is of fundamental importance. One of the mechanisms for the protection of individuals in the Bill would be the establishment of the office of Inspector General. The Inspector General must have available to him or her full powers to question officers within the service. The Inspector General must have access to documents and files within the security service. He must not be impeded in any way from conducting his or her activities of supervising the security service. Maybe supervising is wrong because that is, of course, the responsibility of the director, but perhaps keeping tabs on the security service and keeping tabs on the director of the security service.

I personally like the idea of the Security Intelligence Review Committee. It is a very novel and interesting concept, having a committee of Privy Councillors who are not Members of Parliament either in this House or in the other place. It has never been tried before in this context or in other contexts as far as I know. It certainly has things to recommend it. I hope this is an idea that will be studied in detail in committee. We need to study the number, whether three or five or whatever number is sufficient. I am not adverse to trying out this idea of a committee of Privy Councillors to whom complaints can be made and who will receive the report of the Inspector General and report to Parliament on how the operation of the security service is going.

We must have built into the Bill accountability to Parliament. It must be the Minister who is accountable to Parliament. That goes without saying, Sir. I hope that parliamentarians will always have the opportunity to question the responsible Minister on the operations of the security service that reports to Parliament through him.

When we look at the review mechanisms that have been carefully incorporated into the Bill, the most important thing is that it will all depend upon the quality of the people who are appointed to these positions. We can be very, very careful on paper. It can seem like a system incapable of failure, but

unless we appoint the right people to the right jobs, then of course anything can fail, and no matter how well we draft the Bill, there is always the danger that the finer points of the law will not be kept and that it could slide downhill.

It will be most important who gets the job as director of the organization, who becomes the Inspector General and who makes up the committee. They will have to be people we can trust and I mean by that Canadians as a whole. They must be people in whom Canadians can have confidence. When I see some of the appointments that have been made by the Prime Minister (Mr. Trudeau) and Members of his Government I have cause for concern. I get kind of scared as to who might get these jobs that are so important to Canadians. I am sure many other Canadians share that fear.

● (1520)

Another issue is that the NDP has made the right of dissent its sole and most important objection to this Bill. We in Canada have always enjoyed the right of dissent. As a Member of Her Majesty's Loyal Opposition, I am very jealous of the right of dissent and would not want it to disappear. It would accord hon. gentlemen opposite after the next election the same right of dissent which we on this side presently enjoy. The people of Canada must have and maintain the right to seek a change in government or a change in the social or economic order of Canada through peaceful and constitutional means. Of course they must not resort to subversion or go against the Constitution of Canada, but they must have the right to seek change through peaceful and constitutional means free of harassment by officialdom.

I would now like to refer to the principal issue in this Bill. It is the most important and most talked about by the man on the street. I am referring to whether or not we should have an independent security agency and not use the RCMP as we do at the present time. It was the recommendation of both Mackenzie and McDonald that there be an independent agency. In fact, most countries of the world have independent agencies. Of that there is no doubt. When talking to experts in this field, I have found that they invariably point out the basic difference between police work proper and security work. The latter, security work, is very much intelligence gathering as opposed to strictly law enforcement. I am pleased to see, however, that when it comes time for charges to be laid under the Official Secrets Act or perhaps under the Criminal Code, the RCMP will be brought in to do that, which is quite correctly police work. This is a proposal under the Bill.

Despite some bad examples, it is my opinion that the security service of the RCMP has done a pretty good job over the years. Therefore, there is no great and immediate urgency to change. It might be desirable that we do so, and I am quite prepared to discuss that. However, unlike the Minister of National Defence, I do not think it is something which has to be done today, tomorrow or a week hence. We could continue for a period of some time to debate this matter.

Then I come to the principal difficulty of getting this concept of an independent agency across to the public of Canada. We have a Bill which makes a good deal of sense, if one chooses to read it. It is something which should be discussed and has considerable merit. However, the public of Canada just does not trust the present Government; it has no confidence in the present Government. However, it has confidence in the Royal Canadian Mounted Police. The public of Canada is used to the force and has generally received good service from it. That is not something which could be said about the Government. Therefore, any proposed change in security matters by the present Government of Canada is rejected out of hand by the Canadian population because of the distrust which exists. If we look at the horror stories in the Department of National Revenue, we know that the Government has lost control of that Department. We hope that it will never lose control of the security agency. If we look at the attitude of people within that Department of Government, if we look at the complaints system when citizens are ajudged to be guilty unless they can prove themselves to be innocent at great expense to themselves, when we see those types of things going wrong within a Government Department under the jurisdiction of the hon. gentleman opposite, then we cannot help but think that the people of Canada are reluctant to agree with any proposed change in security matters when the people over there still exist as the Government.

My conclusion therefore is that there are some very good points in the Bill. It deserves additional debate. I would like to see at least some of its recommendations come into force, but the timing is wrong because Canadians do not trust the Government which is in office today; they do not trust the Liberal Government. Before this Bill can be made into law and put into force with the consent of the Canadian public, we must change the Government.

Mr. Kristiansen: Mr. Speaker, I would like to ask the Hon. Member for Western Arctic (Mr. Nickerson) a question. He went on at some length to express his confidence that any civilian Canadian security and intelligence agency would not exceed its bounds. Also he stated that some Canadians might be surprised at that statement. However, I must say that that statement was, to say the least, rather odd in view of the tremendous furor which he and his Conservative colleagues raised over what they called the recent covert activities of staff in the Office of the Prime Minister (Mr. Trudeau) in spying and engaging in "dirty tricks" investigations of Opposition politicians. Is he now saying that he and his colleagues at that time were just playing the game of Trivial Pursuit in the House? If that is not what he is saying, on what does he base his current statement of faith and confidence in the Government and its agencies that they will not tamper with the right of their legitimate political opposition, which his Party suggested was the case only a few days ago?

I do not share that kind of suspicion but I would suggest to him—and I hope he bears it in mind in his answer—that it is not enough to have confidence in the Government and its agencies in these kinds of areas in normal times. We must design our laws in such a way that if we get into abnormal times such as we did at the time of the so-called FLQ crisis, we

still have safeguards in the law to protect us from abuses which any government is tempted to commit in times of severe stress.

My main question to him is: Were they engaging in Trivial Pursuit just a few weeks ago? If not, on what does he base his current statement of faith in the activities of the Government and its agencies?

Mr. Nickerson: Mr. Speaker, I certainly did not say that I had any faith in the Government. If by that he meant the hon. gentlemen sitting on the Treasury benches, I have very little faith in them. What I said was that by and large I think we have a very competent and honest bureaucracy in Canada. Most people I have met during my daily rounds, both as a Member of Parliament and before coming to this House, whether they serve in the passport office or are employees of the Department of National Health and Welfare, try to do a good job for the people of Canada. It does not mean to say that there are not some exceptions. I went to considerable length in my dissertation this afternoon to point out that when it comes to police and security matters, there must be built into the legislation which governs the activities of these types of departments and agencies something more and something special so that the interests of the citizens to be able to engage in dissenting activities in order to press for change, political or otherwise, should not be hampered. I thought I dealt with that in great detail.

• (1530)

It would appear that my own view and that of the Hon. Member for Kootenay West (Mr. Kristiansen) on this matter are not at all widely divergent. We would seem to be of very much one and the same mind on this issue.

I turn to the shenanigans to which the Hon. Member referred which were going on a week or so ago. These were conducted not by the ordinary government employee who is non-partisan and non-political and whose job is administration. These activities were engaged in by employees of the Prime Minister's Office, an office which is right at the top of the hierarchy. Unfortunately, we can see the rot setting in, and the rot is setting in from the top. I do not like or approve of the things that went on in the Prime Minister's Office, but I do not think that it is the normal, average bureaucrat, public servant in Canada, who is responsible for that type of insidious activity.

Mr. Robinson (Burnaby): Mr. Speaker, I suppose that some of the same rot that has set in must have seeped across the way to the offices of the Leader of the Official Opposition (Mr. Mulroney). Of course, the same kinds of files were found in his office, and in fact in much greater quantity.

I would like to ask a very straightforward question of the Hon. Member for Western Arctic (Mr. Nickerson). Does the Hon. Member in fact support the recommendations of the McDonald Commission for a civilian security service as opposed to maintaining the security service within the structure of the RCMP?

Mr. Nickerson: Mr. Speaker, generally speaking, as I pointed out in my presentation, I approve of that move. However, as I was at great pains to point out, the timing is wrong because it is impossible to do this with the concurrence of the public when we have in office a Government that just cannot be trusted.

Mr. Waddell: Mr. Speaker, I think I heard the Hon. Member say that the RCMP security service has done a pretty good job over the years. I put this question to the Hon. Member as someone who was a Crown Attorney, who has had many friends who belong to the RCMP and who has respected much of the work done in the general force. In view of the barn burning, the access to files of political Parties and the whole list of illegal acts which have taken place over the years, can the Hon. Member really say that the RCMP security service has done a pretty good job over the years? I put it to the Hon. Member that it seems to me that the acts of the RCMP security service have forced the McDonald Commission almost to succeed in destroying the RCMP—

An Hon. Member: And their political masters.

Mr. Waddell: As my colleague has said, their political masters were involved in this matter as well. I wonder if the Hon. Member really does stand behind the statement that the security service has done a pretty good job over the years. It seems to me that if what went on in the last 10 years in Canada had occurred in the United States, there would have been a revolution against it. It would have been akin to a Watergate scandal, and yet nothing really happened in Canada. Does the Hon. member still stand behind that statement? If he does, it seems to me to be a pretty shallow analysis.

Mr. Nickerson: Mr. Speaker, I would like to remind the Hon. Member for Vancouver-Kingsway (Mr. Waddell) that in Canada we do not have revolutions, we have royal commissions. It is a much safer way of dealing with things.

Undoubtedly, those things which took place in Quebec, including the barn burning and the surveillance of the Parti Québécois, were not things that were to be desired. This is where the existing system fell down, and I suspect that it fell down because, in this particular case, undue political direction was given to the security branch of the RCMP. However, I still maintain that by and large, over the years, the RCMP has done a reasonable job.

I am not particularly familiar with what goes on in the Province of Quebec, but in my part of the country and other parts of western Canada that I visit from time to time, I very seldom hear complaints from people who have been subjected to abuse by the RCMP security agency. We just do not hear about these things. Apparently they do not happen.

Canada has not been brought to its knees by the activities of subversive agents. That means either that there have been no subversive agents working in Canada or that the RCMP has done a pretty good job and caught them all.

The Acting Speaker (Mr. Guilbault): The question period has expired. I would also like to remind Hon. Members that we are entering a new phase of debate during which Hon. Members' speeches will be limited to 10 minutes and there will be no question period, as provided for in our rules.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I only have 10 minutes to make some remarks about this Bill so I will try to be brief.

Mr. Kristiansen: That's a good idea.

Mr. Waddell: I have to be brief. I would like to make one comment about the attempt on the part of the Minister of National Defence (Mr. Blais) and the Solicitor General (Mr. Kaplan) to stop this debate. I think that that is disgusting. We are finally having a debate on one of the most important issues in contemporary Canada, and they want to hustle it off to a committee which they can control and where they can effectively bury the Bill. Indeed, this week the Solicitor General has been running around the House like a rabbit in heat trying to have us shut up and get this Bill into committee.

It may be unpopular to speak on this Bill, but I would remind the House through you, Mr. Speaker, that some of us on this side of the House remember some very unpopular things which were said by our predecessors. J. S. Woodsworth stood in the House and defended Chinese immigration and argued, against the rest of the House, for the equal treatment of Chinese Canadians. One of my predecessors in the riding of Vancouver-Kingsway, Angus MacInnis, stood up alone in the House against a tidal wave of opinion to defend Japanese Canadians. Grace MacInnis, a previous Member for Vancouver-Kingsway, stood up and voted against the War Measures Act together with my other colleagues. That took courage and resistance, and those people were proven right in the long run. I think that some of the work the Hon. Member for Burnaby (Mr. Robinson) has been doing regarding this Bill will serve Canada well as we will get a better security service for it.

There are four things wrong with this Bill, Mr. Speaker. First, there is no parliamentary accountability. Second, the group that is supposed to look at the security service is denied access to Cabinet documents, the kind of documents that are really needed in order to examine the service. Third, the powers of the service are too broad. Fourth, the mandate is too vague. That is what is wrong with the Bill, and that is why we must debate the Bill in principle on second reading.

Let me go over those four points briefly, starting with parliamentary accountability. I do not agree with the two previous speakers who said that it is all right to have a bunch of old Privy Councillors, some of whom are perhaps in their dotage, looking at the security service. It will be accountable to some, mainly Liberal, Privy Councillors, but that does not matter. Those Privy Councillors have probably retired from politics, so let us do it in a contemporary way. Let us put accountability where the United States does. Let us put it into the legislature. Let us have a parliamentary committee. That is why we have a Parliament. Parliament does not exist so that former Privy Councillors may find jobs. Let us have a parliamentary committee that looks at the security service and really makes it accountable.

Second, we must see that that parliamentary committee has access to the same Cabinet documents to which the security service itself has access. We must deal with the type of access to information that the people who will keep the security service accountable will have.

• (1540)

Third, the powers are too broad. I ask Canadians who are watching these proceedings on television whether we want a security service to open up our first-class mail. Do they think that the danger of subversion in Canada is that bad? I do not think it is, and therefore I do not think a security service should have those broad powers.

Fourth, I think the mandate is too vague. My colleagues have said that this will open up the possibility of looking into legitimate groups, such as church groups, peace groups and so on, or even looking on the left and on the right. The Peter Worthingtons will be looked at just as much as the groups on the left. That is the history of what the security service has been doing in Canada. It is shown in the McDonald Commission. The evidence is there, Mr. Speaker.

The Solicitor General of Canada is a chicken. He has 800,000 files on average Canadians and he is afraid to tear up those files and get rid of them. What is he waiting for? If he had any guts, he would do that. He is a wishy-washy chicken. He has no guts to do that. Here he comes into the House now. He is gutless. He has been running around, but he should have been fired because of this Bill. He should have been fired for the way he brought in this Bill.

Mr. Kaplan: Mr. Speaker, I have a question of privilege.

Mr. Waddell: You will get a chance to speak.

The Acting Speaker (Mr. Guilbault): The Hon. Minister rises on a question of privilege.

Mr. Kaplan: Mr. Speaker, I am astonished to hear the Hon. Member call me gutless on the grounds that he did. Naturally he is entitled to call me—

Mr. Waddell: Mr. Speaker, I rise on a point of order. There is no question of privilege. I have 10 minutes to speak.

Mr. Kaplan: —whatever he likes but the fact is—

The Acting Speaker (Mr. Guilbault): Order, please. May I remind the hon. gentlemen that we cannot entertain a point of order on top of a question of privilege. We will hear the question of privilege first.

Mr. Waddell: There is no question of privilege.

Mr. Kaplan: Mr. Speaker, I should like to ask that the Hon. Member withdraw the allegation that I am gutless. He knows perfectly that that file destruction is well under way and that

hundreds of thousands of files have already been destroyed. I have reported that in the House.

Mr. Benjamin: May I see my file?

Mr. Kaplan: Can you read?

The Acting Speaker (Mr. Guilbault): Order, please. The Chair is of the opinion that the Hon. Solicitor General has made his point. Certainly the term used is not very polite, but I doubt whether it falls within the realm of unparliamentary language.

May I remind the Hon. Member for Vancouver-Kingsway (Mr. Waddell) that he may well continue his speech but he might try to make it a bit less inflammatory.

Mr. Waddell: Mr. Speaker, let me just say that the Minister lacks intestinal fortitude.

Where is the proof? The Minister brought in a most flawed Bill. It is amazing that he was not fired because of it. He kept his job by getting Senator Pitfield to bail him out. The Bill is still flawed, and that is what we are trying to point out.

There is no mandate in the Bill that is defined properly. We can still have the point of opening files on Canadians; we can still have the point of looking into peace groups and other groups, and that has been pointed out by my colleagues in the House. There has been no real coming to grips with the crucial difference between dissent and surveillance. Indeed, that is the whole problem.

There are four points, then, Mr. Speaker. There is no parliamentary accountability; there is denial of access to the proper files to have that accountability; the powers are too broad in the Bill; and the mandate is too vague.

I have never seen the question of whether the country really needs a security service properly debated in the House, Mr. Speaker. The world has the FBI, the NKVD and its successor the KGB, and the RCMP security service. What are these groups really doing? I should like to suggest that they do not spend their time in surveillance of criminals and subversives. We have the Criminal Code for that in this country. We have the ordinary services of the police, but we have created these crazy bureaucracies that go out to do nothing but get files on people. That is why the debate is so important today.

I do not speak for my Party now, Mr. Speaker, because the views of this Party are quite clear; the Party is on record as wanting a security service but giving it a defined mandate. I raise the question of why we have security services at all? Is Canada really so insecure? Do we really have all these secrets that we need this kind of agency?

I should like to put something on the record, Mr. Speaker, which I think applies here. I read as follows:

> It was a bright cold day in April, and the clocks were striking thirteen. Winston Smith, his chin nuzzled into his breast in an effort to escape the vile wind, slipped quickly through the glass doors of Victory Mansions, though not quickly enough to prevent a swirl of gritty dust from entering along with him.

In the next paragraph this appears:

> The flat was seven flights up, and Winston, who was thirty-nine and had a varicose ulcer above his right ankle, went slowly, resting several times on the way. On each landing, opposite the lift-shaft, the poster with the enormous face gazed from the wall. It was one of those pictures which are so contrived that the eyes follow you about when you move. BIG BROTHER IS WATCHING YOU, the caption beneath it ran.

That, of course, is from Orwell's *1984*. We are in 1984—

Mr. Kaplan: Cheap shot.

Mr. Waddell: It is not a cheap shot. The whole basis of the debate is how much we want to restrict Big Brother. If we want to make sure that Big Brother is not going to watch us and that we are not going to create that kind of society where we have a "Minister of Love," and so on—

The Acting Speaker (Mr. Guilbault): I am sorry to interrupt the Hon. Member but his time has expired.

Mr. Waddell: Perhaps I could finish, Mr. Speaker.

The Acting Speaker (Mr. Guilbault): The Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick).

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I want to participate briefly in the debate mainly because of my concern about one aspect of the procedure we are going through. The Bill was introduced first in the Senate as Bill C-157 and it received quite a thorough analysis in Ottawa by a committee of the Senate. The witnesses who appeared were those who could afford to come here and make their presentations.

A Bill to establish a security service has been discussed for 10 or 15 years. There were two royal commissions to study it, and then the Government introduced Bill C-157 in the Senate. That Bill was roundly criticized and partially condemned, and the Government withdrew it. Now it has introduced a revised version, taking into consideration many of the recommendations made in the Senate. The Bill has been modified, changed and vastly improved, but still I think there is room for more improvement.

Since the Bill has the potential of invading Joe Citizen's life in any corner of the country, has the potential to investigate political Parties and political activities, has the potential to look into areas that we would prefer to think were not being looked into, I think it must be considered very carefully and must receive a great deal of support from all Canadians.

I believe that there is no doubt that we need a security service. Every country has a form of service which tries to protect the way of life it has established. We have had one for some years. It has erred and has had problems from time to time, but by and large it has done some good work for us. To win overwhelming support for a security service, whether it be a civilian service or one within the RCMP, I think the committee must travel to various parts of the country and listen to citizens and groups and lobbying organizations which cannot afford to come to Ottawa, to the other Chamber with the red carpet. If we really want to understand average Joe Q citizen's

views, then the committee must have the right to travel. The Government has refused that request. It claims that while there is a Liberal leadership race going on, it must have its people in Ottawa because it is afraid it might be defeated in the House. I say to the Government that the committee could travel under certain conditions, such as that there would be an equal number of Members from both sides of the House on the committee. In that way the Government will be able to protect itself.

• (1550)

Mr. Kaplan: Do you agree not to defeat us in votes in the House while the committee is travelling?

Mr. Dick: I am suggesting that if you spoke to the House Leader and made a proposal that an equal number of Hon. Members from both sides who would be away would not vote and you would not be defeated because of that committee travelling, I believe that would be a fair thing to suggest. If Hon. Members opposite want to fold up shop and run around like everyone else, not because of that committee's work but because they do not like running the Government any more, or have found they cannot, then I believe that, yes, they deserve to be defeated. The Hon. Member who has already left the House—I hope he is not going to embark in debate from behind the curtain—believes, I feel, that this is a fair offer or suggestion. If the Government wanted to make sure it was not going to be defeated because of that committee's travelling, it could put forward a proposal to make sure the committee had the right to travel but that the Government itself was protected. I believe that is a fair suggestion. I feel we have to have this committee travel. The Government has refused, and I believe that is a mistake. This is far too important a piece of legislation.

I want to hear from more than the Attorneys General of the various provinces. I want to hear from more than the people who can afford to be in Ottawa, the spokespersons for organized groups which have sufficient funds to be able to send them here. I want to hear from the average person and from some of the groups who would not otherwise be able to make a representations in front of the committee. I do not like cutting off representations from the Canadian public. We are here to serve the public. This Bill has the possibility of intruding into the fabric of Canadian life, into the individual's life and into political life, although I am not saying it will do so. However, in looking at certain of the provisions in the Bill, some of which were accepted recommendations from the Senate, there is no doubt that the security service must walk a very narrow tightrope. It will not be comfortable because it may fall off—we hope not very often. I believe that since this is such a potentially intrusive device into the lives of Canadians individuals and legitimate organizations, we have to hear from any person who has that concern.

I feel it will serve the purposes of the Government as well, because the Government would have a chance to explain the real intent of this Bill and it would receive the support, I believe, of the majority of Canadians. If the Government wants the support of Canadians for the Bill, why does it not go out and talk to Canadians and give them an opportunity for input?

Mr. Lorne McCuish (Prince George-Bulkley Valley): Mr. Speaker, Bill C-9 is an Act to establish the Canadian Security Intelligence Service. I am a layman, Mr. Speaker, and the intricacies of this legislation, in great part, escape me, but I have listened with great interest to everything that has been said from this side of the House. I am a bit disappointed that there has not been more debate from the government side. However, I have great confidence in Hon. Members of this Party who will consider this Bill in great detail in committee. Indeed, I hope that the Government will take heed of what they have to say, because I firmly believe that this Bill is long overdue and that if it is a good Bill when it comes out of committee, it will indeed serve Canada well.

Bill C-9 is a culmination of the work of two commissions of inquiry, of the special committee of the Senate, and it follows Bill C-157. The first of the commissions of inquiry was the royal commission into security, which we know as the Mackenzie Commission. The report of this commission was tabled in 1969 and it was left to gather dust. In 1977 another royal commission was appointed. After four long years, the McDonald Commission created a response to occurrences of the 1970s and was, in great part, related to the activities of the FLQ in Quebec. The McDonald Commission reported in 1981, and following its mandate it made specific recommendations with respect to security matters.

The Government, realizing the importance of this matter, took two years to respond. In May of 1983 the Minister supported the first draft of Bill C-157. Bill C-157, as we know, Mr. Speaker, was a disaster. It was a disgrace in drafting. It certainly was not worthy of presentation. However, I do not share that view as far as Bill C-9 is concerned. The Bill deals with national security. I certainly cannot agree with one of the last speakers that national security is not something which we should worry about or that we should defend against in Canada. The Solicitor General, realizing that Bill C-157 was an impoverished attempt at creating a Security Intelligence Service, referred the matter to the chamber of sober second thought. I do believe that certain members of the Senate performed a yeoman's service in pointing out the fallacies of that piece of proposed legislation.

Specific changes recommended by the Senate committee were vast and far too numerous to go through item by item today. In general terms, Mr. Speaker, the committee attempted to rationalize the mandate of the proposed security service. The Senate committee saw the powers of the security service as being carelessly defined, that the powers were broad and they were ambiguous.

In response to the haphazard definition of the security services' powers, the committee attempted to define clearly what "threats to the security of Canada" were. Thus, there was the recommendation to have the words "strictly necessary" added. The mandate was limited from an overly expansive interpretation to a mandate which gave powers only if

"strictly necessary" for the protection of Canada's security. Even in the present Bill there is much protection missing in terms of the tremendous power which any such force will have. Certainly, it is the obligation of this House to consider carefully the legislative proposals which will grant far-reaching powers to the security service; powers, if abused, which will counter all that our political system now stands for. If Canada is to have a security service, it had better define the powers which it will give members of any such force.

Another area of Bill C-157 which the Senate committee attempted to correct can be labelled as accountability. Accountability is a subject which the Government is not well versed in. Whether it be Crown corporations or the proposed security service, the Government seems to regard accountability as a hassle. In the old Bill, ministerial accountability was sadly, but not surprisingly, lacking. The Director of the service, an appointed official, would have prevailed over the Minister. Had Bill C-157 been adopted, Mr. Speaker, the Solicitor General (Mr. Kaplan) would not have been responsible to the elected representatives of the Canadian people for his actions. A lack of accountability of this nature is disturbing in any area of government, but it is reprehensible in an area of such importance.

Naturally, the Senate committee recommended a complete reversal of this lack of accountability. The committee recommended that the service be an "open book" to the Minister, who will consequently have full political responsibility for matters of which he can reasonably be expected to have knowledge.

● (1600)

The Acting Speaker (Mr. Guilbault): Order, please. It being four o'clock, the House will now proceed to the consideration of Private Members's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items listed under Private Members' Business preceding Order No. 107 be allowed to stand?

Some Hon. Members: Agreed.

CRIMINAL CODE

AMENDMENT RESPECTING USE OF ANIMAL TRAPS

Mr. Munro (Esquimalt-Saanich): Mr. Speaker, on a point of order. I seek the unanimous consent of the House to have the order for the second reading of Bill C-222, an Act to amend the Criminal Code, discharged and the Bill withdrawn.

The Acting Speaker (Mr. Guilbault): The House has heard the proposal of the Hon. Member. Is there unanimous consent?

Some Hon. Members: Agreed.

Order discharged and Bill withdrawn.

PRIVATE MEMBERS' MOTIONS

[*English*]

TRANSPORT

DEVELOPMENT OF RAIL LINES IN NORTHWEST SASKATCHEWAN

Mr. Doug Anguish (The Battlefords-Meadow Lake) moved:

That, in the opinion of this House, the government should consider the advisability of establishing a committee to study the feasibility of expanding the northern transportation options to include the development of a rail line linking communities in northwest Saskatchewan with the main lines in the rest of the Province.

He said: Mr. Speaker, the reason for placing this on the Order Paper is that—

Mr. Pepin: Slush fund.

Mr. Anguish: I see the former Minster of Transport makes fun of it. He should look more closely at the communities this will affect, where there is in excess of 90 per cent unemployment, and 60 per cent of the people who live there are either of Indian or Métis ancestry.

Mr. Pepin: Your halo is slipping.

Mr. Anguish: The reason for putting this on the Order Paper is to try to come to grips with some of the problems of economic development in northwestern Saskatchewan. Since the days of the early fur trade when French and Scottish traders came through the waterways of northern Saskatchewan, the economic situation in that area has become increasingly worse. Traditionally, most of the people who live in that area relied on hunting, fishing and trapping for their livelihood. Their every day activities were an integral part of providing food and shelter for themselves. As time passed, these people found they could no longer rely on fishing, trapping and hunting to provide the every day necessities and a decent standard of living. We now find ourselves in a situation where almost every community in the area affected by this Bill has in excess of 90 per cent unemployment.

As I said to the former Minister of Transport, it also encompasses an area where 60 per cent or more of the population are Indian or Métis people who have not had the high standard of living other people have throughout Canada. I would like the Parliamentary Secretary to the Minister of Transport (Mrs. Côté) to pay particular attention to what I am proposing, which is to have a committee or group within the Department of Transport look at the socio-economic

impact of building a railway in northern Saskatchewan. It would connect communities, such as La Loche, Buffalo Narrows, Beauval, Meadow Lake and south, with the main lines.

I do not know exactly how much this would cost because the Department of Transport does not know what the cost would be. I tried to look into this with the railway companies. However, it would certainly have an impact if the railway were to go ahead and connect those communities I mentioned. In the initial stages it would provide a good number of jobs for people in northern Saskatchewan during the construction phase. A second benefit is that once the line was in place there would be a cheap and economical means of transporting goods in and out of northern Saskatchewan, whether they be manufactured goods coming in or raw materials going out.

I have mentioned that many of the people have traditionally relied on fishing in that part of northern Saskatchewan. However, we find today that commercial fresh water fisheries are almost non-existent in many communities. That is because of the very high transportation costs of getting fish out of places like the Athabasca region and many other areas. By the time fish is taken to the Freshwater Fish Marketing Corporation plant in Strathcona, in Winnipeg, the transportation costs have not only eaten up the profit, but in some cases there would be a loss by the time the fish is taken to the plant in Winnipeg. I cannot say that I would want a system of branch lines such as is necessary to serve the agricultural communities in Saskatchewan, but at least let us have one main line, with possibly marshalling facilities at La Loche and Buffalo Narrows, so that raw materials from the north could be gathered together and shipped out by cheap and economical means, mainly rail transportation. Right now the air transport costs are prohibitively high, especially in northern Saskatchewan where they use small planes.

Some people might say that the idea is absurd, that there is no need, rationale or precedent for having a railway built in the north. However, I ask those people to examine the other provinces in western Canada. British Columbia has a railway up to the Yukon. Alberta has a railway right into the Northwest Territories. In Saskatchewan the rail line stops around the 52nd or 53rd parallel, at the community of Meadow Lake. That is the northernmost rail line in Saskatchewan. Ontario has a railway which goes right up to Moosonee and Moose Factory on James Bay. Those places are much farther north than the area I speak about in northern Saskatchewan.

The Hon. Member for Regina West (Mr. Benjamin) mentioned the railway facilities in Manitoba which go up to Churchill, and the grain terminal there. More of our grain from Saskatchewan should be moving through that port than goes out of there right now.

Therefore, if you look at many of the other provinces, especially the larger ones, you will see that they all have railways reaching much farther north, as far as into the Territorial areas, than we do in Saskatchewan.

I think the real need for a railway in that area, Mr. Speaker, is illustrated by the necessity for economic development of the area. As I mentioned, the standard of living has been very low in northern Saskatchewan in the past. In fact, until the early 1970s when the Department of Northern Saskatchewan was established, many of the luxuries we take for granted were non-existent in that part of the province. For example, you would find ten or twelve members of a family living in one-room houses. Water and sewer facilities in many of the communities were non-existent. There was no form of recognized municipal government in many of these communities. When the Department of Northern Saskatchewan was established, it had a responsibility as a geographic department. The one department took care of all services in northern Saskatchewan including education, health, transportation, hydroelectric power, etc. These all fell under the umbrella of the Department of Northern Saskatchewan. That department had many difficulties in its formative years. The new Government in Saskatchewan has seen fit to abolish the department. I think that is sad, even though the services of the Department of Northern Saskatchewan were only a little more expensive than delivering programs and services through the line departments located in Regina. In many of those communities today there is modern housing with water and sewer facilities. New schools were built, making it unnecessary for students to leave their home communities to continue their education in high school. There are health clinics in many of the northern communities now.

• (1610)

The infrastructure which people need for a decent standard of living is there, but the economic development is very much lacking. One of the reasons for this is that there is not a form of transportation available to get raw materials out and manufactured materials back in at a reasonable cost. Companies wishing to locate a mine in northern Saskatchewan, or to be involved in another kind of economic venture, cannot do so because the transportation costs are incredibly high. If the railway was there, perhaps the transportation costs would be reduced to such an extent as to give an incentive to companies to develop some of the vast resources contained in northern Saskatchewan.

I hope the Parliamentary Secretary to the Minister of Transport (Mr. Flis) will take this proposal to the Department of Transport and that it will look at the socio-economic impact of such a project. I would ask them first to consult with the local communities. Instead of consultation with local people taking place in the remote areas of Canada, often orders seems to have been passed down from up high. Many problems can be overcome with local consultation. Local consultation on a program such as this would be very helpful so as to overcome some of the stumbling blocks.

I suspect that a railway in northern Saskatchewan linking the communities I have already mentioned, would be very advantageous. I do not know that for a fact, Mr. Speaker, because the people in northern Saskatchewan do not have the resources to do a socio-economic analysis of what would happen if a railroad were built in the north. This would cost more money and take more resources than I myself or the local people have the ability or time to put together. I believe the

Department of Transport has the mandate and responsibility to consider this as a concept which would work better than what is now in place there to alleviate the economic disparities in that area of Canada. If the Department of Transport would study this proposal and then point out to me and to the people of northwestern Saskatchewan valid reasons why a project like this could not proceed, we would honour that. If it can document reasons why a railway in northwestern Saskatchewan is not possible, we would like to opportunity to refute its arguments.

I ask the Parliamentary Secretary to the Minister of Transport to present this idea to the Department. I am not playing a political game or trying to force the Department to go ahead with something. I am asking the Department to study the socio-economic impact of building a railway in northwestern Saskatchewan. Give us the opportunity to consider this to determine whether it would be of benefit to the country and, more particularly, to the people of northwestern Saskatchewan, who in many cases are in dire straits and want something to happen. If this will bring about better social and economic conditions, I plead with the Parliamentary Secretary to help us out in this instance.

Mr. Jesse P. Flis (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to thank the Hon. Member for Battlefords-Meadow Lake (Mr. Anguish) for taking advantage of this private Member's Hour and bringing in his motion. However, upon reading the motion that, in the opinion of this House, the Government should consider the advisability of establishing a committee to study the feasibility of expanding the northern transportation options to include the development of a rail line linking communities in northwest Saskatchewan with the main lines in the rest of the province, I could not believe the motion in front of us today.

For the last two years, Mr. Speaker, that Hon. Member and that Party did everything in the book to prevent the passage of the Western Grain Transportation Act, Bill C-155. You know as well as I do, Mr. Speaker, the antics they pulled off in the House over the last year in attempting to prevent the passage of Bill C-155. Today the Hon. Member has the gall to bring in this motion asking the Government to set up a committee to improve the railway transportation system in Saskatchewan. What was Bill C-155 all about? Why all the opposition? He now presents a motion asking the Government to set up a committee to give him rail transportation in Saskatchewan. He should have been the first one supporting Bill C-155, the Western Grain Transportation Act. That Act heralded a whole new era in expanding transportation options in the West, which is what he is asking for. We have entered a new era in which the Government is committed to helping western producers, including the western producers from the region he is speaking about, to meet their objectives—

Mr. Anguish: They do not even grow grain up there. You do not know what you are talking about.

Mr. Flis: —of improving grain transportation and getting things from the market back to the farms. He is talking about bringing in tourism farther north. We heard screams about how these communities will die out one after the other. As the farmers' incomes increase, the economy of Saskatchewan will improve.

• (1620)

I was out in Humboldt-Lake Centre not long ago, opening up the airstrip there. I asked the people there how they had been affected by the recession. They asked, "What recession?". They did not even feel the recession. While that Member and his Party were pulling off their antics, trying to prevent the improvement of the rail transportation system in the West, especially in Saskatchewan, this Government made a commitment and brought in a new era marked by investment in the new railway facilities and equipment to expand freight capacity and provide better service. It is a new era providing first class service to the people in the Hon. Member's province. Did we get any co-operation from him? No, not one ounce of co-operation. It is no wonder that their position in the polls is what it is today. They are completely out of touch with the grass-roots people.

The increased revenues for the producers in Saskatchewan will have a positive effect on the communities in that province. He will discover that the farmers themselves and the people in Saskatchewan will come out with more innovative approaches—

Mr. Anguish: Mr. Speaker, I rise on a point of order. There is something called relevancy of the speeches. I would like to point out that the area I am talking about does not have one kernel of grain. It has nothing to do with the political arguments that the Hon. Member is trying to make. If he will not address the topic, I ask you to call on him to be relevant or not speak at all.

The Acting Speaker (Mr. Guilbault): It is the opinion of the Chair that the Hon. Member may not be dealing with all details of the motion, but the motion is quite broad. It is the Chair's opinion that the Hon. Member is at least in the same ballpark.

Mr. Flis: Mr. Speaker, I asked the page to bring me a map of Saskatchewan prior to my rising to speak. He was kind enough to do so and, interestingly, the page who brought me the map happens to come from Blaine Lake, quite close to the area which the Hon. Member is talking about, near Battleford and a little south of Meadowlake. The Hon. Member's motion deals with a rail line joining the main rail lines. That is exactly what I am getting to. How much more relevant can I get?

The Acting Speaker (Mr. Guilbault): May I remind the Hon. Member that the use of displays in the House is not permitted.

Mr. Anguish: That map doesn't even show the area I am talking about.

Mr. Flis: While the Hon. Member is dreaming of some pie in the sky rail lines, this Government has already acted. I

might remind the Hon. Member that Saskatchewan has one of the best networks of highways of any province in Canada. Perhaps the solution to the problem he is trying to solve may not be a rail line but other modes of transportation, which I think he should consider. There are busses which run cheaply. There are air services that the Government provides to outlying communities. If he were to look at a more multimodal approach to helping the constituency in his area, he might get much further than he is today.

For almost a decade the federal and Saskatchewan Governments have co-operated in measures to assist in the development of northern Saskatchewan. We have made substantial progress, particularly in the improved level of community services and transportation. However, with a major reduction in resource development and the possibility that new resources will not be identified in the foreseeable future, both Governments are concerned as to the economic development opportunities which could now be available to the northern communities. To this end, the Government has proposed the development of a memorandum of understanding in northern economic development by mid-1984. I believe this should be of interest to the Hon. Member with respect to his motion. The agreement would essentially identify ways of improving the co-ordination and existing federal and provincial programs in northern Saskatchewan.

A subsidiary agreement is also proposed to support northern economic development. Under this initiative, three priority areas have been identified for possible implementation during 1984-85. One priority area is resource development and exports. This is something the Minister of Finance (Mr. Lalonde) stressed in his latest Budget.

Another priority area is strategic economic diversification, where initiatives are intended to develop service opportunities.

The third priority area seeks to improve the participation of native peoples, including residents of northern Saskatchewan, and the opportunities and benefits of economic development.

In keeping with our historic concern and involvement with transportation in the Athabasca region of northwestern Saskatchewan, the federal Government has directed its efforts toward maintaining transportation services as is economically feasible while meeting the immediate needs of the communities. These are the very communities to which the Hon. Member is referring.

This has involved extensive consultation with residents of the region as well as with the Governments of Alberta and Saskatchewan. Two principal options emerged. The first one was the winter road. Each year the Saskatchewan Government, as I mentioned, has been providing a winter road from Cluff Lake to Uranium City, thus linking this part of northern Saskatchewan with the rest of the provinces' highway network. Again I must stress that its highway network is second to none in Canada. The federal Government will be most happy to consider any reasonable, well-defined and well-justified proposal from the Saskatchewan Government. Until then, we understand that the Saskatchewan Government will maintain, at least for the current year, a winter road from Cluff Lake to Uranium City.

The other principal option was the marine mode. One consideration for the federal Government was to restructure marine transportation services on the Athabasca system. Everyone will agree that the marine services were of much value in the past. Notwithstanding the fact that with the closing of Uranium City, traffic has reduced considerably, a marine service in some form remains most strategic in meeting the remaining communities' needs.

Based on cost analysis, the Government recommended establishing a marine terminal tug and barge service at Fitzgerald, on the Slave River in Alberta. This meant that the tug and barge service out of Fort McMurray would be discontinued, thus alleviating the need to maintain the dredging program for the Athabasca River. During the ensuring consultation with both the Province of Alberta and Saskatchewan, a general consensus was reached for the federal Government to build a new tug and barge docking facility near Fort MacKay in Alberta, north of Fort McMurray on the Athabasca River. With the choice of Fort MacKay as the new barge terminal, a six-year program of reducing dredging by Public Works Canada will go into effect between Fort MacKay and Lake Athabasca. The number of navigational aids will be reduced on the Athabasca River to conform to the decrease in marine activity.

This continuation of the federal Government's dredging and navigational aids program will significantly reduce the potential negative cost impact on most area residents. The tug and barge service out of Fort McMurray will be terminated, along with the dredging on the Athabasca River between Fort McMurray and Fort MacKay.

As announced on February 28, the federal Government believes that with the new marine transportation service out of Fort MacKay and with the provincial Government's support, the transportation cost to consignees will be minimized and regional economic development will be encouraged. Any savings to Transport Canada as a result of these changes will be available to develop other regional transportation facilities in the Athabasca system.

Traditionally, the federal Government has played a very active role in the development of rail transportation services in Canada's northern communities. However, the geographic location, sparse settlement and great distances between populated areas in northwestern Saskatchewan make this region a high cost area to service, based essentially on community needs. This precludes, at least at this time, the development of further rail links with the rest of the Saskatchewan rail system until the resource potential is clearly identified to justify such an undertaking. We do not need a committee to determine that. That has already been well established.

Of course, it would be possible to construct a railway from the end of the existing railway network to Athabasca or that vicinity. This line, approximately 600 kilometres long, would be extremely expensive to construct. At approximately $625,000 per kilometre, I think we must ask ourselves if the federal

Government and the people of Saskatchewan can afford those types of costs. It should not be forgotten that it would also be necessary to upgrade the existing railway network from Meadow Lake to Prince Albert. This is a distance of 166 kilometres at a cost of $300,000 per kilometre. Such a line would be justified only if there were proven mineral deposits, such as those at Pine Point, Alberta, or in the Flin Flon region. Without proven deposits and a market for these products, it would be pointless to consider further extension to the continental railway network, which is what the motion is requesting.

• (1630)

We must remember, Mr. Speaker, that the provinces also play an important role in providing intra-provincial or local transportation services to their residents. Needless to say, the federal Government wishes to see the residents of these northern Saskatchewan communities receive the most efficient and convenient transportation service possible.

I would like to sum up by pointing out that a great deal of effort has been expended and much more will be required to ensure that transportation services in northern areas are sufficient to meet the demands of those requiring them. The provision of rail services, like any other mode of transport, has to be considered in the light of freight and passenger demand, or the number of industries or other facilities that would benefit.

The Hon. Member did not outline to this Chamber whether he was more interested in passenger service for those northern outlying regions, or whether he was more interested in freight service. Again I would remind the Hon. Member that next time there is an important Bill in front of this House, such as Bill C-155, he should think very carefully about the constituents he represents before he tries to pull the kind of stunt he did in trying to block Bill C-155.

Mr. Anguish: Mr. Speaker, I rise on a point of order. Could I have unanimous consent of the House to put a couple of points on the record and to ask a couple of brief questions concerning the barging system? I have just received notice from the Minister of Transport, (Mr. Axworthy) about the barging system from Fort McKay. I appreciate that. I would like to ask a couple of questions of the Parliamentary Secretary, if I could.

The Acting Speaker (Mr. Guilbault): Posing questions at this period in our proceedings is not proper. However, if the Hon. Member is asking for unanimous consent, that can be done. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Guilbault): The Hon. Member does not have unanimous consent. I recognize the Hon. Member for the Western Arctic (Mr. Nickerson).

Some Hon. Members: Hear, hear!

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, just listen to that applause. This will be a very popular presentation, I can see that.

It is a great pleasure to support my good friend, the Hon. Member for The Battlefords-Meadow Lake (Mr. Anguish) this afternoon. He did not support me on occasions when I have been trying to get transportation links established in my area, but I am magnanimous and I have no hesitation at all in supporting him in his bid to get better transportation services for the people he represents in northwestern Saskatchewan. This is certainly a change in viewpoint for the NDP. The New Democratic Party has never before seemed to have been concerned with northern transportation issues. Where was the Hon. Member for The Battlefords-Meadow Lake when Tom Berger was running up and down the Mackenzie Valley trying to do his thing, doing his evil deeds?

Mr. Anguish: I was in high school.

Mr. Nickerson: —the pipeline that should have been built down the Mackenzie Valley, the part of the country I have the honour to represent, would have done the same thing for us there. It would have increased economic development. It would have provided jobs, and it would have helped the same type of population that he has in his area as would his proposed rail line in Saskatchewan. However, at the time the NDP would not give support to that proposal, excellent as it was. Tom Berger and his accomplices were going up and down the Mackenzie Valley trying to garner votes for the NDP. They were telling people they did not want economic development, they did not need transportation, they should live in the bush and in tents, they should set traps for a living and set nets and they were not going to be part of modern Canada. That is what the NDP was saying just a few years ago.

I am very pleased to see that the NDP members are now having a change of heart, at least the more advanced NDP members from Saskatchewan. Maybe the B.C. NDP is still way back in the 19th century where it always was.

I am going to support the Hon. Member, but I am also going to make an observation. I was in Saskatchewan not that long ago. Saskatchewan had an NDP Government then. It had an NDP Government for eons before that. That is what I was told. Why did the NDP Government of Saskatchewan, like British Columbia that has a provincial railway going to the north, like Alberta that developed the Alberta Resources Railway and like the Province of Ontario which has a railway going to the Hudson Bay area, not take the slightest bit of interest in transportation routes in the north of that province during the many years it was in office? That NDP Government shared in part of the Berger-NDP-B.C. mentality which did not want to do anything and did not care whether or not the people living in those areas starved to death. Anyway, as I have said I am very pleased there has been a change of heart.

I think it is an excellent idea to encourage transportation links such as proposed by the Hon. Member. In looking at the map of Saskatchewan and the adjoining part of the Province of Alberta, it would appear to me that there is a natural rail link

transportation route—a natural corridor—which links the existing railway at Meadow Lake to the existing railway at Waterways, Alberta. This line could go through, as the Hon. Member suggests, La Loche and Buffalo Narrows. It would not be that long or that expensive a line. It is not like building a line to Athabasca or to some place like that. But it would undoubtedly have a greatly beneficial effect on the people who live within that natural corridor route.

Like the Hon. Member, I would like to see a permanent transportation link into Cree Lake, and hopefully at some time into Lake Athabasca—maybe connecting Cree Lake up to Lake Athabasca. I would certainly like to see that happen, although maybe that will be a few years down the road.

Perhaps the existing rail link at Fort McMurray could be extended into Lake Athabasca. That might, of course, be on the Alberta side at the border, and my good friend would obviously like to see it on the Saskatchewan side of the border. However, if that were to take place, it would benefit the Lake Athabasca communities, such as Uranium City, Stony Rapids, and Fond du Lac. It would seem to me that the secret of being able to build a railway and make it operate profitably without too much cost to the taxpayer in the form of subsidization would be to have a sufficient volume of goods to carry on that railway. One needs lots of bulk cargo, such as coal or grain, or perhaps cargo freight with a little higher value, thus allowing one to charge higher freight rates. You need to have a good customer at the end of the line in order to justify being able to build it.

There are two good examples of this that spring to mind. The first is the railway that was built in the 1950s to connect Grimshaw, Alberta, with the lead-zinc deposits at Pine Point, Northwest Territories. That line could not have been financed had we not the mine at Pine Point that was a paying customer. But because that line was built, primarily to service the mine, it has also been extremely useful to farmers in northern Alberta and has encouraged the development of agriculture in the High Level area in the northern part of that province. It has been beneficial to the people in northern Alberta and in the southern Mackenzie Valley by way of general freight.

• (1640)

A similar situation exists in Manitoba where the railway was built into Lynn Lake to service the mines there and the people along the route. If a government is interested in benefiting the people by the construction of a railway in places like northern Saskatchewan, it should be encouraging the development of mineral resources, because grain cannot be grown there and there is not much chance of discovering oil, as I understand it, in the pre-Cambrian areas of northern Saskatchewan. It should really be looking for mineral deposits. Once again we come up against what hitherto has been the NDP policy of not encouraging mineral development. In fact, it does everything possible to discourage mineral development. This has been particularly true in northern Saskatchewan where they are mainly looking for uranium. The NDP more than anyone else has been against the nuclear industry in Canada and the mining of uranium. It is slitting its own throat, so to speak. It goes against anything which will justify the construction of a railway. I am completely unable to undertand that.

However, with the election of an enlightened Government in the Province of Saskatchewan, that Party now appears to be pursuing a policy designed to promote resource development—oil and potash in the south and base metals in the north. What we need in northern Saskatchewan to develop rail transportation links is a finding of base metal, not one of uranium which is a high-valued commodity that can be flown out and dealt with in relatively small quantities. We would really like to have a base metal mine there. Then they would more or less have to put a railway into that area to ship out the finished concentrate.

I would like to comment upon the remarks of the former Parliamentary Secretary to the Minister of Transport. I do not know whether he is in the House now. It is difficult to see him because he sits at the back. He used to be about two rows from the front, but now they have recognized his true worth on that side and have put him at the back where we can hardly see him.

Mr. Blais: We have given him the same seat as the one you occupy.

Mr. Nickerson: He came up with some good ideas. He said that very often it is not justifiable to build a railway and that the same amount of money can be used to build many more roads. The Saskatchewan Government should be—and it is doing it to a certain extent—engaging in road construction to tie all these outlying communities into the mainstream of Saskatchewan life. He also looked at the wider interprovincial perspective, which I would like to do for a while. I was pleased with his announcement that a barge service was to be put in at Fort McKay. Originally it went from Fort McMurray, but now it will go from Fort McKay becuase the uranium mine at Uranium City has been closed down and it does not justify dredging the Athabasca River between Fort McMurray and Fort McKay. The original idea of NTCL and the Department of Transport was to haul freight going to Lake Athabasca all the way up to Hay River and all the way back down to Fort Smith, put it on a barge at Fort Fitzgerald and then take it into there. That was absolutely crazy, although it would have benefited my constituency to a certain extent. It was much more logical to go the Fort McKay route. I am pleased to see that we will have continued navigation on the Athabasca River for some time to come.

The Fort Fitzgerald alternative might not have been quite as crazy had the road about which there has been talk for many years been completed between Fort Vermilion, Alberta and Fort Smith, Northwest Territories. This would cut off many hundreds of miles into Fort Smith and hooking on to the Slave River waterway which gives access to both Lake Athabasca and Great Slave Lake. Eventually, in the years to come, I look forward to the construction of a major road network in that area. I would dearly like to see as the first step the completion

of a road through Wood Buffalo National Park linking Fort Vermilion to Fort Smith. However, this should go hand in hand with the construction of a road from Fort McMurray up to Fort Chipewyan, giving access to Lake Athabasca, and on to Fort Smith in the Northwest Territories. This is a road for which people in northern Alberta and in southern Northwest Territories have been pushing for many years. Each year they have a snowmobile parade for several hundreds of miles from Fort McMurray to Fort Smith to publicize the necessity of this road. Were this to be completed, it would benefit Alberta, Northwest Territories, the Province of Saskatchewan and the people living in northern Saskatchewan around the fringes of Lake Athabasca.

This is what I wanted to bring to the attention of the House this afternoon. I congratulate the Hon. Member for The Battlefords-Meadow Lake for bringing forward such an interesting subject. I assure him that he has my complete support for his proposals.

[*Translation*]

Mrs. Éva Côté (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this is the first time I have had the honour of rising in the House to speak in the capacity of Parliamentary Secretary to the Minister of Transport, and I wish to take this opportunity to thank the Right Hon. Prime Minister (Mr. Trudeau) for letting me continue my work as a Member of Parliament in an area that is of great interest to me. In fact, economic development in the riding I represent in the House is very much dependent on transportation. Before speaking to the motion before the House today—the motion moved by the Member for The Battlefords-Meadow Lake (Mr. Anguish)—I would like to say a few words about the exceptional work done by my predecessor, the Member for Parkdale-High Park (Mr. Flis), who has just commented on the motion. You will understand I certainly cannot share the views expressed by my colleague in the Official Opposition, the Member for Western Arctic (Mr. Nickerson), who ought to know, even if his party did not stay in power long enough for him to find out, that—I am thinking of his comments regarding the Hon. Member for Parkdale-High Park—Parliamentary Secretaries are appointed for a specific period. This may be one or two years, but the fact that one is no longer a Parliamentary Secretary certainly does not constitute a demotion, and at this point I wish to pay tribute to the work done by my predecessor, the Member for Parkdale-High Park, to whom I offer my sincere thanks, on behalf of all my colleagues.

To get back to the motion before the House today, which concerns the establishment of a Committee to study the feasibility of present or future options for railway transportation in northern Saskatchewan, I would point out that transportation links for isolated regions in Canada certainly deserve the attention of the Government.

In fact, we are focussing special attention, not only on developing Canada's large urban centres, but also on putting an end to the isolation of rural regions and Canada's North. The Hon. Member's motion is therefore entirely appropriate. However, I feel there is a case for putting the issue of transportation in northern Saskatchewan within a broader context, in order to provide a general picture of the transportation services offered in northern regions in the Prairie Provinces, and of the options that could be considered for further improving the quality of service offered to users and, consequently, to the taxpayer.

In keeping with the terms of its mandate, Transport Canada has to make sure that every region of the country is serviced by a passenger and freight transport network that is dependable and adequate and which, above all, fills the needs of the population. But there is more to it than that. Mindful of the objectives set by the Canadian Government, Transport Canada must seek in every possible way to get closer co-operation from the other Government levels—the Government of Saskatchewan in this case.

Such co-operation is not expected only from the public sector, Mr. Speaker, because the federal Government seeks the support of the private sector which has a leading role to play in any endeavour undertaken to bolster the economy of Canada.

Now I should like to say a few words about the services of the Northern Transportation Company which were operational until last year in the Lake Athabasca region. Considering the losses reported by that Crown corporation in 1982—$800,000—no one could reasonably expect that corporation to continue to provide services when tonnage—and income—kept going down year in and year out. Still, the Government will certainly continue to provide services to that region and its residents.

Under a freight transport network restructuration program, the Canadian Government will soon begin the construction of a new wharf for tug boats and barges at Fort McKay and maintain its dredging and navigational aids maintenance services.

In the statement he made last February 28, the Minister of Transport made it quite clear that, once the new tug boat and barge service is operational, with the support of the Saskatchewan Government, the cost of transportation to the cosignatories would be reduced and the local economy would be given a strong boost.

• (1650)

In this context, Mr. Speaker, I am happy to remind the Hon. Member that Transport Canada, the Provinces of Saskatchewan and Alberta and the communities concerned along the Athabaska system have decided to have consultations in this regard. These consultations are now under way, as is the restructuring program. In other words, the private sector will have a most important role to play in the near future to maintain the flow of supplies along the Athabaska road.

I was saying earlier that the transportation services in Northern Saskatchewan should extend beyond the borders of the region. From a geopolitical point of view, we see that the northern part of the Prairie Provinces is provided with a transportation network which dates back to 1929 when the Churchill line was built in Manitoba. This line was later

expanded with the Lynn Lake, Flin Flon and Osborne Lake branches.

In Alberta, the construction of the railroad owned by the Northern Alberta Railways and operating between Edmonton and Waterways did put an end to the isolation of the region. While this line is located in Alberta, the Northern Transportation Company Limited has during the last forty years provided the area with a barge and tug service in summer from Waterways, that is from Fort McMurray and Fort MacKay, to the communities around Lake Athabaska.

While the federal Government readily appreciates the Hon. Member's desire to have railway branches extend further North from Northern Saskatchewan, the profitability of such costly projects must first be established.

The Hon. Member belongs to a party which favours job creation, for which I congratulate him, the extension of social services and the expansion of our social network. This Government agrees with some of these principles, but it is obvious that, when he suggests investing considerable amounts, for instance in the building of questionable profitability, the Hon. Member's suggestion flies in the face of his own principles.

On the other hand, the Saskatchewan Government has not been idle, far from it! Just like the federal Government, it has a most important role to play in the economic development of the northern part of its province. For instance, to mention just a few of the most positive aspects of its transportation policy in this area, may I indicate that it is subsidizing this year to the tune of some $300,000 transportation by air of perishable goods to communities without year round access roads.

The Saskatchewan government has also maintained for the past several years in the Uranium City area a 190-kilometer long winter road at a cost of $400,000 per year.

If the Saskatchewan government were to make other proposals to its federal counterpart for the improvement of the road system in that area of the province, I am sure that my colleague, the Canadian Minister of Transport (Mr. Axworthy) would favourably receive this kind of representations which are quite consistent with his policy of opening up the northern and rural areas towards the larger industrial and demographic centres.

As a matter of fact, both levels of government are meeting regularly to consider whatever action must be taken to develop the economic potential of Northern Saskatchewan; this spirit of co-operation, I am pleased to report, has already resulted in a number of successes, including an increased level of services and transport to the communities. In order to reduce the impact of the closing of mining operations and the reduction in services, both governments are considering the possibility of signing a memorandum of agreement concerning the economic development of Northern Saskatchewan in mid-1984. It would identify the means to increase and improve federal and provincial programs in that area.

I would like to come back for a moment to the matter of extending the railway system to the north of the province, as suggested by my colleague from The Battlefords-Meadow Lake. The Canadian Government has never hesitated, when prompted by economic considerations, to promote the construction of rail lines. The best examples are the new Western Grain Transportation Act, which will enable the two major railways to invest some 16.5 billion in the economy over the next ten years. Those funds will be used not only to improve Canadian exports more or less substantially but also to create thousands of jobs in the primary and manufacturing sectors. Another example of the Canadian Government's involvement in railway transportation is the studies by the Transport Canada's Centre for Transport Development in support of studies for the construction of the new British Columbia Railway's line from Anzac, near Prince George, to Tumbler Ridge's coal basins.

Those two examples among others show the Canadian Government's determination to support, where needed, projects for the construction and restructuring of our railway system. However, Mr. Speaker, a rail line from Meadow Lake to Lake Athabasca would cost a minimum of $625,000 per kilometre, not including the improvements needed to the line section between Prince Albert and Meadow Lake, which would involve $300,000 per kilometre.

Such investments can only be warranted where important mineral deposits are to be found in the area served by the line. Surely, the Hon. Member will admit that committing that kind of money to a line such as he is advocating would ignore basic economic principles. I would like, however, to reassure the Hon. Member, Mr. Speaker—

The Acting Speaker (Mr. Guilbault): Order, please. I regret having to interrupt the Parliamentary Secretary.

The hour provided for the consideration of Private Members' Business has now expired. It being five o'clock p.m., pursuant to Standing Order, this House stands adjourned until Monday, March 12, 1984, at eleven o'clock a.m.

At 5:00 p.m., the House adjourned, without question put, pursuant to Standing Order 2(1).

HOUSE OF COMMONS

Monday, March 12, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FEBRUARY, 1984 BUDGET

Hon. John C. Crosbie (St. John's West) moved:

That this House regrets the failure of the government to include measures in the February, 1984 Budget to prevent the continually sagging Canadian dollar from further decline, reverse the continuous increase in the already critically high levels of unemployment, and combat the return to steadily rising high interest rates, all of which signals an end to any possible recovery and clearly demonstrates the incompetence of the government and its callous attitude of ignoring the social and economic hardships that it is imposing upon the Canadian people.

He said: Mr. Speaker, the resolution which we have before us summarizes the situation, and I am happy that the Minister of Finance (Mr. Lalonde) is here with us today, along with two aspirants to the leadership of the Liberal Party. Before getting to the structure of my main remarks, I must say that these Hon. Members, of course, are deathbed repenters, because they have both rejected the Government's economic doctrines of the last few years.

I am happy that the Minister of Justice (Mr. MacGuigan) is here today because he, presumably, is tendering his resignation before the day is out. He is part, he says, of the reforming centre, the soft centre of the Liberal Party, and he says it should bring its tradition of reform to economic matters. Well, Mr. Speaker, if your economic policy is sound and sensible, you do not need to reform it. That is a biting criticism of the Government's economic policy, that now it should need a tradition of reform.

The Minister of Justice envisages a government which uses less coercion and confrontation in national politics. What a savage attack on the present Prime Minister (Mr. Trudeau)! He says he is going to attempt to cut the federal deficit and better manage the economy through more co-operative efforts. He is even going to trim the power of the Prime Minister's Office. He is going to clip his own toenails before they have even grown, Mr. Speaker. That is the Minister of Justice.

Then, of course, we have the Minister of State for Economic and Regional Development (Mr. Johnston). Lo and behold, that Minister wants to have the principle of universality looked at in our social programs. I could not believe my ears, Mr. Speaker, until I realized that the Minister of Finance himself had made the same suggestion on November 4, 1982; he proposed that the baby bonus, better known as the family allowance payment, be eliminated for wealthier people who do not need it. The same Minister of Finance brought this up in the House the other day—a hypocrite beyond compare. He said he disagreed with some of his colleagues who say a basic principle of Liberal philosophy is universality. Not only does the Minister of Finance disagree with his colleagues, but the Minister of State for Economic and Regional Development also disagrees with his colleagues. How can they stay in the Cabinet when they disagree with the policy of the Government?

On November 7, 1982 the Minister of Indian Affairs and Northern Development (Mr. Munro)—"bleeding heart Munro"—at a Liberal Party biennial policy convention said that he supported a motion that we eliminate universality. He said: "The Government is wasting millions of dollars by sending monthly pension cheques to wealthy senior citizens and baby bonuses to families who do not need the money. Such funds should be redirected to help the most needy". There you are, Mr. Speaker, we are smoking them out. There is a lot of disagreement within the Government ranks as to what it should be doing in the social area.

• (1110)

To come back to the motion, Mr. Speaker, we have a Budget which was brought in on February 15, 26 days ago, and never in the history of Canada has a Budget been so repudiated by the facts. It should not have been brought in on February 15. The Minister should have waited until he saw how the economic recovery was going. But no, for political reasons, to help the Liberal Party and get the Budget out of the way before the leadership aspirants started to announce, he brought the Budget in prematurely. This is a case of premature budgeting. Now, 26 days later, we see what is happening to the economy. The Minister claimed the Budget was going to have no effect on the economy: "Lack of response to new Budget fine with Lalonde". The Minister said his new Budget is not having any effect on the economy and that makes him happy. Now we discover the economy is starting to sputter and go into a recession again. The Minister should have had a Budget which would have the effect of helping the recovery, not continuing the tax impositions he introduced last April. However, I will come back to that.

This Minister has done this economy a lot of harm, Mr. Speaker, through the Budget he brought in. But even more harm has been done by some of his statements since. I refer to his statement on March 7 when he said: "I am not one

spending my nights up worrying that the dollar is not at 81 cents, I can assure you". That is his job, Mr. Speaker. He should be up worrying about the state of the Canadian dollar, not pretending that he is not worrying. Well, the dollar is not at 81 cents any longer, partly as a result of this Minister's negligence and silly statements. The latest figure on the dollar this morning is 78.21 cents.

The Minister went on to make some other silly remarks in the same interview in *The Globe and Mail* on March 7. He said interest rate levels in Canada have nothing to do with the value of the dollar. Now, Mr. Speaker, since it has been the Government's policy for at least ten years, as well as that of the Bank of Canada, to keep our interest rates in Canada at least equal to, if not higher than, interest rates in the United States to protect the Canadian dollar, which would plummet if this were not done, how can the Minister make such a silly statement? Not only that, both these statements have given further credence and strength to the speculator. The speculator feels the Canadian dollar is going to decline in value and then he reads that the Minister of Finance is not worrying that the dollar is at 81 cents, so he naturally bets against the Canadian dollar and helps force it down. All the Minister has done is bring greater pressure on the Canadian dollar with these statements of his.

The Minister said he had no preferred level for the dollar. Its value floats freely at the whim of world markets. It is like shaver's soap, Mr. Speaker; it does not sink, it does not float, it just lies there. That is what the Minister of Finance wants us to believe. The Government does not intervene, he says. Why, then, did our foreign exchange reserves go down $112 million last month protecting the Canadian dollar? Why have we spent billions in the last few years protecting the dollar if the Minister is just going to allow it to float? Well, it has developed a leak and is not going to float very far unless the Minister makes some firm statements as to what the Government's position is. Is the Government concerned about the level of the Canadian dollar, as it has been saying now year after year, or is the Government not concerned? The Minister intimates they are not concerned. If that is the case, the Canadian dollar is certainly going to go lower and lower.

Does the Minister still agree with what the Governor of the Bank of Canada said in his speech to the Investment Dealers Association of Canada on November 29, 1983, or does he not agree? Is he going to give them a different directive? The Governor said any major depreciation of the Canadian dollar at this time would be much more likely to damage than to help our economic situation in that it would be strongly inflationary in an environment where confidence that inflation is under control is still so fragile. That was the policy then. Is it still the policy? Last Friday the Minister would not answer. He went off into irrelevancies about universality. Well, he has to answer. Does the Government agree with the Bank of Canada's policy or is it directing a change?

• (1115)

In addition to the dollar sinking so far today to 78.21, the Treasury bill rate is 10.15. It is up again which indicates that the Bank of Canada rate will likely go to 10.40 per cent this week. Is the Government going to allow interest rates to go up to protect the Canadian dollar from falling much further and to stop another bout of inflation in Canada or not? Is the policy the same or has the Minister changed the policy? He must make that clear, Mr. Speaker, or the Canadian dollar is going to continue to be under the kind of pressure it is now under.

Devaluation of the Canadian dollar has already occurred, Mr. Speaker. The decline has been near 24 per cent since December, 1976 when it was $1.02 in U.S. terms. Not only has our dollar depreciated *vis-à-vis* the U.S. dollar, Mr. Speaker, but it has devalued 11.4 per cent over the same period against the English pound and 37.4 per cent against the yen. The Minister is here today, Mr. Speaker. We are hoping he will give the Canadian people some answers about the Government's policy and whether it has changed.

The real number of unemployed today, Mr. Speaker, according to Statistics Canada, is 1,476,000 persons. The rate has gone up to 11.3 per cent. My colleague from Calgary West (Mr. Hawkes) will deal in more detail with the unemployment situation. The Minister will still come before the House and pretend there is something positive and good about the figures. There is nothing positive or good. The number of unemployed in Canada is up for the fourth month in a row. The rate of unemployment is up for the second month in a row. It is the highest rate of unemployment since September of 1983. We are still 139,000 jobs below the pre-recession peak. The number of people working full-time is still 352,000 below the pre-recession peak. When this group came into office in 1980 the number of unemployed was only some 967,000 persons, or 7.5 per cent.

The record of the last four years and one month is miserable. These leadership candidates have acknowledged that. They want economic reform, Mr. Speaker. We are going to hear a lot of malarkey from these whirling dirvishes as they whirl and twirl and try to dissociate themselves from the Government of which they are members. They want to put a distance between themselves and the Minister of Finance who has failed so lamentably, just as his predecessor, the genius from Cape Breton, did. When this group came into office in 1968 there were approximately 375,000 unemployed. The rate was 4.5 per cent. Where is it today after they have been in office for the last 16 years? The rate is 11.3 per cent. They say it is not their fault; it is the fault of the U.s., it is the fault of Afghanistan, it is the fault of Grenada, it is the fault of everyone but them. That is the story they give us.

What is happening in the U.S.? In the U.S. the unemployment rate just fell from 8 per cent to 7.8 per cent. It fell for the sixth month in a row. If we are captives of the U.S. and can do nothing but follow what happens in the U.S., how is it their unemployment rate is now 7.8 per cent while ours is 11.3 per cent? Theirs has fallen for six straight months while ours

has gone up. Of course, Mr. Speaker, we are not the captives of the U.S. or any other country. There is much that we can do for ourselves.

● (1120)

What about inflation? Since the Budget came down, inflation has started back up again. The inflation rate from January to January is now back up to 5.3 per cent. The underlying rate of inflation, when one takes out energy and takes out food, is up. The underlying trend rate of inflation, or the cost of living, is also on the way back up.

Inflation is still a problem. Simply because this is a lame duck government—a collection of quack quacks—it does not mean that these problems must not be tackled. We should be in an election today. If it was not for the fact that the Liberal Party puts its own interests ahead of the national interest, we should be in an election now to determine what the future of this country will be and whether the country wants to continue with this record of unmitigated disaster of the last four years, or 16 years, or whether it wants to give another party a chance. That is what should be decided today, not the leadership of the quack quack government that will be decided in June.

Just about every economic figure that has come down since the Budget 26 days ago has been one that causes gloom. For those who are interested, they can look at today's *The Globe and Mail* in which there is a little article by Peter Cook that compares the U.S. economy to the Canadian economy. The comparison should certainly make this country feel ashamed. He says:

> When Finance Minister Marc Lalonde brought down his budget less than a month ago, he chose to ignore the differences between the two economies and refer to a general North American recovery.
>
> But, as the marking down of the dollar proved last week, conditions are not the same at all.

He goes on to make the comparison. In every case, the comparison is one in which we do not stand up well to the United States.

> Real interest rates have been more or less as punitive in both countries. If anything, they have been tougher in the United States because inflation has been lower.
>
> But the reaction to them by Canadians who, admittedly, have lower disposable incomes has been entirely different. They have kept saving while Americans have been on a spending spree.

In the United States businesses are going ahead to invest in new productive facilities, to buy new machinery and equipment. In the United States capital spending is jogging along. In Canada there is no sign that it has yet got out of the door. He says:

> These differences are important, not least because Mr. Lalonde totally overlooked them.

He brought in a Budget that gives no stimulus to capital investment or to business investment. He punched the consumers right in the belly by bringing in a Budget that continues sales tax increases and income tax increases that will take more out of the economy, just as he promised to do last April.

Mr. Cook concludes his article:

> Meanwhile, Mr. Lalonde has simply either not seen the problem or has chosen to ignore it. His budget has legitimized high levels of government spending while offering no incentives at all for consumers to spend or businessmen to invest.

That is a considered, impartial opinion of the financial policy that is illustrated by the Budget which came down a few days ago.

In the few minutes that I have, I cannot go into the unemployment situation in more detail but my colleague from Calgary West (Mr. Hawkes) will do so.

The Minister of Finance stands indicted as a prophesier beyond compare. On October 19, 1983, in *The Toronto Star*, the Liberal bible, he said that interest rates likely will drop by another two to three percentage points in the next six months. Five months have passed and we have not seen that drop. There is another month to go. Perhaps they will drop two to three percentage points in the next month. He said:

> Canada can respond 'very fast' to lower U.S. interest rates if inflation remains low and the value of the Canadian dollar stays steady at its current 81-82 cent range in terms of U.S. money—

That possibility has gone out the window, although the Minister says that he does not care. He does not lose sleep over the Canadian dollar, he says. It is now down to 78 cents. He said that we could respond quickly if the value of the Canadian dollar stayed steady at its current 81-82 cent range. It has not stayed steady, Mr. Minister. What will we do now? How will he respond now when the dollar is already down to 78.21 cents U.S.?

We only have to listen to the various economists. For instance, Thomas Maxwell of the Conference Board of Canada says that there is growing evidence that our recovery is stillborn. I am quoting from the Calgary *Herald* of March 3. The article reads in part:

● (1125)

> He predicted the country could be hit as early as next year by a recession even deeper than the one now considered by many to have ended . . .
>
> "There has been no net increase in jobs since the beginning of the recovery," he said—
>
> Technically Canada has been in recovery for a year, he said, but domestic economic growth has gone steadily downhill since its initial spurt in the first quarter of 1983 as export sales accounted for virtually all increases.
>
> "That is precisely the inverse of how economies traditionally perform in a recovery. Usually recovery begins with strong consumer buying with export growth coming in near the top."

In Canada it has been the reverse, Mr. Speaker. We have not had strong consumer buying. Mr. Maxwell quotes the figures from Statistics Canada which I do not have time enough to give now but which confirm our economic growth is slowing and that business investment is at a standstill. Mr. Maxwell explained:

> Without investment in new plant and equipment, there is nothing to drive Canada's economy into the mature stage of recovery when income and employment growth traditionally makes its strongest move.

That is the judgment of a professional and experienced economist. I could give you many more judgments, Mr. Speaker. Firm after firm has pointed out that the Minister's fore-

casts in his Budget are far too optimistic. For instance, final domestic demand declined in the last three months in 1983; business investment plunged 12.2 per cent in 1983; real personal income declined again in 1983; and business investment in machinery and equipment declined.

The Minister said in his Budget of February 15:

—my goal was to secure the recovery. That goal has also been met.

Did ever such a fatuous statement have its falseness shown so quickly following a Budget as that fatuous statement has, Mr. Speaker—that the goal was to secure the recovery and that goal has been met? The goal has not been met. We had a Budget brought in at the wrong time and with a lack of measures to do anything to help our recovery. We are now suffering the results. We have a Minister who is afraid to say what the Government's policy is.

Is the policy to attempt to show the Canadian people that our deficits are going to be controlled, that government spending is going to be controlled, that we are going to protect the Canadian dollar as far as we can, that we are going to continue what the government's policy has been to date? Or is the Minister going to throw up his hands and pretend that there is no policy at all? What tack is the Minister going to take while the Liberal leadership hiatus continues? Is the Government going to permit its Ministers to go about the country attacking its own policy of the last four years and the last 16? What is the Government going to do with Ministers who now seek to absolve themselves from responsibilities they have had for these many years? In the case of the Minister of Justice and the Minister of State for Economic and Regional Development, it is at least four years.

I see it is time for me to conclude, Mr. Speaker. I say to the Minister that under his stewardship the economy is faltering, the recovery is disappearing, and the jobless are without hope. People are suffering. When is he going to take some action? If he does not take action, how about persuading the Prime Minister to call an election?

Mr. Lalonde: Mr. Speaker, I listened with great interest to the statement made by the Opposition critic. He referred to a statement to the effect that I said that I had no preferred value for the Canadian dollar.

Mr. McDermid: Or the Canadian people.

Mr. Lalonde: I do not know whether the Hon. Member can tell me what he meant when he said, as Minister of Finance on November 3, 1979, that "the dollar should have no particular value", and on November 16, 1979, also as Minister of Finance, that "I have no plans to boost the dollar. I have no plans to do anything about the dollar". Could the finance critic tell us what he meant by those two statements that he made when he was Minister of Finance? No fooling around: just address the question directly.

Mr. Crosbie: Mr. Speaker, I am very pleased the Minister of Finance has humbled himself to come here today to listen to me. It has not been the practice in the past. I believe this shows how nervous the Liberals are about the state of the economy at the moment. You will note, Mr. Speaker, that I did not say that I was not up nights worrying about the dollar. By the way, the Minister should tell us what was the value of the dollar when those statements were made. It was a considerably stronger dollar then.

• (1130)

Mr. Blenkarn: About 86 cents.

Mr. Crosbie: About 86 cents. No wonder I had no policy about what the dollar should be when it was strong and vigorous, because we had a Conservative Government which was protecting the dollar.

Mr. Evans: The Conservative Government was protecting the dollar!

Mr. Crosbie: I do not think—

Mr. Blenkarn: No, we did not have to. Money was pouring into the country for investment in oil.

Mr. Crosbie: There you are.

Mr. Blenkarn: And you threw it out. Hibernia was active, and you threw it out.

Mr. Crosbie: I am lucky, Mr. Speaker. I have a Minister of State for Finance critic who can protect me when I am asked a question.

Mr. Evans: He is a busy gentleman.

Mr. Crosbie: I would like to give the Minister some advice. I had no policy that the dollar should be at any particular point in the scale of values, but we had a policy that the dollar should not be, as far as humanly possible, allowed to depreciate in value because of the inflationary effect that would have in a country already suffering from inflation. We did not have a policy of telling the public that we did not care what value the dollar was so that all the speculators would join in attacking the Canadian dollar and forcing it down even further.

Mr. Evans: What a foolish statement.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, we in this corner of the House would generally agree with the motion before us today. We certainly regret the failure of the Government to do anything meaningful to aid our seriously ailing economy. However, I must admit that I find it somewhat strange that this motion was moved by the Hon. Member for St. John's West (Mr. Crosbie) when at another time and in another place he said that if he were Minister of Finance he would not do anything different from what the Government is doing right now. Yet here in the House he condemns the Government for doing what he has said that he would not do any differently.

Mr. Crosbie: Mr. Speaker, I rise on a point of order. I do not want to be misquoted in the House. Never did I say any

such thing. If the Hon. Member could point to where I said that, if he could give us the exact quotation, fine; but I do not want to be misquoted.

The Acting Speaker (Mr. Herbert): Order, please. That, of course, is not a point of order; it is a point of debate.

Mr. Crosbie: I thought it was a point of order.

The Acting Speaker (Mr. Herbert): The Hon. Member will have an opportunity to question the speaker at the end of his speech.

Mr. Lalonde: Mr. Speaker, I rise on a point of order. I would be happy to help the Hon. Member for St. John's West by giving him the quote wherein he said that.

The Acting Speaker (Mr. Herbert): That is not a point of order.

Mr. Sargeant: Mr. Speaker, perhaps the Minister could send it over to me. I do not have the exact quotation with me, but I recall very well the Hon. Member having said that. I suppose one can take strange positions, as the Hon. Member and his Party have done. It is a luxury in which they can indulge while they are leading in the polls.

Nevertheless, I am pleased to have the opportunity to address this very important subject which seriously affects the entire country. Perhaps I could relate it somewhat to my part of the country. I was somewhat alarmed one morning last week when I awoke to the news on CBC radio that interest rates were once again on the move upward. For some time the Minister of Finance (Mr. Lalonde) has been telling us about the recovery which he sees happening in Canada. Many Canadians have searched far and wide to see exactly where the recovery was happening. I suppose we must admit that it is ongoing in some sectors of the economy. We have seen, as we in this corner of the House have related a number of times, considerable recovery in the profits of certain fairly major corporations, notably banks, oil companies and some others. However, we do not see any recovery for those who count—working Canadians, farmers, unemployed and senior citizens; in other words, the vast majority of Canadians, those who would spend money if they had it or could find a source of income. Those are the people who would sustain this imaginary recovery if they had jobs or the means to sustain it.

I ask the Minister what will happen to this make-believe recovery about which he is talking if the Government does not take immediate steps to keep interest rates down. I suggest it will go poof! The Minister will awake one morning to find that there is no more recovery, perhaps not even in the few sectors where we have seen it in the last few months.

We have just come through the worst recession Canada has seen since the great depression of the 1930s, a recession which was largely brought on and certainly worsened by the seriously high interest rates of the last two years or three years. We have just come through a period which saw many farmers losing their farms, which saw many businessmen, large, small and intermediate, lose their businesses because they could not sustain the cost of interest. We have seen home owners lose their homes because they could not keep up their mortgages. We have seen a period when houses were not built because people could not afford the interest on the mortgages. We have seen a period when cars were not purchased because people could not afford the interest. We have seen a period when major appliances, furniture, farm machinery, et cetera, were not bought because the buyers could not afford the cost of borrowing money. We have seen plants not expanding for the very same reasons.

Because of that we have seen resulting high unemployment. We are barely out of that period. Perhaps we are just coming out of it. Certainly many individuals have not recovered. Unemployment has not yet recovered. Will the Government allow us to go right back into that situation? Will it not take some immediate action to prevent the return of this very serious recession out of which we are just coming?

Let me talk for a few moments about two or three particular groups in my riding. I think they reflect the situations faced by similar groups across the country. My area is no different from other regions. I want to talk about how the present state of the economy has affected them and may well affect them again if interest rates, in particular, are allowed to escalate.

The first area about which I want to talk is farming. Farmers form a very large and diverse sector of my constituency. Some of them enjoy some of the best farm land in the country. They are able to be reasonably successful. Others live on some of the most marginal land in Canada. If we could ever develop a market for the rocks that pop up every spring on these farms, they would be doing well.

I think the general farm situation in Manitoba can be highlighted by referring to an incident which happened last Friday in the Town of Virden. It is not in my constituency; it is in western Manitoba. In that town on Friday there was an auction on one of the local farms. It was a fair-sized farm which was probably fairly successful at one time. However this particular farmer had gone under because of the economic situation of the last few years. He was unable to meet the demands of the local credit union. An auction was held, but in this particular case the Canadian Farm Survival Association came on the scene and stopped the auction from happening. Who knows what will happen to that particular farmer and his farm in the next few days and weeks? For the time being the story highlights a very sad situation. It is an example of the many farmers who are still reeling from the high interest rates of the last few years.

During the last few years we have heard about many farm bankruptcies. We have heard about the increase in their numbers. We have heard of high-profile sales such as the one to which I just referred, but we have not heard of the many forced and quiet sales or of the many farmers who have simply given up. They simply could not make ends meet any longer and had to get out of farming. For some of them it meant an end to their life's work.

• (1140)

During the winter break just a few weeks ago, I travelled around my constituency. I met with a number of farmers in every corner of my area. It was much the same story with all of them. It boiled down to rapidly escalating costs, costs escalating at a much greater rate than the rate of their return. They mentioned that the Government liked to talk quite a bit about the great benefits farmers will see from the changes to the Crow rate. The Minister of Finance has often stood in this House and said that this will be of great benefit to farmers in western Canada, if not all across the country. I suggest that he talk to some of these farmers to see what they think about one more increase in their costs.

Without doubt, the saddest story I heard during the winter break was from a group farmers in the Riverton area, a town in the east central part of my constituency. In the best of times, it is not really a bad farming area. But in seven of the last eight years, half or more of the farmers in that area have suffered from a crop failure, in most cases a total crop failure because of flooding some years and serious drought in other years, such as last year.

In two or three months these farmers should start planting this year's crop, but they do not have the capital to do that. They need cash or some form of relief from high interest rates. They have gone to the Farm Credit Corporation, the credit unions and the banks and have come back empty-handed. Those institutions are leery about loaning money to farmers who are already carrying a high debt load. They have tried to get help under the province's interest relief program. However, the operations of many are simply too big to qualify for that program. If the farmers can find the money to put in a crop this year, with another bad year half the farmers in that part of my constituency could go under.

Today's motion refers to the Budget of February, 1984. What did it do for these farmers? Zippo. What will interest rate increases do for those farmers? It is not hard to guess. It will speed up the rate which they die off. What advice did these farmers get from one local agricultural representative? They were told to sell their farms and to get out. What kind of an answer is that? We are talking about a way of life in western Canada that is being threatened, not only in my constituency but across the west. That way of life is the family farm. This Government has to decide whether it wants to preserve this way of life. Is the family farm going to stay or not?

There are not only serious social consequences coming out of that but economic ones as well, such as the survival of small towns that have built up around the farms. This will also affect food costs if family farms are replaced in great numbers by corporate farms. How about a break for the farmers? The federal Government is able to find billions of dollars in tax breaks and incentives for oil companies. How about a wee bit for the farmer?

Let us look at the cost of fuel and other petrochemical products that farmers use. In the last five years those costs have doubled at the very minimum. In the last ten years they have gone up five to ten times. At the same time, what has happened to the price of wheat? It is lower than it was two or three years ago.

Many people, myself included, until fairly recently believed that farmers got a break on the price of fuel. We hear about the purple gas that farmers use and we thought they were getting a rebate on their fuel. If you explore it a little more deeply, you find that it applies only to gasoline. Very few farmers that I have come across in the last few months use much gasoline. Their equipment is diesel-operated. Some even drive diesel trucks and cars. They are not getting that tax break. Some do not even bother to claim the gas rebate. As it only amounts to $75 or $100 a year, it is not worth spending the time filling out the forms.

In addition to all this, over the last year we have heard a lot of stories about the tax department harassing farmers, making the situation even worse. Let me give a couple of example that have been brought to my attention in the last two weeks of farmers getting the runaround and being harassed by Revenue Canada in Manitoba.

A person near my home town of Gimli operates a small farm. The farm more or less gobbles up all the money it earns. He has a part-time job which pays him approximately $5,000 a year. His wife also has a part-time job which pays her roughly $5,000 a year. This winter Revenue Canada came in and said since there was no expectation of profit on the farm, he would therefore be classed as a hobby farmer. Let us be realistic about about this. Between them this couple earns $10,000 in annual income. His small farm gobbles up most of what it earns, and Revenue Canada decides that he is a hobby farmer with $10,000 in income. This is not a doctor, lawyer or businessman doing this for fun on the weekends.

There is another case just as ridiculous and perhaps even more ludicrous of a farmer who has lived on the same farm since the day he was born. Indeed, he was born in the farmhouse 55 years ago. Like most other farmers in my constituency, he has to work off the farm to earn some other income just to stay alive. An auditor, who was never on a farm until the day he walked on to this gentleman's farm, decided that after 55 years on this farm he is not a farmer.

While Revenue Canada is harrassing farmers and small businessmen, we see a headline in Saturday's *The Globe and Mail* appeared about how big corporations have beat the tax man for billions. Some of these prairie farmers are trying to get away with a couple of hundred or thousand dollars of legitimate costs on their farm operation. It is easy to tell them to sell their farms if they cannot expect to make money. But, these people have chosen to be farmers just as other Canadians have chosen to be doctors, truck drivers, politicians or whatever. They want to be farmers. It is all that some have known all their lives. It is not their fault that costs for interest rates, fuel and equipment have gone up so high that they cannot make a legitimate profit.

These farmers are supporting much of this country with their cheap labour, yet Revenue Canada chooses to harass them. I repeat, the Government has to choose with regard to

the continued existence of the family farm. This must be done very soon. In the next election they must tell the farmers whether they are going to back them up by doing something meaningful so that they can exist, or that they are not going to let the farmers continue. Give these farmers a chance so that they can find a different way of life.

I wish to talk for a few minutes about what the current state of the economy means for the Indian community in my constituency. There are 11 reserves, some very small with a couple of hundred people and some very large with a couple of thousand. Some are very close to Winnipeg, others are miles away in the northern part of my constituency. Something they all have in common is an incredibly high rate of unemployment. At some times of the year, particularly outside of the fishing season, unemployment on those reserves reaches as high as 90 per cent.

This situation has been made worse in the last two or three years with high unemployment in the cities, particularly in the construction industry where they have often gone to find work in the past. They have returned from the cities and those other communities to the reserves where there are no jobs. It has made the social system on the reserves even more difficult to cope with. Many of the reserves are given nothing in the way of resources. In our generosity 100 years ago, when we signed treaties with the communities, we gave them some of the worst land to live on that could be found in the Province of Manitoba. Over the years we have not given them the facilities to develop any kind of economic base.

• (1150)

In recent years there has even been a change in the nature of the funding that goes to reserve Indians. In the two areas that might help them out of their sad state, economic development and post-secondary education funding has been cut back. Funding for welfare, which is easier to administer, has not been cut back. I think this is a disgrace, Mr. Speaker.

We saw another scandal at the conference of First Ministers last week. In his motion, the Hon. Member for St. John's West refers to the social hardships the economy is imposing on Canadians. I think he should talk to some of the Tory Premiers in the country. If we were to take away from or otherwise deny non-native Canadians the basic right to a great deal of control over their own lives, there would be a national uprising, and rightly so. Last week, however, we saw seven provinces, six of them led by Tories and the other operating on its own agenda, do that to Canadian natives. This is the late 20th century; it is not feudal Europe. It is time we treated our natives with some kind of dignity.

I see that my time is almost up, Mr. Speaker. I wanted to talk about the sad state of older women in the country and to put on record yet again some of the recommendations my Party has made on a number of occasions in the past. However, I will leave that for other Members later in the day or in other debates in this House.

Mr. McDermid: Mr. Speaker, I have a question for the Hon. Member. A couple of amendments to the Constitution were discussed at the First Ministers' conference last Thursday and Friday. One was on equality rights and it was turned down by the Assembly of First Nations; the other was on the entrenchment of self-government within the Constitution.

Does the Hon. Member think that the manner in which the federal Government presented those amendments to the Constitution on Thursday morning, requiring a decision by the next day on a very, very important amendment, is the proper way to amend the Constitution of this country?

Mr. Sargeant: No. I can give the Hon. Member a short answer, Mr. Speaker, No, I do not think that is the proper way to proceed with constitutional reform in this country. We are talking about very important changes to the Constitution and to the way of life of our native people. There certainly should have been a better process.

Mr. Lalonde: It has been discussed for five years.

Mr. Sargeant: Mr. Speaker, I will never defend or compliment the Government for much of what it has done over the years or even in the last few months in regard to natives in this country.

Mr. Baker: Mr. Speaker, I understand the Hon. Member's confusion over statements made by the Hon. Member for St. John's West (Mr. Crosbie), a former Minister of Finance, who normally describes himself as a middle of the road man. Mr. Speaker, middle of the road men eventually get run over.

My question is about the basic difference between a Liberal Budget and the Budget of the Conservative Party as they relate to direct job creation. I should like the Hon. Member's opinion on whether the Conservatives are right or the Liberals are right. The Conservatives want to do away completely with direct job creation in this country. What is the stand of the Hon. Member's Party on this matter?

Mr. Sargeant: Mr. Speaker, obviously we would not agree with doing away with direct job creation completely. We condemned the Conservative Government in the few months it was in when it tried to do away with that.

Mr. Crosbie: That is why we have the Liberals—because you were so stupid. Your stupidity put them there.

Mr. Sargeant: I dispute that, Mr. Speaker. I would say that the Hon. Member for St. John's West and his late, great Government—

Mr. Crosbie: I certainly helped.

Mr. Sargeant: Yes, the Hon. Member has said it himself; his stupidity helped.

I would say to the Hon. Member for Gander-Twillingate (Mr. Baker) that while we were critical and remain critical of doing away with direct job creation, we think there is room in the economy for systems that would provide permanent jobs.

Job creation is fine, but it is a band-aid and covers up the wound but there is no healing underneath it.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it seems to me that the motion before the House relates more to the deteriorating political prospects of the opposition Party than to favourable prospects for the Canadian economy. In any case, I shall try to deal with this scatter-gun motion in a systematic way.

After we strip away the political bombast, it appears that the Hon. Member for St. John's West (Mr. Crosbie) is raising questions about the future course of our economic recovery, the February Budget, the Canadian dollar and its relation to interest rates. I will try to address these questions in the short time available to me.

[*Translation*]

However, I would like to start with the recovery issue. I have read a number of comments, especially by Members of the Opposition who were concerned about the fact that, during the last quarter of 1983, growth had been slower than in the first three quarters of that year.

As I have said a number of times, a slow down is to be expected and is a normal phenomenon in the economic recovery process.

In fact, recovery, like expansion, goes through two major stages. There is the initial recovery stage when growth is very fast, and the second stage when recovery slows down to a pace that can be sustained more readily in the long run. In Canada, production increased very strongly at an annual rate of 7.6 per cent in real terms during the first three quarters of 1983. In fact, we had one of the fastest increases of all industrialized countries. A moderating trend became apparent in the fourth quarter, both in Canada and the United States. The fact remains, however, that the Canadian economy showed a growth rate of 6.6 per cent in real terms between the last quarter of 1982 and the last quarter of 1983. The growth rate in the fourth quarter, and thus for the whole year, was even higher than I had predicted in my Budget on February 15 of this year. I think this should answer satisfactorily the allegations made by the member for St. John's West (Mr. Crosbie), who found my predictions too optimistic.

● (1200)

[*English*]

I feel it serves no useful purpose for Members of Parliament to take either an excessively optimistic or pessimistic view of economic prospects at any given time. I must advise the Hon. Member for St. John's West in the kindest possible way that great damage can be done to economic confidence by exaggerating the risks of new economic difficulties ahead. The recovery has progressed well with a realistic balance of confidence and caution. That balance must be maintained in relation to the prospects for future economic progress.

Let me deal with the argument that my February Budget presented an unrealistic optimistic projection for 1984. The fact is that the Government projection of 4.9 per cent real economic growth in 1984 is below the 5 per cent forecast for Canada by the OECD and well within the range produced by Canadian private organizations. Private sector forecasts have averaged—and I stress the word "averaged"—about 4.6 per cent, just slightly below the federal Government's own estimate. I say "average" in the sense that there are some below 4.6 per cent and some above. Our forecasts for inflation and other measures of economic performance are likewise in the mainstream of private and public sector forecasts.

The recovery has moderated, as expected, but real growth continues at an encouraging pace. I continue to look for real growth averaging at least 1 per cent per quarter during 1984, and growth at this rate would yield the year over year projection of 4.9 per cent. Indeed, 1 per cent real growth each quarter would be well above the average of the past decade.

I am also encouraged, Mr. Speaker, by the fact that employment has accelerated in three of the past four months. The economy has produced 424,000 new jobs since the recovery began. However, because there is a link between success in creating jobs and the attraction of new job seekers into the work force, the unemployment rate actually increased slightly, in spite of 54,000 new jobs being created during the month of February alone.

On balance, the fact that Canadians are encouraged enough about economic prospects to begin seeking jobs again is a positive development. I would much prefer that they take hope from the real economic progress we are making rather than accept the hopeless premise of the Opposition motion. In short, we are on the right track for sustained economic progress.

That brings me to the subject of my recent Budget. The Opposition motion characterizes the Budget strategy as doing nothing to ensure continued economic recovery. This statement simply does not hold. The Government is giving substantial support to the economy in the current stage of recovery, and I refer here to my Budget of April, 1983, as well as my Budget of February, 1984. Hon. Members will remember that I provided for $2.4 billion of tax incentives for the private sector, plus $2.4 billion investment into the public sector in the area of infrastructures, to support the economic recovery in this country. And in my last Budget I provided for additional measures for small and medium-sized business and also to support exports abroad.

The federal Government, in fact, continues to inject much more into the economy in terms of purchases of goods and transfers to persons and corporations than it is taking out through taxes. In 1984 there will be additional stimulus provided by the government sector generally. Total government spending on goods and services is projected to increase 5.8 per cent in 1984, and this growth in government final demand will contribute almost one-quarter of the total growth in Canada's output in 1984.

The motion before the House refers to exchange rates and interest rates in a manner which betrays a serious lack of

understanding of the subject. Allow me to provide some basic information for the benefit of Hon. Members opposite. Let us look first at recent events in the exchange market and place them into the context of the current recovery. Since March 1 the Canadian dollar has been depreciating against the U.S. dollar in an environment of fairly large and volatile international currency developments. This decline is certainly not indicative of any fundamental weakness in the competitive position of the Canadian economy.

Since the start of the recovery, our competitive position has been improving steadily. Wage settlements and inflation have declined dramatically. Productivity has grown strongly and the trade balance has remained strong. Recent data confirms that the momentum continues. In the final quarter of last year, unit labour costs in Canada fell to a rate of increase of 0.4 per cent from the fourth quarter of 1982 as compared to 2.5 per cent in the United States. This stands in dramatic contrast to the 3.4 per cent gap against Canada which existed only a year ago. Similarly, the rate of inflation, as measured by the GNP deflator, declined to 3.8 per cent as compared to 4.2 per cent in the United States. Again, this represents a significant improvement in our relative inflation performance with the United States.

Finally, the surplus on merchandise trade in Canada rose to $18 billion whereas the U.S. merchandise trade balance recorded a deficit of $75 billion. Positive developments of this type played a major role in sustaining confidence in the Canadian dollar during the first year of our recovery and should continue to do so in the future.

Despite the importance of these underlying domestic forces in the determination of the exchange rate, other factors also exert an influence. Their influence is particularly evident at the present time. In recent weeks U.S. interest rates have risen in the face of a faster than expected U.S. recovery in the first quarter of this year. Fears that U.S. monetary authorities might move to greater restraint and heightened uncertainty about early prospects for deficit reduction in the United States have cause the Canadian dollar to be pushed down and Canadian interest rates have been pushed up.

Canada is an open economy depending upon international trade and capital flows. Canada is, therefore, inevitably exposed to international economic developments. The ups and downs of the Canadian dollar on international money markets must be viewed in perspective. Against the major OECD countries and excluding the U.S. dollar, the Canadian dollar has appreciated—I repeat, the Canadian dollar has appreciated—by 1 per cent from the end of 1982 to the present, reflecting an appreciation of over 7.5 per cent in 1983 and a subsequent decline of 6 per cent to date in 1984.

On a total trade-weighted basis, which includes the United States, the dollar after trading in a very stable range throughout 1983 has fallen by 2.5 per cent since February. Despite these seemingly large movements, the Canadian dollar, by comparison to other currencies, has been remarkably stable. For instance, during 1983 the Deutschemark fell by 11.9 per cent against the U.S. dollar; the French franc by 18.1 per cent; the British pound by 11.3 per cent; while the Japanese yen rose by 3.4 per cent.

To ensure a sustained recovery while at the same time consolidating and improving our inflation performance, the preferred course would be a stable dollar and stable, if not lower, interest rates. I would have thought, however, that everyone would be well aware of the difficult choices posed by downward movements in the exchange rate. Unfortunately, this does not appear to be the case. The Opposition would have Canadians believe that with rising United States interest rates, it is somehow possible to raise the value of the Canadian dollar while simultaneously lowering interest rates in Canada.

• (1210)

This simplistic view, to designate it charitably, betrays a dangerous ignorance of the economic choices which must be faced by a trading nation such as Canada when confronted by a volatile international situation. Large downward movements in the exchange rate can trigger a costly inflationary spiral that would eventually reduce real growth and interest rates would inevitably go up rather than down. On the other hand, offsetting downward pressure on the exchange rate by large increases in interest rates would also reduce our near term prospects for growth.

Mr. Blenkarn: Right on.

Mr. Lalonde: I am glad to hear the Opposition say "right on" to both these statements.

Mr. Crosbie: So what are you going to do?

Mr. Lalonde: That is what I am going to tell you right now. Since recent exchange rate and interest rate pressures are not a problem of our own making at the present time, it is not one that we can eliminate ourselves.

Mr. Crosbie: The Ethiopians caused it, it was not us.

Mr. Lalonde: The question is how to respond to it. Neither the Bank of Canada nor I wish to see a substantial devaluation of the Canadian dollar with the inflation rate consequences that would follow, and which would ultimately produce higher interest rates as well. At the same time neither would we wish to see a sharp rise in interest rates, particularly at this stage of the recovery. The policy which has been followed, therefore, has been one of moderating movements, both in the exchange rate and in interest rates. My objective is to ensure that the significant and hard won gains in reducing inflation over the past two years are preserved and the momentum of our recovery is maintained.

A strong and durable recovery in this country must be based on the solid fundamentals I have discussed here today. By becoming more productive and more competitive, by holding firm to the course of fiscal and social responsibility, by building economic strength in every possible way, we can create a better economic future for Canada.

As Canadians we share the challenge of living in an economic world which falls somewhat short of being a rose garden. It is a tough, uncertain world on which we depend for much of our economic opportunity. We cannot pull down the shades and shut out the reality of that world. The sooner all of us, including the Conservatives if we can hope for that, stop pretending otherwise, the better it will be for the effort to cope with that world and make our way successfully in it.

I am confident that Canadians are rising to this challenge and will continue to do so in spite of those who parade their lack of knowledge, lack of judgment and their lack of vision in statements such as the motion we are debating today. As a matter of fact, I would say, Mr. Speaker, that this House should reject this motion, which was motivated by the political panic spreading in Opposition ranks.

I ask the Hon. Member to reflect upon the motion and consider if the following would not be more appropriate: "That this House regrets the inability of the Official Opposition to form any policies to prevent their continually sagging popularity from further decline, reverse the continuous increase in the already critical high levels of the Conservative anxiety, and combat the return to steadily rising Conservative infighting, all of which signals an end to any possible recovery of that Party and clearly demonstrates the incompetence of the Opposition and its callous attitude of ignoring the social and economic hardships that the Conservatives would impose on the Canadian people".

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, I have several questions for the Minister if we have time. Certainly they worked long and hard in the Department of Finance over the weekend, Mr. Speaker, to prepare the pretty thin gruel for the Minister. Miss Goody Twoshoes must have worked overtime.

I want to be sure we have him correct. Does the Minister take the position he took on February 17, and I am looking now at *The Globe and Mail,* where he said he approves of the Bank of Canada's monetary policy and wants "very much more of the same"? He was referring to the fact that the central bank keeps interest rates up to support the dollar. Is the Minister telling us he approves of the Bank of Canada continuing the same monetary policy? Since we know mortgage interest rates have gone up .5 per cent and the dollar is still declining in value, and interest rates are going up as I mentioned in my speech, all of which indicates an increase in the Bank of Canada rate, is the Minister prepared to permit that process to continue? Is he prepared to contemplate an increase in interest rates if that occurs?

Mr. Lalonde: Mr. Speaker, the Hon. Member knows I have weekly meetings with the Governor of the Bank of Canada. We are reviewing on a weekly basis and, if necessary, more frequently, the evolution of the economic situation, particularly having to do with exchange rates and interest rates. I have indicated before that the Government is in agreement with the policies pursued by the Governor of the Bank and there is no reason for changing that statement. The Bank of Canada and the Government share a common view on the situation and the steps to be taken. These steps are reviewed, as I said, as frequently as needed. At least once a week we examine the situation and we will continue to do the same thing in monitoring the evolution of the situation.

Mr. Crosbie: Mr. Speaker, in the Minister's remarks he inferred—there was not too much precision—that he was opposed to any substantial fall in the value of the Canadian dollar. Of course, he was also opposed to any sharp rise in interest rates. I carefully noted what he said. Would he define for us what a "substantial fall" is? What are the parameters? What is a sharp rise in interest rates? For example, if the prime rate goes from 11 per cent to 11.5 per cent, is that a sharp rise or does it have to go from 11 per cent to 15 per cent or 11 per cent to 22 per cent, as it went under the Liberals a year or two ago? Whawt is a sharp rise or a substantial fall, so that we will have guidance as to what the Minister is talking about?

Mr. Lalonde: Mr. Speaker, even the Hon. Member for St. John's West, when he was Minister of Finance, would have seen that bear trap and would not have jumped in. Although I must say I sometimes have some doubts, he might have jumped into it. I certainly am not going to give him that pleasure today.

He knows that the last thing a Minister of Finance should do is to speculate in that regard and provide specific guidelines for specific targets. The Hon. Member will have to be satisfied with what I have already stated and so will the speculators in the market.

Mr. Blenkarn: Mr. Speaker, we have asked the Minister a serious question about whether he is going to allow the dollar to continue to fall, or is he going to increase interest rates to stop it? He said he is going to moderate the movement. I am not sure whether he plans to moderate the movement down the middle of the road or what kind of movement it is. Are you going to allow the dollar to fall to 75 cents or are you not? Are you going to allow interest rates to rise to 15 per cent or are you not? What are you going to do? Will you give us some indication of where we are going? Are we going to have more moderating movement as we blow away exchange reserves and as people speculate against the dollar, as they already are?

• (1220)

Mr. Lalonde: Mr. Speaker, the Hon. Member knows that we have had a floating dollar for over 10 years in Canada. This policy has served the country well over-all. This means that the policy of the Bank of Canada and of the Government has not been to buck the market at all costs, but to prevent excessive speculative moves in support of or against the dollar. That policy has been followed consistently over the last 10 years. It is still our policy. I have already answered that question. I wonder whether the Hon. Member was listening. I said the last thing I would do would be to indicate any

particular range as that would just open the door to further speculation one way or the other. I do not intend to do that.

Mr. Crosbie: Mr. Speaker, could the Minister tell the House whether the Minister of Justice (Mr. MacGuigan) has spoken to him since he has been Minister of Finance about the Government's economic performance? Has he suggested to him ways in which there could be economic reform?

Yesterday the Minister of Justice announced his candidacy for the Liberal leadership. He is making the need for economic reform the centre point of his campaign. That implies that something the Minister is doing needs to be reformed, improved or changed. Has he directed any suggestion to the Minister? Why has the Minister ignored the suggestions if the Minister of Justice has made them? Could he tell the House why the Minister of Justice would wait so long to indicate what economic reforms are needed? He has been in the Government for four years. As far as the public knows, he has not opened his mouth for four years. He has allowed the economic policies to go into effect without doing anything about it. Could the Minister enlighten us? Has the Minister of Justice, even since yesterday, passed along to the Minister of Finance the nature of the economic reforms which could help the people of Canada if they went into effect?

Mr. Lalonde: Mr. Speaker, I would be very pleased to answer at some length the question raised by the Hon. Member. First of all, all of my colleagues have contributed to the development of the last two Budgets. They have had an opportunity of having input into those Budgets with the result that a number of their recommendations have taken shape in those Budgets. As my Party is going into a leadership campaign, I hope that we will have a number of candidates who will continue to offer ideas.

Contrary to the Conservative Party, Mr. Speaker, the Party on this side of the House has been the Party of reform and responsible change. We have done this consistently through our history. We are going to continue in that direction as a Party. We are not a Party to turn to the past, as the Conservative Party does. We are not a Party of the status quo or reaction. Our Party is constantly questioning itself and its policies to make sure they are better adapted to the needs of today and tomorrow.

I would like to refer my hon. friend to my Budget of February 15 in which we introduced economic reform in the area of gain sharing programs for the workers of this country so they will have a greater interest in the future of their plants and will make sure they are more productive and competitive. We introduced reform in the pension system which will take care of part-time workers, 72 per cent of whom are women. We introduced reform in other areas of the pension field which will provide for early vesting of pensions and better portability of pensions so that the future of Canadians will be better protected. These are all areas in which we have introduced reforms in the last two Budgets. I am very happy to hear comments from candidates indicating they intend to pursue that direction rather than doing as the Conservatives have done.

The Conservatives are the Party of the status quo. They have been saying: "If you want to know where we stand, elect us". The Hon. Member for St. John's West has said: "If the people of Canada knew what we would do, we would never get elected". I think the people of Canada are seeing more and more what the Conservatives would do and they like it less and less. They cannot continue talking about more spending on defence, aid and R and D, and still reduce the deficit and taxes. As a matter of fact, the only sector I have heard the Conservatives state reasonably clearly, through the mouth of the Member for St. John's West, that they would cut was old age pensions and family allowances. In the Speech from the Throne, the Prime Minister (Mr. Trudeau) said that with a Conservative Government you had better not be poor, sick or old. Now they are even attacking women.

The Acting Speaker (Mr. Herbert): That is the end of the 10-minute question and comment period.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, that comment from the Minister of Finance (Mr. Lalonde), the man who would spend $200 million worth of taxpayers's money to save his own face, is unconscionable. He spoke about the Party of reform and responsibility. He is correct. It is his Party that needs reform and bears the responsibility for the destruction of this nation. That is the truth, Mr. Speaker.

We are engaged today in what I would kindly refer to as a sleepership contest rather than a leadership contest. The kindest thing I can say about the candidates who are identifying themselves is that they must have been sleeping for the last four years if they have any thoughts that they belong to the right party or a party which can do anything for the country. Later this week I suspect the sleepership contest is going to turn into a sleazership contest when the Minister of Employment and Immigration (Mr. Roberts), the porkbarrel king of the nation, the slush fund king of the nation, becomes engaged in that contest.

There is no sense of joy in standing in the House of Commons today to debate this motion, Mr. Speaker. There can be nothing for the nation but a sense of sadness that the motion is necessary and that the time of the House must once again be directed to identifying for the Canadian people what has happened to the nation in the last four years of stewardship under the Liberal Government.

Earlier today there was some talk about the value of the Canadian dollar. In the last four years of Liberal leadership in the country the dollar has dropped eight cents. What is eight cents, Mr. Speaker? I will tell you what an eight-cent loss in the Canadian dollar is for someone who lives on an income of about $5 an hour, or on a pension or unemployment insurance of between $800 and $1,000 a month. It means between $64 and $80 a month in lost purchasing power. That is an amount greater than the Minister of Finance has chosen to give to the senior citizens of the nation through the guaranteed income supplement. On the one hand they get publicity through the

Budget by saying they are going to help the seniors. Hidden on the other hand, Mr. Speaker, is the loss in value of the Canadian dollar and the loss in purchasing power. The senior citizens of Canada will be worse off after those four years of stewardship than they were at the beginning.

There is lots of public relations and positive public profile: "Out here we give you money but over here we take it away from you through hidden taxes and lost value of the Canadian dollar". Canadians should look around and ask whether they are really better off financially four years after the last election. Do they have more discretionary cash? Can they go to more movies? Can they eat in a restaurant more often? Or have they had to batten down the hatches? Has something mysterious been happening to their income? Are they facing a situation in which they have fewer discretionary dollars to spend? Must they put a higher proportion of income into basic necessities, such as food, clothing and shelter?

• (1230)

The overwhelming response to that question in this nation is yes. After four years, Canadians must spend a much larger portion of their income on the basic necessities of life—food, clothing and shelter. They have less discretionary spending money available. That has been the legacy of the Government's Budgets. It takes money with hidden taxes. It does not disturb personal income tax too much but slides the taxes in through energy, manufactured products and unemployment insurance payments. While this money is taken through hidden taxes, it has devalued the dollar. That means another eight cents has gone from everyone's dollar in the last four years simply through devaluation. It is dishonest, immoral and bad for the nation.

This morning I would like to concentrate on the issue of unemployment because I believe it is the number one problem in this country. The Minister of Finance stands up and talks about deficits, taxes and other matters. It is true that we do have a deficit. This means that we are spending today and taxing our children tomorrow to pay for those borrowed funds. Would there be a deficit if the 1.5 million unemployed Canadians had employment? Would it be necessary to raise taxes to try to balance the Budget if those 1.5 million unemployed Canadians could be put to work so that they could become taxpayers instead of tax spenders? Common sense dictates that the only way out of the economic mess into which the Liberals have put this country, with the aid of the NDP, is to elect a government whose priority will be the re-employment of 1.5 million Canadians who currently are not working so that they can be turned into taxpayers.

There is an interesting page from *The Globe and Mail* of Saturday last. The headline of one article is "Jobless Rate Climbs to 11.3 per cent". The headline below that reads "Jobless Rate in the U.S. Falls to 7.8 per cent". During the last ten years we have heard a great deal about our problems being beyond our control and how we are tied to international events. I suggest that we would be better off if that were true. Other nations are doing better than Canada. For instance, while our unemployment rate climbs, the unemployment rate in the United States falls. Our unemployment rate is almost 50 per cent higher than it is in the United States, in spite of the fact that our country has greater resource potential per person than any other country in the world. This nation has the potential for its people to enjoy the highest standard of living ever known to anyone in the world. Instead, we are ranked at 13 and 14 with respect to our standard of living.

When the Government and its leadership sleepers were first elected, our country had the second highest standard of living in the world and there was optimism that it could be higher. But our position has fallen, not because of international events but because of domestic policy. Our position has fallen as a result of the choices made by the Liberal Cabinet and approved by Liberal back benchers, augmented by votes from the NDP when necessary. The tragedy of this nation if that we have seen a coalition of those who live in a dream world, those who do not have their feet on the ground, and the election of people who make policies from some kind of wispish thoughts that exist in their own heads. Not only do they make policies without listening to elected Members, but they do not take the trouble to go out into the country and listen to people who do have their feet on the ground, those who make this country work on a daily basis.

I stood here almost four years ago in the Fall of 1980 and told the Government that the policies it was putting in place would lead to a massive increase in unemployment in this nation which, in turn, would lead to increased heart attacks, alcoholism, depression, suicides and wife battering. The Minister of Labour at that time said that there are no such figures. The Minister of Industry, Trade and Commerce said I was out of my tree, that those things would not happen. They were predictable then by anyone who took the trouble to look at the scientific data. They were predictable phenomena and they have happened.

What would a government with its feet on the ground have done in anticipation of this occurrence? One would expect that if a government knew it was causing increases in unemployment, it would be a compassionate, reform-minded and responsible government. One could have expected it to spend money to deal with the problems it was causing. Surely when a problem is predictable, one would take steps to help take care of the problem. But what did the Government do? It began to cut expenditures in those areas in which it was increasing costs.

According to the Canadian Constitution, the provincial governments in our society have jurisdiction over delivery of health care services, educational services and welfare services. We have seen Ministers of Finance setting public policy to create an increase in health care costs, educational costs and welfare costs for services which provincial governments provide. The federal Government cuts its contribution to that level of government and then has the gall to say to the nation that the provincial governments are not doing their share. The provincial governments were not the cause of the problem. They have struggled mightily to deal with the consequences of

the problem caused by the federal Government but their job has been hampered by the deliberate budgetary decisions made by the federal Government to cut spending in areas where need would predictably go up.

We have seen so much flim-flam in the four years that the Government has been in power. We have seen one study group after another examine the problems of unemployment. Last week, another study group reported on the need for educational leave. For 14 months I served as vice-chairman of the parliamentary task force on employment in the 1980s, along with the Member for Brampton-Georgetown (Mr. McDermid). There were seven members of the committee; four Liberals, one NDP and two Conservatives. I remember one occasion in Yellowknife. Do you know who was there, Mr. Speaker? There were the two Conservatives but none of the five others. There were no votes in Yellowknife for them—

• (1240)

Mr. McDermid: It was too far to come.

Mr. Hawkes: —so they did not bother to come and listen. They did not bother to learn.

We spent 14 months on that task force. We prepared 200-plus recommendations for the Government of Canada. They had several themes in them. We asked the Government to accept all or part of those recommendations. By doing so it would begin to make progress in solving the unemployment problem. We know that to be true because we spent 14 months listening to Canadians. We listened to those working in all corners of this land, those with their feet on the ground and those with practical solutions. We brought our report back to this Chamber. It was taken to the Cabinet. But what has been done about it? What has the Government done about the advice it received in 1981? I will tell you, Mr. Speaker. Virtually nothing has been done.

What have successive Ministers done? They have appointed more task forces. We have known for a long, long time that somewhere near 30 per cent of the labour force, adults working or wanting to work, are functionally illiterate. These people do not have enough educational background to be full participants in the computer age. They do not have enough educational background to participate fully in training or retraining for the jobs of the future. That has been a well-known phenomenon in Canada decade after decade.

In the last four years what has this Government done in response to that? The Government has ignored the recommendations, but the Government has gone a step further. It has gone in the opposite direction. This compassionate bunch on the other side of the House tells us it cares about humanity. But it has cut the basic skills funding, which is the funding dedicated to teaching people to read and write. The Government has said that was the priority, and that the 30 per cent of the people in the labour force who are unable to do that sufficiently well are not the Government's concern. The Government would just as soon keep them on the welfare rolls and rotate them in and out of unemployment insurance. That way they are more likely to vote for the Government. It is a policy of this Government which says: "We do not care enough about these people to provide the funding for them to learn to read, write and compete with other Canadians".

Last week the latest advisory task force reported to the Minister of Employment and Immigration. This task force said that the first thing the country must tackle is the illiteracy problem. It said that to a government which has cut out that kind of funding in the last four years. This is the fifth or sixth major study group in the last four years to make the same recommendation. The would-be leadership candidate from the City of Toronto did not even have the courage to say the task force was right, that the problem was a major one but a solvable problem which should be given priority.

Mr. McDermid: The Liberals do not want to admit it.

Mr. Hawkes: The would-be leadership candidate did not have the wisdom or courage to go public immediately and say yes, the task force is right.

Mr. McDermid: They do not want to admit it.

Mr. Hawkes: As my colleague said, they do not want to admit that the problem has been around for the 15, 19 or 20 years they have been in power. This Government does not want to bring to the public's attention that it has thrown into the ashcan 30 per cent of the Canadian labour force when it comes to looking to the future and looking to the jobs of the future.

This is a government that tells Canadians through tax policy to invest in physical things—buildings, cement, bricks and mortar. But its through tax policy it does not give a whit about the average Canadian. This Government does not provide the kinds of tax breaks for individuals to invest in themselves. It does not care about human capital. It is a Government that believes in things, not people.

Look inside the Budget we are criticizing here today, Mr. Speaker, and you will find not only in this Budget but in all predecessor Budgets that every bit of good advice the Government gets about the need to invest in human beings is ignored and all of the tax breaks go to investment in things. The Liberal Party is a Party that needs reform and the voters of Canada will make sure they get it at the first opportunity.

Mr. McDermid: Mr. Speaker, the Hon. Member for Calgary West (Mr. Hawkes) mentioned the task force concerning employment opportunities in the 1980s. One of the shocking features we found as we travelled across Canada was the rate of functional illiteracy. It shocked me and I know it shocked all members of the task force. For some reason the federal Government has backed off working in the area of basic skills training. Would the Hon. Member expand just a little bit on the recommendations that were given by the employment opportunities task force.

Mr. Hawkes: Mr. Speaker, there were several thrusts in the task force report which I think are very important. First, there

was a clear-cut thrust to encourage individual Canadians and Canadian business to invest in human capital and to use the tax system to encourage that kind of investment. That recommendation has been totally ignored for three years, and it has not been brought up in leadership campaign speeches.

Second, there was the clear identification of populations at special risk, which include the handicapped, the functionally illiterate and people returning to the labour force after 20 years. Considerable time and attention was spent on how to target assistance to those groups so they could be fully participating, functioning members of the labour force in the shortest time possible. Virtually all of those recommendations, have been ignored.

There were recommendations about the need for forecasting, simple data gathering, so that someone could speak to young people and say: "This looks like the pattern of employment in the future, and these look like the kinds of job skills that will be required in the future". Young people could then make decent educational choices. This is 1984, Mr. Speaker, and that system is not in place. That data is not available. Young people are left to guess how best to invest in their personal educational future without the kind of data base the country so badly needs.

We still have enormous amounts of federal money being spent on obsolete skills.

Mr. McDermid: Right.

Mr. Hawkes: We have enormous gaps. Employers cannot hire people with the right skills. What we have seen is the creation of slush funds. Instead of putting money into educating our young people, into re-educating those whose skills have become obsolete and investing in work force returnees, we have taken hundreds of millions of dollars and put them into the hands of Ministers so they can create jobs for their friends, using tax dollars to ensure the re-election of Liberal Members of Parliament. That is obscene and has to be stopped. Canadians are awaiting an opportunity to put an end to it for all time.

• (1250)

Mr. Crosbie: Mr. Speaker, I would like to ask the Hon. Member a question. I wonder whether he could give me an explanation. I notice that the Minister of Employment and Immigration (Mr. Roberts), who is not present this morning, urged the Liberal Party to adopt new policies for the 1980s. He said that what is needed is a new Liberalism characterized by new policies that would prepare Canada for the challenge of the future. He thinks there is a need for a new Liberalism in Canada. I think there is as well—a Liberalism which is out of power, in particular. Also the Minister of Justice (Mr. MacGuigan) wants economic reform in Canada. The Minister of State for Economic and Regional Development (Mr. Johnston) said that people have to understand that governments simply cannot borrow, borrow and borrow, but the Government plans to borrow $119 billion in the next four years. Could the Hon. Member venture a guess as to why these Ministers are disagreeing with the Government? They have been in power now for 16 years. Why does the Hon. Member think they are coming out now? Are they not somewhat late in realizing that there is a need for change? Could we have a comment on that?

The Acting Speaker (Mr. Herbert): At this stage I draw to the attention of the House that theoretically questions should be based upon the speech of the Hon. Member who has just spoken. Perhaps the Hon. Member for St. John's West (Mr. Crosbie) would be able to rephrase his questions in the future.

Mr. Hawkes: Mr. Speaker, there is an assumption in the Hon. Member's question which I do not accept. That assumption is that they have even thought about whether there is a need for new policy. It is crystal clear that we have a Party on the other side which speaks about the need for new policies. It speaks about the problem of 18 cents per gallon and it speaks about the problem of wage and price controls. They say one thing and do another. That pattern is so consistent that we really cannot listen to the words they use. They use words like "new" because the pollsters tell them that is a new age. They work into their speeches the word "new" with the greatest frequency possible, but there is absolutely no evidence that anyone on the other side understands the problems faced by average Canadians or understands the potential solutions to the problems which average Canadians would propose. All we have are polls, catch phrases and supposedly new thoughts. They use the word "new" without thought. I think a close examination of the pattern over time will disclose that to the satisfaction of Canadians. It really is a sleepership contest.

The Acting Speaker (Mr. Herbert): The Hon. Member for St. John's West on a short supplementary relating to the speech of the Hon. Member.

Mr. Crosbie: Yes, Mr. Speaker. The Hon. Member mentioned a sleeperama which is going on—the Liberal convention. Why is it that John Turner, a man who has not been in public for nine years, appears to be the only hope for the Liberal Party? Does the Hon. Member feel that these other gentlemen should retire from the race and accept the inevitable, that only a person who has had no association with the Liberal Party for nine years even has a chance to be considered by the Canadian public?

Mr. Hawkes: It is a well-known—

The Acting Speaker (Mr. Herbert): I would find it very difficult to relate that question to the speech of the Hon. Member. However, I will allow the Hon. Member to respond.

Mr. Hawkes: Thank you, Mr. Speaker. I think the Hon. Member who asks the question realizes that I have a Ph.D in psychology. There is a great deal to be said for the human memory. When we are dealing with yesterday's man, it is easier to view him in a positive light because yesterday was so long ago. Today's man is an absolute disaster. Everyone has that at the forefront of their memory. Anyone who is tagged with today's problems will be easier for us to defeat. Yesterday's man, because of the lapse of human memory—and only

for that reason—stands a little higher in public opinion polls. As today's people remember yesterday's man, we could expect the feet of clay and the sinking to occur rather rapidly as well.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I read this particular motion several times. Each time I read it, the cynicism grabbed me. I find it very difficult to understand an opposition Party attempting to condemn the Government without having the vaguest idea how it would go about improving some of the situations it condemns.

I spoke on a subject very similar to this the other day. I looked around and tried to find answers but I could not find any answers to the problems coming from the other side, except in so far as I detected an idea that they might do the same as the President of the United States—they might follow Reaganomics to solve the problems.

When one talks about the Canadian dollar being in decline, one has to look at the American dollar and the American economy and wonder if that decline is not caused by the very policies which the Opposition would bring into play. Let us look at the two major problems facing the American economy today. One is the extent of the U.S. deficit and, of course, the other is the extent of the U.S. balance of trade deficit. In terms of the U.S. deficit, it stands at about 6.1 per cent of the Gross National Product. One can say that our deficit is 6.8 per cent or 6.9 per cent of the GNP, and I would agree. However, the point of the matter is that there are differences in the accounting which affect how we have to look at the problem. For instance, according to the congressional office, the United States deficit will use up almost 100 per cent of all capital formed in the country in the next year. It will squeeze out any other investment unless it comes from offshore. That is not the situation with our deficit; it is definitely not the situation since we have 2.5 times the capital formation or the savings ratio of the United States.

In other words, given the size of the economy we have 2.5 times as much investment capital available as the United States. Our deficit will not cut into that in any significant way. That is not the problem.

The other factor is that the U.S. congressional office indicates that its deficit is almost 100 per cent structural. That is caused by two things—by the lowering of taxes and the raising of defence budgets. This is exactly the kind of thing I hear from the other side, if I hear anything—lower taxes and raise the defence budget. The structural nature of that deficit is such that unless those two things are reversed the deficit will not disappear but will continue to grow. About half our deficit is structural. In other words, as the economy improves the deficit will disappear or come down to about half what it is today.

Mr. Nickerson: That is not true.

Mr. McRae: Those are two very important factors. Hon. Members opposite shake their heads, but I ask them tho show me where I am wrong. They are not dealing with these factors. They are talking about something that is out there. They are talking about condemning a government without having any idea how they will go about changing things, except some kind of loose thing which says that they will follow Reaganomics.

Mr. McDermid: Then how come the deficit has gone up every year since Turner?

Mr. McRae: I see that it is one o'clock. I would like to have a rest and get started again as soon as we resume Orders of the Day.

The Acting Speaker (Mr. Herbert): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE COMMONWEALTH

COMMEMORATION OF COMMONWEALTH DAY

Mrs. Suzanne Beauchamp-Niquet (Parliamentary Secretary to Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, today, Canada and other countries are celebrating Commonwealth Day. At the meeting of Commonwealth Heads of State held in Jamaica in 1975, the Prime Minister suggested that one day be set aside each year to mark our membership of this unique association.

The second Monday of March was chosen, and it was agreed to use this day mainly for educational purposes, and especially to make Canadian students more interested in the Commonwealth and its many activities throughout the world.

Many of us have heard about meetings of Commonwealth Heads of State, Ministers and senior officials, and about the close links that exist between Commonwealth parliamentarians. However, many people may not be aware of the existence of more than 250 volunteer organizations that belong to the Commonwealth and which include people from all levels of society, professional associations, union leaders, academics, students and other groups. Such personal, close contacts with people from all over the world are a factor in strengthening our ties with the Commonwealth and create a climate of international stability for future generations.

I wonder how many people know that Canada has played a key role over the years in the history of the Commonwealth, which has evolved from being a former colonial empire to

become an egalitarian association of independent nations, all of whom recognize the Queen as their symbolic Head. They still do so today, and the Commonwealth remains an important part of their foreign policy.

The Commonwealth is also one of the major channels through which aid provided by Canada goes to developing countries. Canadians can be proud of the fact that their country is the most important donor to the Commonwealth fund for technical co-operation, which provides for development aid through the Commonwealth Secretariat.

Mr. Speaker, the Commonwealth is the oldest multilateral association of which Canada is a member, and it is more active than ever. Since Commonwealth Day last year, two more independent nations, St. Kitts and Nevis and Brunei have become members, bringing the total number to forty-nine. This network of countries, large and small, rich and poor, in North and South, with a multitude of races and religions, is a unique forum for discussion, with a frank and straightforward exchange of views in a family atmosphere. It is an example for the rest of the world of multilateral co-operation that works.

Mr. Speaker, for this reason, it is appropriate that we should celebrate this day and remember what the Commonwealth means to us.

* * *

[*English*]

COMMONWEALTH DAY

SALUTE TO FAMILY OF NATIONS

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, today, Monday, March 12, the second Monday in March, is Commonwealth Day. It was a Canadian initiative in 1975 that set aside a regular day each year to commemorate this unique institution, an organization now of some 49 countries of all races, creeds, and cultures, varying from large, continent-sized states such as Canada and Australia, to such small island states whose names are barely known in the rest of the world, like Kiribati and Tuvalu in the South Pacific, all of which recognize Her Majesty Queen Elizabeth II as head of the Commonwealth, while many, such as Canada, recognize her as head of state as well.

The Commonwealth's main institution, though far from formal, is its regular meetings of heads of government which, rather than relying on executive powers for effectiveness, provide instead a forum for free discussion and debate where individual states' mutual concerns can be freely aired in private discussion. This, I suggest, is the Commonwealth's greatest strength.

Today we salute the Commonwealth as a free family of nations, bound together by mutual respect and a commitment to living together peaceably in a troubled world, a salute to the common weal of the nations of the Commonwealth.

Some Hon. Members: Hear, hear!

SOCIAL SECURITY

OLD AGE PENSIONS—OBJECTIONS TO NOMENCLATURE

Mr. Mel Gass (Malpeque): Mr. Speaker, today I would like to raise an issue which was brought to my attention by a concerned constituent of Malpeque regarding the title given to pensions for our senior citizens. This gentleman was deeply concerned over the fact that the pensions given to the aged had to be termed "Old Age Security". He feels it is unnecessary to draw attention to the fact that it is an old age benefit, and that a less harsh term such as "Senior Citizen Security" could and should be used. In the United States these pensions are referred to as Social Security Pensions, not Old Age Pensions.

None of us like to be reminded of the fact we are growing older. Old age is still something that we really do not look forward to because we may begin to feel a little outdated. Although this is certainly not true, we still usually equate old age with the feeling of increased helplessness.

The term "old age security" is inaccurate, because who is to determine the age at which one becomes old? The age of 65 in today's society is certainly not old. Therefore old age security is not an appropriate term for such pensions. The term "senior citizen" is more appropriate for people over the age of 65 because they are the senior citizens of Canada. Many people at the age of 65 are more active than people many years younger. For these reasons I feel that the term "Old Age Security Pension" should be changed to "Senior Citizens Security".

I hope that the Minister of National Health and Welfare (Miss Bégin) will consider my suggestion and see if the term "old age" can be dropped from pensions for those over the age of 65 years.

* * *

MUSEUMS AND ART GALLERIES

ART GALLERY OF HAMILTON—SUGGESTED DESIGNATION AS ASSOCIATE MUSEUM

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, for a number of years the Art Gallery of Hamilton, which is located in my riding of Hamilton West, has applied to the National Museums of Canada to receive associate museum status. Unfortunately there has been a moratorium on assigning the associate museum designation to any art gallery or museum in Canada since 1975.

This moratorium has meant that a select group of 25 art galleries and museums across Canada have been given an overtly favoured position with regard to funding assistance by the federal Government. The Art Gallery of Hamilton has the fourth largest collection of art in Canada after the National Gallery, the Montreal Art Gallery, and the Art Gallery of Ontario. Because of the quality and scope of the Art Gallery of Hamilton, it deserves to be granted associate status and an equal chance at receiving some of the $3 million which is

annually distributed to the select group of museums and are galleries which now have associate museum status.

I wholeheartedly endorse the application of the Art Gallery of Hamilton for this status, and I strongly encourage the federal Government and the National Museums Corporation to conclude their current review of this program and to grant the Art Gallery of Hamilton associate museum status.

* * *

ABORIGINAL RIGHTS

DELAY IN ANNOUNCING GOVERNMENT'S POSITION

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, the Constitutional Conference on aboriginal rights in Canada last week was watched not only by thousands but by millions of Canadians, with great interest. At the end of that conference, which some claimed not to be a success, but I do not know whether they can say that justifiably, I felt that one of the major problems was that the Canadian Government did not have a position until the conference opened.

As late as last week my colleague from Cowichan-Malahat-The Islands was questioning the Prime Minister (Mr. Trudeau) about the Government's position, and was not able to get one at that time. That was a poor preparation for the start of the conference. When the Prime Minister did give a position, and the position of the right to self-government, which I support, that brought into the meetings a shock and tension that did not have to be there. I believe that kind of announcement should have been made one month, two months, or even six months ago. I believe that if the provinces and the aboriginal people had had time to examine that proposition beforehand there could have been a much more reasonable response. The dynamic became too hot, too tense, and I feel that it did not accomplish what it could have accomplished.

• (1410)

On a positive note, Governments representing all three Parties, the Liberals, the Conservatives and the NDP, are on side on that particularly important question.

Mr. Speaker: Order, please.

* * *

SPORTS

BRIER CURLING CHAMPIONSHIP—TRIBUTE TO MANITOBA RINK

Hon. Jake Epp (Provencher): Mr. Speaker, countries are identified with events which symbolize their sporting heritage. For example, Greece is identified with the first Olympic Games, and Scotland as the birth place of curling.

In Canada curling has captured the attention of sporting fans through the years, and every year during Brier week this interest reaches a fever pitch.

Manitoba has won 22 Briers in the 54 years it has been held, more Briers than any province. In fact many argue that when the snow begins to fly in the Prairies, we talk only about the price of wheat and next year's crop prospects—and we curl.

As a Manitoban I am also proud to remind the House that rinks representing Manitoba have won three national championships this year. As well as the Brier, there were the Scott Tournament of Hearts, which is the women's championship, and the junior championship.

Yesterday the rink representing Manitoba again won the Brier. Mike Riley, Brian Toews, John Helston, and Russ Wookey maintained the tradition of curling supremacy. I am sure all Canadians and Members of the House not only congratulate them but our hopes go with them as they travel to the Silver Broom in Duluth, Minnesota.

* * *

[*Translation*]

THE ECONOMY

REQUEST FOR SUPPLEMENTARY FUNDS FOR NORTHERN CITIES

Mr. André Maltais (Manicouagan): Mr. Speaker, during the weekend I was in Fermont where a farewell ceremony was held for its mayor, Mr. Jean-Claude Ménard. I was invited by Mr. Richard Cassista. The reception at the hotel in Fermont was excellent, as is always the case in northern communities. I would like to point out, for the benefit of the Minister of Finance (Mr. Lalonde), how pleased everyone was to hear that a moratorium on taxing northern benefits had been maintained. I was asked to point this out here in the House. The people in these northern communities also asked me to tell you the Official Opposition should agree to increase the funds available for the riding of Manicouagan, and for northern communities in general. I met the leader of the metal workers' union up there, Mr. Hervé Bérubé, and I promised him we would have special projects for northern communities, because the people there need them. At this stage, I would like to ask the co-operation of the Official Opposition so that we can get additional funding. I think it is important to do something about unemployment and help people who are in need.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

ABSENCE OF MINISTER OF TRANSPORT FROM AUTOMOBILE EMISSION HEARINGS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, important acid rain hearings were held in Toronto last Thursday and Friday dealing with the important issue of auto emissions. What was surprising was that invitations were extended to the Minister of Transport (Mr. Axworthy) and his officials to take part, only to be ignored.

I see it as important at these meetings attended by the Automobile Manufacturers Association, the Auto Workers Union in Canada, Department of the Environment officials, along with many other important groups and dedicated individuals, that Department of Transport officials attend. The hearings were otherwise well attended and received wide public attention and media coverage.

The Minister of Transport should be reprimanded for missing these very important meetings on auto emission reductions. We are too far behind the U.S. regarding auto emission controls. Here, our new automobiles can legally emit five times the hydro-carbons, seven times the carbon monoxides, and three times the nitrogen oxides allowed in the U. S. Let us hope that the Minister will see fit to attend the next important meeting.

* * *

SPORTS

BRIER CURLING CHAMPIONSHIP—TRIBUTE TO MANITOBA RINK

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, as a Manitoban and as a sports fan I would like to join my friend, the Hon. Member for Provencher (Mr. Epp), and indulge in a wee bit of smugness this afternoon. Being here in Ottawa last week and reading and listening to the local media coverage of the Brier curling championship, one would have thought that a lot of time could have been saved simply by awarding the prize to the Ontario team. Even today's press referred to the Ontario loss as an "upset".

I do not want to belittle Ed Werenich's skill. After all, he learned and developed his curling talent while growing up in Manitoba. But the record speaks for itself, Mr. Speaker. Manitoba breeds superior curlers. Almost one half of the 50 or so Brier champions have been from Manitoba. This superiority has been demonstrated yet again the last three weekends—first with victory in the junior men's championship by Manitoba's Bob Ursel; the following weekend another Manitoban, Connie Laliberté captured the women's championship, and then yesterday, in an outstanding display of superior skill, Mike Riley—from guess where—led his rink to the Brier win.

To all of these teams I say congratulations—and best wishes as they move on to the world championships. To the Ontario media I say: Sit up and take note of where the real curling talent really lies.

ORAL QUESTION PERIOD

[*English*]

NATIONAL REVENUE

ROWE REPORT ON AUDITING OF FISHERMEN'S INCOMES

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is directed to the Minister of National Revenue. In December, 1982, the Minister received a report commissioned by his predecessor, from Mr. William Rowe, a lawyer who was asked to look into the situation regarding audits of fishermen. He received that in December, 1982. It is a blistering report and a first class piece of work.

For the most part, the fishermen that the Department went after lived barely above the poverty line. The report pointed out that they did not have the benefit of a formal education, and Mr. Rowe asked this rhetorical question:

> The Department of National Revenue will have to answer for itself if its project was worth it in terms of net amounts recovered, hostility, disruption, financial hardship and diminution of morale and self-esteem.

That is precisely the question I pose to the Minister. Were the seizures of the catches of so many fishermen, the seizures of the bank accounts and the bankruptcies, worth the candle?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would urge the Hon. Member to read very carefully the report to which he has referred. He will come to the conclusion that most of the recommendations made to the Minister in the report have been implemented. Those having to do with—I see the Hon. Member indicating he disagrees with me. Obviously, he will never admit that the Department followed up on the recommendations contained in the report, excepting of course those which did not fall under the Department's responsibility. I can understand why he is hurting since he is drawing a false conclusion from the report. He is selecting excerpts with which he can agree, which confirm his preconceived ideas and the misgivings that he has been voicing for weeks but that the people keep ignoring because they know they are unfounded. Unfortunately for him, every matter concerning the Department of National Revenue has been followed up.

[*English*]

IMPLEMENTATION OF REPORT'S RECOMMENDATIONS

Mr. Chris Speyer (Cambridge): Mr. Speaker, it is particularly galling to me that the Minister who, month after month, has denied that there is anything wrong in his Department, has the audacity to say that he has followed up on the 15 recommendations in the report. Will the Minister specifically tell the House what recommendations have been implemented?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, two recommendations come to my mind. Mr. Rowe

urged us to provide better training to our people who audit fishermen. We did set up a special program so that our officials who audit individual taxpayers such as fishermen will be more qualified. As recommended by Mr. Rowe, the amount of seizures has been reduced from 50 to 25 per cent and we have kept it at that level. The Hon. Member has chosen to ignore those two measures which were positive responses to the recommendations of Mr. Rowe. I could give him a whole series of such measures, Mr. Speaker.

[*English*]

MINISTERIAL CONTROL OF DEPARTMENT

Mr. Chris Speyer (Cambridge): Mr. Speaker, my final supplementary question is for the Prime Minister. One of the most important criticisms contained in the report is on page 79, and reads as follows:

—negative attitude of taxpayers and commentators regarding the operations of the Department may have been perceived lack of control, management, and direction over the whole income tax apparatus by the country's elected policy makers.

He is referring specifically to Ministers of National Revenue. There have been eight Ministers of National Revenue in the course of 10 years. They have not put a bridle on their Department, and there has been no sense of ministerial control. It is the Prime Minister of Canada who has to accept responsibility for that. Does the Prime Minister agree with the criticism on page 79 of the Rowe report?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have not read the report, but I have listened attentively to the answers of the Minister. It seems to me that he should have satisfied any impartial questioner that the ministry did act on the report.

SEIZURE OF FISHERMEN'S INCOME

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Minister of National Revenue. Mr. Speaker, I suggest that if the Prime Minister had read the report he would have found in it the statement that the auditing project on fishermen in Newfoundland and the maritime provinces had an extremely traumatic effect. Mr. Rowe visited several hundred homes and found there was a pervasive feeling of fear and powerlessness among the families of fishermen who had been audited, and of anxious and hostile anticipation among those who had not.

● (1420)

In view of the fact that there were 23,400 fishermen who filed returns in Newfoundland in 1980, and some 2,100 who were on the responsibility status, and that their average income was only $7,481 a year—below the poverty line in rural areas—can the Minister explain to the House why his agents were permitted to garnishee 50 per cent of all the gross returns to those fishermen from fish buyers, merchants, and the like? Why was that kind of thing permitted to be imposed upon people who were already below the poverty line, resulting in the pervasive feeling of fear and powerlessness? That is what the Prime Minister was supposed to be doing, checking on these kinds of things, Mr. Speaker, not ignoring them.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member has always been known for his hollow and empty rhetoric, so I am surprised he showed his ignorance of the facts as well. The garnishee rate has been brought down from 50 per cent to 25 per cent. I realize the Hon. Member is not very aware of what is going on in the fisheries in Newfoundland, but he ought to know that there has been a 50 per cent reduction in the number of garnishees.

Furthermore, when the Hon. Member was Minister of Finance he could have introduced some good proposals in the House to change the tax system as it applies to fishermen. In fact, at the time the present Deputy Prime Minister and Secretary of State for External Affairs provided, in his Budget, another option for fishermen, a kind of payroll deduction that would help them pace their instalments in a manner far more appropriate to the kind of business they operate, which meant they would be able to pay instalments in the form of payroll deductions. The Hon. Member totally ignored fishermen when he brought down his own Budget.

[*English*]

Mr. Crosbie: Does the Minister not realize that the Budget of the Minister of Finance came 14 months after the Minister had this report? He did nothing for 14 months until he was forced by this side of the House to take some action.

RECOMMENDED AMENDMENT OF INCOME TAX ACT

Hon. John C. Crosbie (St. John's West): Mr. Rowe said in his report that the powers in the Act are unlimited in range, that the Minister's responsibility for the actions of his officials is legal fiction, and that the bureaucrats are really in charge. He recommended that a special task force of Justice Department lawyers, outside tax lawyers and accountants, and progressive officials from the Department, draft amendments to the Income Tax Act to guarantee better legal protection for taxpayers. He said that the provisions of the Act are in conflict with the basic protections guaranteed in the Charter of Rights.

What has the Minister done to carry out any of those recommendations, including the fact that a taxpayer is now required, apparently, to incriminate himself out of his own mouth? What reforms has the Minister instituted, what changes has he started? Has he appointed the task force? When will we see the legislation which carries out the recommendations in this report? Where does the Minister of Finance stand?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I have already given three examples of very positive

responses by the Department to the Rowe Report. I could give him a long list as well.

As for amendments to provisions in the Act concerning the powers of the Department, this is a matter that comes under the jurisdiction of the Department of Justice and the Department of Finance, as the Hon. Member ought to know.

Regarding the time it took us to respond to a recommendation to have a form of payroll deduction for fishermen, that was done when the present Secretary of State for External Affairs was Minister of Finance. If the Hon. Member had been the least bit interested in fishermen, he would have done the same when he had a chance to bring down a Budget, but he totally ignored the people that should have been his primary concern, the people from his own province and especially the poor fishermen of Newfoundland.

[*English*]

CORPORATE TAXES—LOSSES ATTRIBUTED TO MULTINATIONALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. There was another report on the weekend that clearly indicates that if the Government spent more time dealing with multinationals in terms of tax revenue, it would not have to harass small businesses all across Canada. Considering that the report has indicated that we are losing, not millions, but billions of dollars because of loopholes in our tax laws, as they effect the performance of multinational corporations in Canada, will the Minister confirm that there are loopholes which multinationals are using, including the establishment of tax havens abroad, which are costing us billions of dollars in lost revenues? Will he specifically tell us how much annually it has been estimated we are losing because of these loopholes? And what action does the Government plan to take to fill them?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, not agreeing with the premise of the question, I cannot agree with its conclusion.

Mr. Broadbent: Mr. Speaker, that will surprise no one. A Government which has increased the taxes of ordinary people by billions of dollars, which harasses small business people all across the country, simply cannot be expected to deal with multinationals in a serious way.

SITUATION OF DRUG COMPANIES

Hon. Edward Broadbent (Oshawa): I would like to ask the Minister of National Revenue, then, since the Minister of Finance has decided to ignore the question, if he will confirm that his Department is at work now trying to get an estimated $80 million in lost revenue from multionational drug companies in Canada for the period between 1975 and 1978. And does he agree with officials from his own Department who have said, concerning these drug companies: "We do think we are being hosed"? Does the Minister think that the people of Canada are being hosed by these drug companies, and by others? And, if so, what does he think ought to be done about it?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I do not want either to confirm or to refute this figure since all such figures are hypothetical.

However, the Hon. Member will understand that it is extremely difficult for the Department of Revenue to make comprehensive audits in cases such as those involving money transfers provided for under taxation treaties with various countries.

On the other hand, I will tell him that we place particular emphasis on the training of the auditors who must deal with such situations to make sure that, irrespective of the amounts involved, all the companies concerned, whatever the nature of their operations, may be audited as adequately as possible and expected to pay their share of taxes. Other taxpayers must not have to bear the burden of taxes which these companies might try to evade.

[*English*]

ESTIMATED SIZE OF TAX LOSS ATTRIBUTABLE TO MULTINATIONAL CORPORATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I notice the Minister of Finance applauding that. The Minister knows it is his responsibility, not the Minister of National Revenue, to pass the tax law. Therefore, noting that the New Democratic Party has been saying for years that we have been losing millions of dollars in revenue because of loopholes in the corporate tax structure, and since the Minister pays more attention to business groups, I would like to ask him if he is aware that the Arthur Anderson firm of chartered accountants made an estimate on the weekend that we are losing $3.5 billion a year because of these loopholes. Specifically, if we received that sum of money into our tax revenue, it would be enough to take every pensioner in Canada out of the poverty level, or reduce unemployment over the next few months to 8 per cent. Therefore, will the Minister exercise his responsibility to the people of Canada and make sure the multinational corporations pay their share of the tax burden?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to point out to the Hon. Member that any fair examination of the Canadian corporate taxation regime would indicate to him that Canada has as tight a corporate taxation regime as that of any other industrialized country.

Mr. Broadbent: I cannot believe it.

Mr. Lalonde: My friend cannot believe it, because he has not studied the matter. I invite him to take the time to study the matter, to consult and check with experts in the field, and he will find that the rules, for instance, in Canada, concerning the transfer of income and transfers abroad are as tight as those of any other industrialized country.

• (1430)

As far as doing something with regard to small business is concerned, to which my hon. friend referred in his question to the Minister of National Revenue, I remind him that in my last Budget in particular I took steps to simplify the tax system for the small business sector. We are going to cut by two-thirds the tax laws regulating small business, and we are going to add another $150 million in tax incentives for the small and medium sized business sector. This is over and above the measures announced last April which were again biased in favour of the small business sector. This Government has shown more concern for small business than at any other time in our history, and I intend to pursue this line.

* * *

THE ADMINISTRATION

GOVERNMENT'S MANAGEMENT OF BUREAUCRACY

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is for the President of the Treasury Board who must have noted on Thursday evening, on the CBC *Journal*, that his colleague, the Minister of state for Economic and Regional Development, said, as he kicked off his leadership drive, that the Government, and I quote his exact words:

—can't even manage our own bureaucracy properly.

Some Hon. Members: Hear, hear!

Mr. McDermid: Way to go, Gary Hart.

Mr. Stevens: Mr. Speaker, would the Minister indicate if he agrees with this stinging indictment of his actions to date with respect to the bureaucracy? Does he agree that the Government cannot manage its own bureaucracy? Or is he more inclined to refute his colleague and demonstrate once again the discord which exists in the Cabinet?

Mr. Lalonde: We are not Tories.

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I have to apologize to both my hon. friend and the CBC *Journal* because I did not see the particular program. For that reason I think the most sensible thing for me to do is to check exactly what was said.

Some Hon. Members: Oh, oh!

Mr. Gray: Having said that, I would like to thank my hon. friend for his interest in the leadership campaign of the Liberal Party. I notice that he did not do so well when he tried, and perhaps he would like to see how others can do a better job of it.

Mr. Stevens: Mr. Speaker, I thought I did pretty well last June.

Mr. Regan: I am not impressed.

CROWN CORPORATIONS—STATEMENT ATTRIBUTED TO MINISTER OF STATE FOR ECONOMIC AND REGIONAL DEVELOPMENT

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is directed to the Minister of Finance, who may even be changing his spots; I see he has an Adam Smith tie on today.

Referring again to the same CBC *Journal* program on which the Minister for Economic and Regional Development, who, I note, has not even been in the House since, stated, and I quote directly—

Some Hon. Members: There he is.

Mr. Crosbie: They moved his seat.

Mr. Hnatyshyn: Took the paper bag off his head.

Some Hon. Members: Oh, oh!

Mr. Stevens: The Minister will be able to check this wording, but the exact wording is:

I'm not interested in seeing the Government managing private sector enterprises, except in very rare circumstances . . . by and large, it's a terrible mistake.

Would the Minister of Finance indicate whether he agrees with his colleague when he makes that statement? If so, how does he rationalize that statement with the fact that in his fiscal plan, brought in with the Budget on February 15, he provided for $6.8 billion to cover the deficits of government-run businesses between now and 1988?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am not surprised the Hon. Member would be so confused if he cannot even see across the aisle whether Ministers are in the House or not. I would point out that recently the Minister of State for Economic Development moved to the left.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Depends which way you look at it.

Mr. Lalonde: As far as the specific question the Hon. Member has raised is concerned, I would like to point out that the Government has had a policy of supporting Crown corporations in many areas which are very important for the future of the country, going all the way from CNR to corporations like—

Mr. Crosbie: Canadair.

Mr. Lalonde: —to corporations like Canadair, indeed, and de Havilland, which we in this Party and this Government have supported, and will support—

Mr. Crosbie: PetroCan.

Mr. Lalonde: —because we believe it is very important for Canada to remain competitive and active in a number of sectors where we have the potential for the development of high technology.

Oral Questions

SOCIAL SECURITY

UNIVERSALITY OF PROGRAMS—STATEMENT ATTRIBUTED TO MINISTER OF STATE FOR ECONOMIC AND REGIONAL DEVELOPMENT

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is for the Minister of Justice who, I understand, is the Acting Minister for Social Development. I am sure the Minister will have followed *Canada AM* with Pam Wallen, where the Minister of State for Economic Development indicated in no uncertain terms that he was not in favour of the concept of universality as it applies to social programs. He said in effect that social measures should be a trampoline rather than a safety net, and that they should be reserved for those who really need them.

I ask the Minister, if he were Prime Minister, would he allow one of his Cabinet colleagues to go around and attack the concept—

Some Hon. Members: Order!

Mr. Hnatyshyn: —of universality in social programs?

Mr. Speaker: The Hon. Member knows the rules relating to ministerial responsibility. He should direct his question to the Minister in his capacity as a Minister of a Department.

Mr. Hnatyshyn: Mr. Speaker, the Minister of Justice is the Acting Minister of Social Development directly concerned with responding in this House to questions with respect to such matters as universality for old age pension or unemployment insurance.

I will ask the Minister the question again. Does he agree with the proposition put forward by his colleague? On the basis of collegiality in Cabinet, is that an acceptable statement for a Minister of the Crown to make on behalf of the Government?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, the Hon. Member know, I am sure, that that is not the policy of the Government. However, I fail to understand why he is directing the question this way. Why is he not directing the question to his colleague, the Hon. Member for St. John's West, who is one of the principal proponents in Canadian politics of the position of which he is accusing us?

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, I do not think there is any question: our position is quite clear—

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: A press release has gone out—unlike the Liberal Government, which is equivocating, and which the people of Canada have every reason to fear after another election, with respect to this issue.

GOVERNMENT EXPENDITURES

STATEMENT ATTRIBUTED TO MINISTER OF JUSTICE

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my supplementary is directed to the Minister of Finance who, I am sure, had the opportunity of watching *Canada AM* when the Minister of Justice was interviewed by Pamela Wallen this morning. He indicated that he was not in favour of a policy of the present Government which solves problems by throwing money at them. He indicated that we cannot continue to go on that way. I ask the Minister of Finance whether he accepts that point of view and that criticism of his Government from a Cabinet colleague? Or, if he does not agree with that statement, does he think it would be more appropriate, if these Ministers are going to be diverging from Government policy, that they should do the honourable thing and resign from their portfolios while they are seeking the leadership of the Liberal Party?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am very sorry; I do not watch *Canada AM* even when I appear on it.

Mr. Epp: I don't blame you.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I have to tell my hon. friend that I fail to understand how he would be scandalized by such a statement. I made it myself many times in a lot of areas. The solution to a problem is not throwing money at it.

Mr. McDermid: Why do you keep doing it?

Mr. Lalonde: This is the line we have taken—pursuing a responsible fiscal and monetary policy, and also, however, showing compassion for people in need. This has been and will continue to be the policy of this Government, contrary to that of the Conservative Party who have singled out the old, the sick, and the poor, as their targets. And women, as we have discovered recently.

Some Hon. Members: Oh, oh!

* * *

• (1440)

FINANCE

CORPORATE TAX EXPENDITURES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Finance. In 1972 David Lewis spoke eloquently of the corporate welfare bums, pointing out that the total share of taxes paid by the corporate sector dropped from 28 per cent to 17 per cent, while that paid by individuals increased since 1951 from 24 per cent to 43 per cent.

Will the Minister advise the House when he intends to table the latest figures for 1983 on corporate tax expenditures? The last time such figures were tabled was in 1979. They showed

that over $6 billion had been spent. In early February the Minister promised he would be tabling these figures. When will the people of Canada be given an accounting of this waste of taxpayers' money?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is typical of the NDP to consider any incentive given to the creation of jobs by the private sector to be a waste of money. I am sorry if that is the philosophy of the socialists. It is no surprise they are where they are at the present time, because this is not a philosophy which is shared by this Party and the Government.

We believe that the jobs needed by Canadians will be created fundamentally by the private sector, with the support of government tax incentives. If we are not going to be competitive and make sure that the taxation regime in our country compares with the taxation regimes in the United States, Europe or Japan, we will be out of business as a country and will not have the jobs Canadians need. The NDP should understand that, once and for all.

TYING OF TAX BREAKS TO JOB CREATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister of Finance has refused to indicate when he will table these important figures. These massive tax breaks are viewed almost universally by economists as being completely ineffective in dealing with the problems they are supposed to be dealing with, primarily, the unemployment of almost two million people.

Recently an economist said: "Banks are in a position to smile at tax authorities . . . they are close to a voluntary (tax) system".

When will the Government face facts and say that not another tax dollar from ordinary Canadian citizens will go to corporations unless they can prove they are creating jobs directly with those tax dollars? When is the Minister going to table the relevant figures, as he promised in early February to do?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I would like to refer my hon. friend to the Budget of April, 1983 because he does not seem to have read the Budget of February, 1984, and I cannot ask him for too much. I invite him to go back to the April, 1983, Budget. He should have had time to read it by now. He will find that we have provided very significant research and development tax incentives. We provided for investment tax credits which are all tied to investments taking place in Canada and creating jobs in Canada. The measures contained in the last Budget, as well as the Budget of April, 1983, are indeed geared to the creation of jobs in the private sector by investment in Canada. I invite my friend to look at it and get the facts. Then he will know what the answer is.

Oral Questions

LABOUR CONDITIONS

COMPARISON BETWEEN CANADA AND UNITED STATES

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is for the Minister of Finance as well. Last Friday it was announced that the unemployment rate in the United States dropped from 8.0 per cent to 7.8 per cent while, for the same period in Canada, the rate increased from 11.2 to 11.3 per cent. Before the Minister trots out the same deceptive and misleading response which he used on Friday, to the effect that the reason for this poor performance is the increasing participation rates in the labour force, let me give him some figures.

From the pre-recession peak to the bottom of the recession in the U.S. total employment dropped by 2 per cent, while in Canada it dropped much further, by 5.1 per cent. From the bottom of the recession to date jobs created in the United States increased by 5 per cent, but in Canada by only 4 per cent. Is there any explanation for this substandard performance in job creation in Canada other than the misguided economic policies followed by the Government since March of 1980?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my hon. friend is keen on providing us with a number of statistics. He referred to what happened to unemployment in the United States and Canada last month. He should have also pointed out that in Canada last month we created 54,000 jobs. We had an increase in full-time and part-time jobs. We had an increase in youth employment as well as in the goods producing industries. All sectors of the economy experienced growth in job creation last month. At the same time there were 75,000 new entrants to the work force in Canada last month.

My friend will have a second question and I invite him to tell us what the increase in the participation rate in the United States was in February. He will find that proportionately there were not the same amount of entrants into the United States labour force last month as in Canada. That is the explanation.

GOVERNMENT POLICY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I said it before and I will say it again; that is misleading and deceptive.

Mr. Lalonde: Give us the figures.

Mr. Wilson: The simple fact of the matter is that employment in Canada is still 3.7 per cent below its pre-recession peak, and in the United States it is 1.7 per cent above that same peak. Since the record of this Liberal Government is so far short of the record in the United States, and since recent figures show the situation is degenerating further, will the Minister explain to the House why he has presented a stand pat Budget which, if it stays as it is, could lead us to being in an early recession just at the time the United States is booming?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have asked the Hon. Member to provide us with one specific piece of information which he neglected or refused to provide us with in his supplementary question. He said that we have known a deeper recession in Canada than has been known in the United States. This has been said many times, including by myself at various times. I have indicated that Canada was experiencing a strong recovery and that, in terms of growth, we were going to regain everything we had lost in the first part of this year, and that by the middle of this year we were going to reach the level of employment we knew before the recession.

We are facing a year of strong growth of about 4.9 per cent, which compares very favourably with the type of growth we experienced in the seventies. By pursuing a policy of responsible fiscal and monetary management we will ensure the kind of growth this country needs, and not just by the rhetoric of the Hon. Member.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MINISTER OF COMMERCE AND INDUSTRY, OF THE REPUBLIC OF KOREA

Mr. Speaker: May I call the attention of the House to the presence in the Gallery of Minister Jin-Ho Kum, Minister of Commerce and Industry of the Republic of Korea.

Some Hon. Members: Hear, hear!

* * *

GRAIN

FREIGHT RATES ON CANOLA SHIPMENTS

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my question is for the Minister of Agriculture. The Government's proposal to replace the minimum compensatory rates as they apply to canola products on shipments east of Thunder Bay with commercially set railway rates, will impair the western crushers' ability to penetrate the domestic and export markets east of Thunder Bay. What representations has the Minister of Agriculture made to his colleague, the Minister of Transport, on behalf of the western crushers?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if I understand correctly, that is still very much under discussion. We received representation from both East and West on this. We do not intend to do anything to destroy either production entity.

WESTERN CRUSHERS' SHARE OF MARKET

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I am sure the Minister will be aware of the fact that the replacement of the MCRs with commercially set rates will increase the freight rate to the western crushers by 165 per cent. Is the Minister taking that into consideration? Will he come to the defence of the western crushers in order that they might be able to maintain their fair share of the market?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member also knows that the whole package of the Crowsnest Pass legislation gives them an advantage to ship their products through to the export ports. I am talking about shipping them right through to Halifax. He knows that for sure. They have a special concession made to them to ship through to the West Coast ports also. The total amount of money he is talking about is $2 million to $3 million. I am sure that he knows as well as I do that if $2 million or $3 million is going to break that industry, it is in pretty darn poor shape. It is not in that bad shape, and he knows that.

* * *

● (1450)

FORESTRY

FEDERAL GOVERNMENT'S EXPENDITURES IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of the Environment. On Friday Southam news reported that the Minister met with the B.C. Council of Forest Industries and informed them that the reason for inaction on reforestation in British Columbia results from two facts: first, that they did not vote Liberal, and second, that they do not lobby well enough.

Since the 1982 Environment Canada policy statement entitled "A Framework for Forest Renewal" calls for a federal contribution of $130 million by 1987, which would have provided over $50 million for British Columbia this year alone, would the Minister explain why he has only put up $5.5 million for this entire coming year for British Columbia? Would he also explain to members of the House how he justifies those two crass and gross remarks to the largest industry in British Columbia?

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, if they were correct I would have to justify them, but they are totally incorrect and therefore I do not need to justify them. I just disclaim them for what they are, incorrect and inappropriate.

We had a very good meeting, and we did go into the importance for the forest industry to be present at the centre when consultations take place, particularly at the most recent ones. That was one portion of the discussion.

The other one dealt with the question of renewal of agreements, and I am ready to confirm to the House today that I have received a request from my counterpart in the Province of British Columbia for an extension of the existing agreement by one year, until March, 1985, at which time I hope the Government of British Columbia will have made a decision about what kind of long term agreement in forestry it wishes to

make. At that time we will be able to deal with that particular proposal and make the decision ourselves.

With respect to the substance of the total forestry renewal agreements, I am glad to confirm that, looking at the figures for those agreements that we have renewed this year, apart from the fact that the Government has invested well over $200 million in 1983-84 in a variety of ways in the promotion of the forest industry, ranging from water bombers to research and development and other activities, our renewal shows up very well with the agreements that have expired this year. I will be glad to give the Hon. Member more detailed information if he wishes me to do so.

Mr. Fulton: The facts of the matter are that British Columbia is now only going to spend $11 million in total federal-provincial dollars. The Minister's own Department identified the need for spending over $100 million.

REQUEST THAT JOB-CREATION PROJECTS BE UNDERTAKEN

Mr. Jim Fulton (Skeena): Mr. Speaker, the Minister's Department has identified that there will be a falldown effect, particularly in northern British Columbia, which will mean cut-backs in production by a third or more in less than five years. That is right across northern B.C. This will mean that hundreds of jobs will be lost on the Queen Charlottes, in Prince Rupert, Kitimat, Terrace, the Hazeltons, and Smithers.

I have a very practical request for the Minister. Since he and his officials were proposing more than $50 million in federal money for B.C., would he undertake to make direct contracts for service for nurseries, restocking backlog lands, insect control, and advanced silvaculture in northern British Columbia, which would mean in this coming year, for British Columbia alone, 2,000 $25,000 per year jobs? This is very much required with the kind of downfall we are already having, let alone the very severe falldown effect that we are expecting in less than five years.

Hon. Chas. L. Caccia (Minister of the Environment): Mr. Speaker, in the fiscal year that is ending this month the Government of British Columbia has invested some $90 million in silvaculture in that province. It has an additional $93 million in the budget beginning April 1, 1984. Evidently, the Government of British Columbia recognizes the fact that it owns 90 per cent of the forest lands in that province, and that it has a big role to play in reforestation and rejuvenation on those lots.

When the Government of British Columbia is ready to come forward with a proposal for the next five years, we will be glad to look at it. It has decided to come forward with a one-year proposal. We are in the process of working out an agreement for that period of time. Obviously the province has a major role to play in this particular respect.

AGRICULTURE

COMBINE OPERATORS' ACCESS TO UNITED STATES

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, my question is directed to the Minister of Agriculture. He will be aware that since the end of World War II there has been a tradition in western Canada of Canadian custom combiners going south to participate in the American harvest, and later in the year of American custom combiners coming back and participating in the Canadian harvest.

Custom combiners on both sides of the border have played a very important role in assisting with the economy of their counterpart nations. Unfortunately, that practice seems to be jeopardized by a change in American policy. As a result it appears that a number of Canadians custom combiners, including a dozen from my province who are solely dependent upon this for their livelihood, will not be given the opportunity to participate in the harvest this summer. Could the Minister tell us what his Government is doing to ensure that this practice, which has been so important to our economy, will continue?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, we have made representations, and I understand that our ambassador in Washington is making that kind of representation on our behalf at the present time. If he has not done it already, he will be doing it this week.

CANADA-UNITED STATES RELATIONS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I have the impression, considering the history of relationships between Canada and the United States—I am thinking of Garrison, and now of this particular problem—that it appears the Government across the aisle has been unable to influence the Americans in a way which would be beneficial to our country. Why is it that Canadian-American relationships seem to have deteriorated so much under the present administration?

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, I do not know from where he is getting his facts, but the Hon. Member should check them. Our trade in agricultural products with the United States has never been better. Our relationship with them has been very good. The U.S. Secretary of Agriculture and I have a rapport back and forth any time we want, and we have talked to one another about this problem of combine operators. I am sure that he knows that, because of the drastic cut in production last year, many combines sat idly in the United States and did not do anything. They are concerned about that at the present time, and the reduction in their wheat crop this year is still down. But we are still optimistic that some of the custom combiners will be able to carry on the business that they always do.

Introduction of Bills

NATIONAL REVENUE

DEPARTMENT'S USE OF THIRD PARTY DEMANDS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of National Revenue. He will know that there has been a significant increase in third party demands on bank accounts by Revenue Canada. What is the percentage increase between September or November a year ago and now? Based on information from banks in my constituency, how does the Minister justify an almost 100 per cent increase in third party demands in that area? Does he presume in his Department that there are 100 per cent fewer trustworthy people, or that many more crooks? What is new in the Department that makes it feel that there must be that many more third party demands?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Unfortunately, Mr. Speaker, I could not say off-hand what the percentage increase is exactly. However, I have had the opportunity to discuss this issue with the Hon. Member before and I could once more state the reasons which I have already given him.

At the same time, I had suggested to the Hon. Member to contact the Director of his district office, to discuss the matter with him, seeking information first-hand from the man who administers the Income Tax Act and who is aware of all the particulars of this situation. I now realize that by disregarding my advice the Hon. Member has not discharged his basic responsibility as a member.

The fact that we have now nearly $3 billion in accounts receivable demonstrates clearly that a great many taxpayers have failed to pay their taxes and are therefore liable to seizures.

I strongly suggest to the taxpayers within the Hon. Member's riding who might be delinquent with Revenue Canada to sit down with its officials and come to an understanding on the way to settle their indebtedness and avert possible legal action.

* * *

[*English*]

UNEMPLOYMENT INSURANCE COMMISSION

BREACHES OF PRIVACY ACT

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, my question is directed to the Minister of Justice. Last week he told me in the House that, in spite of the information that was handed to him by us on this side, relating to certain breaches of the Unemployment Insurance Act and the Privacy Act, no prosecutions were taking place. He said nothing was being done about these allegations, which leaves the implication that the law is being applied one way for civil servants and another way for the rest of us.

• (1500)

Have there been instance of other, even more serious breaches of the law committed by employees of the Unemployment Insurance Commission which have been brought to his attention, either by the Minister or by the head of the Unemployment Insurance Commission? If so, what is he doing about them?

Hon. Mark MacGuigan (Minister of Justice and Attorney General of Canada): Mr. Speaker, there have been no such instances brought to my personal attention. I will check to see whether any have been referred to the Department.

* * *

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I rise on a point of order. I would like to apologize to the Minister of State for Fitness and Amateur Sport (Mr. Olivier). On Friday I mentioned the Minister was not in his seat. He was meeting the great Boucher at Montreal airport.

Mr. Speaker: Order, please. That is not a point of order.

* * *

PETITION

MR. COSGROVE—PENALTIES FOR DRUNK DRIVING

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for York-Scarborough (Mr. Cosgrove) on Friday, March 9, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

DAILY NEWSPAPER ACT

MEASURE TO ESTABLISH

Hon. Jim Fleming (York West) moved for leave to introduce Bill C-226, to ensure, at the national level, competition and independence of the daily press.

He said: Mr. Speaker, the purpose of this Bill is to have on the record, and hopefully have debated as well, the issues of concentration of ownership in the Canadian daily newspaper industry and potential ownership conflicts. It is patterned after the Government's proposed daily newspaper Bill in those two aspects.

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

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 383, 396, 451, 475, 525 and 642.

[*Text*]

GENERAL DEVELOPMENT AGREEMENT WITH NEW BRUNSWICK

Question No. 383—**Mr. Howie:**

1. Will the General Development Agreement with New Brunswick expire and, if so, on what date?

2. Are there any negotiations to replace or renew it and, if so, what is their status?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): 1. The General Development Agreement with New Brunswick, like all other G.D.A.'s, will expire on March 31, 1984.

2. Discussions with provincial authorities on an Economic and Regional Development Agreement (ERDA) as a successor to the GDA are in progress. The objective is to have the new agreement in place by March 31, 1984.

VIA RAIL

Question No. 396—**Mr. Howie:**

1. During the period December 21, 1983 to January 2, 1984, on how many occasions did the eastbound Ocean Limited VIA Rail passenger train arrive in Halifax on time?

2. What plans does VIA Rail have to replace its fleet of locomotives and railcars?

3. Will new locomotives or railcars be used in the Montreal to Halifax operation and, if so, on what date will such use begin?

Hon. Lloyd Axworthy (Minister of Transport): The management of VIA Rail Canada Inc. advises as follows:

1. From December 21, 1983 to January 2, 1984, Train 14 "The Ocean" not once arrived on schedule in Halifax because of weather conditions and a major passenger train derailment at Amqui during this period.

2. VIA is currently accepting delivery of the second order of LRC equipment (10 locomotives and 50 cars). Delivery commenced late in 1983 and will continue through to early 1985.

VIA is about to embark upon a prototype passenger car development program. The first phase will be the design and construction of prototype equipment suitable for long and short haul service. The acquisition of new equipment based on the prototype experience is sheduled for the late 1980s.

Programs for the modernization of selected existing equipment are currently under study.

3. VIA considers fleet renewal to be a high priority and is also currently studying measures to improve existing equipment, but it is too early to state when such improvements might be implemented and what operations would be affected.

Order Paper Questions

CANADIAN COAST GUARD VESSELS

Question No. 451—**Mr. Howie:**

Are any vessels currently engaged in the Coast Guard Service and, if so, how many and does the service have any plans to replace ships or acquire new ships during 1984 and, if so, what are they?

Hon. Lloyd Axworthy (Minister of Transport): One hundred and nineteen vessels plus some auxiliary support craft are currently engaged in the Coast Guard service. The Canadian Coast Guard have no plans to replace or acquire ships in 1984. However, some vessels presently under construction will be delivered in 1985/86.

CANADA MERCHANT MARINE

Question No. 475—**Mr. Howie:**

1. Did the Government take any initiatives to establish a Canada Merchant Marine?

2. Since January 1, 1983 were any studies carried out on this subject and, if so (a) by whom (b) at what cost?

Hon. Lloyd Axworthy (Minister of Transport): 1. On January 6, 1983 the Government announced several policies relating to the Canadian offshore, including changes to the coasting trade regime.

In the December 7, 1983 Speech from the Throne, the Government announced that it intended to establish a labour-industry task force on the deep-sea fleet. This announcement was made because of growing evidence that the competitive environment for international shipping had changed to a point where consideration of the need for incentives to establish a Canadian deep-sea fleet was justified.

2. (a) and (b) The Marine Administration undertook research in 1983 directly associated with the review of Canadian coasting and deep-sea shipping. Expenditures included a $7,000 consultant contract for a study by Professor Mary Brooks entitled "Canadian Tax Policy and the Shipping Industry: An Evaluation".

PERSONS EMPLOYED BY LAW REFORM COMMISSION

Question No. 525—**Mr. Howie:**

1. In the last three fiscal years, were any persons employed by the Law Reform Commission of Canada and, if so, how many and what total amount was paid for (a) salaries (b) other professional services?

2. In the last fiscal year what was the highest personal remuneration?

Hon. Mark MacGuigan (Minister of Justice): In so far as the Law Reform Commission of Canada is concerned:

1. FY 1983/84. On January 26, 1984 the Commission had 45 full-time employees plus one part-time employee on strength. The average number on strength throughout the year to date was 44.

(a) The total amount paid for salaries for the above was $1,074,847.

(b) To January 26, 1984 the total amount paid for other professional services was $1,334,348.

FY 1982/83. The Commission had 45 full-time employees plus two part-time employees on strength at the end of the year. The average number on strength throughout the year was 44.

(a) The total amount paid for salaries for the above was $1,265,981.

(b) The total amount paid for other professional services was $1,520,366.

FY 1981/82. The Commission had 43 full-time employees on strength at the end of the year. The average number on strength throughout the year was 38.

(a) The total amount paid for salaries for the above was $931,836.

(b) The total amount paid for other professional services was $1,205,551.

2. Fiscal year 1983-84—$79,120 to $93,040 (salary range).

SECTOR FIRM PROGRAM

Question No. 642—**Mr. Stewart:**

1. Is there a Sector Firm Program and, if so, what (a) department or agency administers it (b) is its stated purpose?

2. In the fiscal year (a) 1982-83 what total amount was expended under the Program (b) 1983-84 what amount was budgeted under the program?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): 1. Yes. (a) The Canadian Industrial Renewal Board (CIRB). (b) The Sector Firm Program is designed to encourage the textile, clothing and footwear industries to restructure, rationalize and modernize in order to improve their efficiency and become more competitive, so that reliance on quantitative import barriers can be reduced.

2. (a) During the fiscal year 1982-83, $3,301,949 was expended. (b) For the fiscal year 1983-84, $27,500,000 was budgeted.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FEBRUARY, 1984 BUDGET

The House resumed consideration of the motion of Mr. Crosbie:

That this House regrets the failure of the government to include measures in the February, 1984 Budget to prevent the continually sagging Canadian dollar from further decline, reverse the continuous increase in the already critically high levels of unemployment, and combat the return to steadily rising high interest rates, all of which signals an end to any possible recovery and clearly demonstrates the incompetence of the government and its callous attitude of ignoring the social and economic hardships that it is imposing upon the Canadian people.

Mr. Paul E. McRrae (Thunder Bay-Atikokan): Mr. Speaker, I began my speech just before lunch. I discussed the motion in terms of the kinds of things the Opposition might do. It is very hard to tell what the Opposition policies are since the Opposition seems to have a hidden agenda.

We probably know four things that we could talk about in terms of what the Opposition is saying. The Opposition is talking first about cutting taxes in some kind of an incentive way to create jobs. The Opposition is talking, I think, about increased defence spending. Opposition Members have been pretty specific about this. They seem to be talking about moving closer to the United States, particularly in our economic relationships. The finance critic has from time to time sounded like he wanted some kind of customs or economic union. Opposition Members seem to feel favourably about Ronald Reagan and his Government.

The problem facing the Canadian dollar is one that is generated for the most part in the United States. It is generated because of the first two policies which the U.S. Government has initiated. One is a massive cut in taxes and the other is a massive increase in defence spending. The office of the congressional budget tells us that the $200 billion deficit which the U.S. Government will have in the next year is caused entirely by these two factors and that within a year the deficit would disappear if it were not for these two factors, namely the increase in defence spending and the cut in taxes. If you were an American, Mr. Speaker, you would have a cut of about $15,000 in personal taxes if your income, before tax, were $80,000. If your income were around $10,000, you would lose $204. That is the kind of government they have in the United States.

The fact that the U.S. deficit is roughly $200 billion, about 6.1 per cent of the Gross National Product, is one factor. The other factor is the savings ratio—the tax cuts that were supposed to go into savings—is less than half ours. Savings in the United States is about 5 per cent of people's income, whereas in Canada it is about 12.5 per cent. The entire savings in the United States, we are told by the office of the congressional budget, will be used up by the Government of the United States. The U.S. Government and people in the United States, in order to have savings for investment and so on, will have to bring in money from abroad. That is precisely the reason the American dollar is under stress. In order to get this money from abroad, you have to increase the interest rate. It must be made attractive to investors to bring money into the United States.

Canada's economy is very close to the American. It would be much closer if I hear correctly what the Leader of the Opposition (Mr. Mulroney) and the critic for finance are

saying. In order for us to maintain some equity in the United States, it is necessary for us to do one of two things. Either we keep the dollar pegged at 80 cents or somewhere close to that and let interest rates rise with U.S. interest rates, or we let the dollar fall a little bit and keep our interest rates stable.

Let us see what the advantage is of the latter. I am not impressed with the first. What are the advantages of letting our dollar slide a bit and leaving the interest rate fairly well pegged? I believe there are two advantages. First, Canadian exports would be priced lower on a very competitive world market. This would be of great advantage to us.

There is another problem with the American dollar, which is the reason the Americans are in trouble while we are not. This year the Americans will have a roughly $80 billion deficit in their current account; that is, the account with other countries. In other words, the United States is running a very large deficit. The United States is selling less than it is buying by about $80 billion. In the last couple of years—and this year looks like it will be the same—we have had a slight favourable balance in our current account. This means that we are selling more than we are buying. If the dollar goes down a little, we will sell a little more, we will move more grain, sell more manufacturing products and so on. Also the Canadian entrepreneur benefits as against higher-priced imports.

• (1510)

One of the problems is that it will cost us more for imports, but Canadian entrepreneurs will benefit. These two things are job creational; they will create jobs and therefore are helpful. Of course, one concern is that we will have to pay more for our imports and then we have an inflation factor. However, I am told that high interest rates are twice as inflationary as increases in the cost of imports by reason of the dollar declining.

There is another reason we should be very careful about not allowing our dollar to follow the American dollar. In other words, we should keep our dollar at a lower rate and therefore keep our interest rates at a good level. This is tremendously important. If we expect Canadians to build homes, to build offices, to build factories and do the kinds of things they will have to do, we have to keep interest rates at a lower level. We are in a fortunate position because our savings ratio, as I mentioned, is about 2.5 times what it is in the United States. If the dollar comes down a bit, there will be less incentive or it will cost more to buy American dollars and invest in the United States. Therefore Canadians will want to invest in Canada. These factors are to our advantage.

I come from the community of Thunder Bay where 85 per cent to 90 per cent of all basic production, such as in pulp and paper, it being a major port and so on, goes into the foreign market. It is very important for us to be competitive. Allowing the dollar to drop somewhat and not raising interest rates will increase our ability to sell forest products in the United States and all other parts of the world.

This is why I think it would be a great mistake for the Minister of Finance (Mr. Lalonde) and the Bank of Canada to pursue the policy that was pursued two or three years ago which allowed interest rates to go to very high levels. This would be a great disadvantage to us as Canadians. It would hurt our internal economy and we would not obtain the kind of activity we have experienced in the last year or so. At the same time as we keep our dollar up, our competitive position with regard to the rest of the world, that is the ability of our local entrepreneurs to sell and compete against imports, is adversely affected. All these factors would be affected adversely if we did that. I will ask the Minister in caucus—and I will keep it up, as I have done for year—to keep interest rates as low as possible even if the dollar suffers to some extent.

Another concern about which I keep hearing is unemployment. The Opposition has some simplistic ideas. I hope I have demonstrated how simplistic is the idea that we should keep both interest rates and the dollar up at the same time. That is what is implied in the motion, that we should do both. This is another area in which we have a far more serious problem that the United States. That problem has existed for a long time. It is not a simple one of asking why they have cut their unemployment rate and why we have not.

If we go back to the early seventies, we see that we have always had a far larger increase in growth in the labour force than the United States. If was perhaps two to one for a long period in there. Last month we had a growth in employment or jobs created of .5 per cent. That is a 6 per cent growth rate per year. Unfortunately the rate of increase in the labour force, that is the number of people coming into the labour force over the age of 16 years, was almost 7.2 per cent on an annual basis. We constantly have this problem of growth. It started years ago. I recall when we first saw it in the schools. When I was a high school principal and was involved in all kinds of building programs, I saw nothing but more and more young people. Of course, those young people are coming on to the market and we have the serious problem of having to deal with that growth in the labour force.

There are some answers. I am not convinced that we are able as a nation to create jobs at a rate much faster than 6 per cent on an annual basis. I do not think that is really possible. I just do not think a country can do such a thing. No matter what manner we use to do it, it just does not work. It seems that the cost of maintaining a 7 per cent to 11 per cent unemployment rate is very high, not only in monetary terms but in terms of attitudes and what it does to people who are not part of the system. When we have far too many people for the amount of available work or the work which will be available in the future, I do not think any amount of investment will change the situation very much simply because of these two large factors. When we have such a situation, we have to start talking about redistributing the work among the people available to do it. It does not make sense to have one segment of the population working eight hours a day, 50 weeks a year for 35 or 40 years, and another segment of the population being unable to move in at all. If we want to look at the situation seriously, we should look at the amount of money it is costing to create jobs or to keep people on unemployment

insurance or welfare. Then perhaps that money could be used toward redistributing the work more fairly so that the vast majority of Canadians, or the 94 per cent who want to be in the work force, can find work. That is the only way we can do it. I worry about people who think that it can be done by increasing investment.

I believe this particular motion is a bad one basically because it contains some principles which I find difficult to accept, particularly the idea that we can have a stronger dollar and lower interest rates, that there is some magic which will bring that about, and the idea that we can create jobs at a rate faster than 6 per cent per annum. Therefore I think there have to be other solutions. I do not find those solutions on the other side. I do not see the other side as an alternative to what we are doing and about what we are thinking at this particular point.

Mr. Blenkarn: Mr. Speaker, we could clearly have a stronger dollar and lower interest rates if the people in this country had confidence in the Government and its economic approach. Could the Hon. Member tell us what representations he will be making to the Minister of Finance (Mr. Lalonde) when later this week the prime rate goes to 11.5 per cent or perhaps 12 per cent? Will he be telling the Minister of Finance that this will cost enormous numbers of jobs in his constituency, or will he say that it is perfectly all right? Will he be advising the Minister to let the dollar drop to perhaps 75 cents? Perhaps the Hon. Member will know that, following the Minister's speech today, there was massive interference in the marketplace by the Government bidding up the dollar and allowing interest rates to rise. Will he comment on the actions of the Government in that respect?

Mr. McRae: Mr. Speaker, I heard the same question asked of the Minister by the Hon. Member for Mississauga South (Mr. Blenkarn). I think it is a good question. However, I think the mistake in the question is in asking whether we would let the dollar drop to 75 cents or let the prime rate rise to 12 per cent and so on. I do not think that is the basic question. The answer is this. I would say to the Minister: "I want you to keep interest rates down. I want you to do what you have to do". I have been doing this for years so it is not something new. I want you to do what you have to do to keep interest rates from not going up. If that means the dollar has to decline, so be it.

• (1520)

The other point the Hon. Member makes is that this is a weak economy. It is not a weak economy. In terms of world currency, Canadian currency has appreciated, even this year, by 1 per cent. There has been a net appreciation. It is still a very strong economy in terms of economies in the rest of the world.

As far as I am concerned, the dollar could drop to 75 cents, but I am not saying it should. I am saying that we should keep interest rates as low as we possibly can and not worry about our dollar versus the American dollar. The American dollar is a far weaker currency than our currency for the reasons I mentioned before, and I will mention them again. First, we have a savings ratio that is very high. Therefore, the federal Government is not, by reason of the deficit of 6.8 per cent or 6.78 per cent of its Gross National Product, creating tension within the savings ratio. There are lots of savings for the private sector. Second, at least half of the Canadian deficit is a structural deficit and the rest is a deficit which will go away as times improve. That is the second factor. The American deficit is all structural, unless they get away from their defence spending and cut taxes, which is a totally structural factor. We do not need that.

In the long run, the Canadian dollar is very strong. It will not hurt us to peg the interest rates as low as possible and not let them go up. Internally this is a very important matter. My community, your community and the rest of the country would be much better off not worrying about the dollar. We would be much better off keeping interest rates as low as we can.

Mr. Hawkes: Mr. Speaker, it is rather incredible that the Member opposite would prefer that senior citizens pay more for tomatoes than allow interest rates to go up for those who want to borrow money. That is really the essence of what he is telling us. But to stand in the House and indicate that our dollar is stronger than the American dollar when it is dropping every day is the height of fantasyland and identifies to the House part of what is wrong with the policy.

The most incredible admission, and I thank the Hon. Member for making it, is that he and his caucus, and he made it clear to us today, have given up trying to create jobs for Canadians. He said to this House that they are prepared to accept 12 out of 100 Canadians being unemployed. His only solution is job sharing. He would like us to go to 50 per cent or 60 per cent of the work force employed part-time as a way of getting the figures down. That is totally unacceptable to us on this side. We believe Canadias have right to a job, a decent income and a decent standard of living.

Does the Hon. Member think the $15 billion to $20 billion currently spent on welfare payments and unemployment insurance might be better spent by allowing people to take training when they receive those dollars, instead of saying they have to sit and do nothing? They could make a contribution to society by involving themselves in the development of new skills; and in particular, would he allow the 30 per cent of the work force that is functionally illiterate to use those support dollars to learn to read and write?

Mr. McRae: Mr. Speaker, I have no problem with the last question. I would like more of those dollars to go in that direction. I have no problem with that part of the question at all, but I have a problem with the myth he is perpetrating which says that we can create many more jobs than we are creating now, that we can create jobs at the rate of 6, 8 or 10 per cent. I want to know how. I have not heard anybody tell me how.

We can allow for earlier retirements. We can do a whole series of things to spread the work among the work force available. We can create a lot of wealth doing that. We do not

have to go to half-time jobs. There are people who would like to work part-time. Many would like to work on a split basis. I am not suggesting that it be mandatory; there is already a voluntary pool.

Many people would prefer leisure to working long hours. That is something we should look at very carefully. I defy the Member to tell me how he is going to create jobs at an annual rate much higher than 6 per cent or 7 per cent per year.

Mr. Hawkes: It is very simple. Call an election.

Mr. McRae: The Hon. Member says it is very simple. We have tried to use some of the methods suggested by Members opposite to create jobs, by tax incentives and creating other incentives. They produce the least productive jobs of all the efforts we have made. Do not tell me that we will solve the problem in that fashion.

We have to redistribute some, not all, of the work. We must also spend more money on training; there is no question about that. I have no argument with it. That is an admirable way of doing it. The federal Government must decide what the training program will be, not the provinces. I agree that that is one of the solutions. However, there has to be a multi-faceted approach to this. We are not going to solve it just by creating more jobs. It will not happen and the cost is far too high.

Mr. Dubois: Mr. Speaker, I have a question for the Hon. Member. I will ask it in French and he can listen to the translation.

[*Translation*]

Mr. Speaker—

An Hon. Member: In English.

Mr. Dubois: I will speak to him in French.

Mr. Speaker, I heard my colleague talk about economic conditions in Canada and in the United States as well as the issue of job creation and the general economy in the United States.

Could the Hon. Member give some details or compare the performance of the Government of Canada with that of the United States? Is it not true that economic conditions in Canada are as good if not better than in the United States considering President Reagan's drastic policies?

[*English*]

Mr. McRae: Mr. Speaker, the whole debate today centres around the inadequacy of the Reagan government. There is no question that the fiscal policies—the cutting of taxes, increasing defence spending to nearly 10 per cent of the Gross National Product of that country, which I and many other people do not believe is necessary—has created a very bad situation in our country. I do not see any way that Canadians would accept what the Reagan Government has done in terms of cutting entitlement and cutting back on social security. This year we are adding $50 a month to our GIS payments, whereas that country has cut social security and lunch programs. They have cut a whole series of programs. I do not see any way that Canadians would accept that.

We have done the opposite. We have added to our GIS. We have said that we are going to ensure that Canadians have good private pension plans. We will ensure that people have enough to live on. We are going to have a fixed interest rate or a very limited spread in interest rates for those wanting to buy a home. What we have done is the very opposite of what President Reagan has suggested for the United States. I believe that is what the Opposition would do if they were in power because that is what they are telling us.

The Acting Speaker (Mr. Herbert): The period for questions and comments has expired.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I am pleased to have the opportunity to join in this discussion today and to share my regrets and fears over the February Budget with respect to the incompetence of the Government in its management of the economy as a whole, and, in particular, with respect to the Government's disinterest in the social and economic hardships which it is imposing on several groups with which I am personally concerned—farmers, small businessmen, home owners, pensioners and the unemployed.

Several measures regarding these groups were proposed in the Budget, some of which are more positive than others; but as several of my colleagues pointed out in the Budget debate, many of the real problems facing us today have not been addressed in a meaningful way. Many problems have been ignored and many have been made worse. Those which have been addressed have not been assigned any real sense of urgency. None of the big changes promised by the Budget can take place until the Government introduces legislation to put them in effect. We have been given discussion papers; in other words, we have been given only promises, and at this point I do not trust the Government to keep promises.

• (1530)

We have been promised legislation on improved tax assistance for retirement savings and simplification of taxes for small business. We have been promised a profit sharing plan and improved security for home owners. And we have been promised a plan for pension reform.

I should like, Mr. Speaker, to deal with my views on these proposals shortly, but first I would like to discuss my opinions of government promises.

The Government, while in opposition, promised restraint in government spending. In the four years since then, spending has grown by an average of 15.7 per cent, while GNP has grown by an average of 10.7 per cent. It promised affordable housing. In the past four years, thousands of Canadians have lost their homes due to soaring interest rates, and now thousands are still locked into mortgages at interest rates of 22 per cent and even higher.

The Government, while in opposition, promised not to let a recession happen. It claimed that it would, and I quote, "Not

simply stand by and let the recession come". We all know what happened with that promise.

The Government promised to lower unemployment. There are now 193,000 fewer Canadians employed than there were at the start of the recession, and 563,000 jobs were lost during the recession. Now, when we are apparently out of the recession, our unemployment rate is up 3.6 per cent from 1980, and youth unemployment is up 5.8 per cent.

I could go on, Mr. Speaker. The point which I am trying to make here is that the people of Canada do not want government promises. They have heard many of them before. They do not buy them any more. The people of Canada would like to believe that the proposed changes in this last Budget, at least those with which they do agree, will happen. I, too, would like to be convinced. I would like to know that more is happening with this Budget than the tabling of a series of white papers out of which nothing may come.

I should also like to discuss another general concern I have about this last Budget. I am concerned that while the Government claims to be interested in improving social programs and claims to be concerned with the welfare of Canadians, it is doing little to secure the economic recovery which is necessary in order to provide social programs. It is very difficult to establish any permanent, decent safety net, without a very considerable improvement in the current economic situation.

The Budget did nothing significant to increase investment, our international competitiveness, or our domestic productivity; it did nothing to decrease the size of the deficit and it did little to encourage consumer spending or to reduce unemployment. All of these things are necessary, according to common sense and even according to past comments by the Minister of Finance (Mr. Lalonde), in order to maintain the momentum of recovery. By ignoring them, the Government is only contributing further to the current slowdown of the economy.

In spite of the Government's rosy projections, the reality is that the economy is worsening. On February 24, Statistics Canada said that the recovery is still winding down and that this trend will continue for several months. The Conference Board of Canada agrees, noting the decline in GNP growth, the increase in unemployment, the decline of the dollar, the increase in interest rates, and the drop of business and consumer confidence.

Instead of decreasing the deficit, the Government projected a higher deficit than anticipated. A recent report by the C.D. Howe Institute has warned that unless the deficit is reduced, we will suffer, "a deterioration in competitiveness" as a consequence, among other factors, of interest rates being pushed higher than they would otherwise need to be.

This is already beginning to happen. As the Canadian dollar declined to a level below 79 cents last week, a factor which apparently does not concern the Minister of Finance, the bank rate climbed to 10.2 per cent. Recently, the spread between interest rates and the inflation rate has been widening.

We are presently enjoying a current account surplus, a factor which would normally support our dollar. The recent decline in our dollar, which is expected to continue, is a major indication that confidence is declining. The Government, through allowing the deficit to increase, is demonstrating that it has no control over spending, which is fuelling that lack of confidence. To decrease the deficit, the Government must be prepared to make some tough decisions, which it obviously either does not know how to do or which it simply does not want to do in an election year.

We cannot support further declines in our competitiveness. In 1981, we ranked fifth in the world in international industrial competitiveness; we dropped to sixth place in 1982 and now we sit at eleventh place. While the Budget is apparently aimed at building a partnership "for competitiveness and productivity", the proposed productivity growth of 1 per cent to 1.25 per cent a year from 1984 to 1988 is not enough to get excited about. According to most economists, what is required is that the Government concern itself with nurturing the right environment for productivity growth, which includes controlling inflation and providing stability. This Budget showed concern with neither, and meanwhile, productivity continues to be well below capacity. Our industrial productivity has risen at the slowest rate of that of any major industrial nation since 1971.

Unemployment is expected to remain at 1.5 million for at least the next year, and over one million for as long as the Minister can project. Our present unemployment rate is the second highest of any major industrialized nation, and it was higher in February that it had been in January.

Youth unemployment, which the Budget claimed to address, will not change significantly merely by the addition of $150 million. There are 1.5 million jobless Canadians, and 565,000 young unemployed. According to recent figures, these numbers are on the increase. At most, $150 million will offer short-term jobs for about 2 per cent of unemployed young people. That is not very encouraging for young people who will graduate this year and who will be looking for jobs.

What concerns me, Mr. Speaker, is that the Government has ignored these and other fundamental questions. It has glossed over them, offering only self-praise for its past record rather than looking to the future, and, I might add, its past record is not one to be very proud of.

I would like now to turn to the specifics of the Budget and to deal, first of all, with its impact on farmers. Farmers are a large and important group in this country, and they make up a large proportion of the population of my riding of Huron-Bruce. There were some concessions made to farmers in this Budget, to which I will turn shortly, but first I would like to mention a couple of inexcusable disappointments which were found in the Budget.

Farmers had been anticipating an extension of the Farm Credit Corporation's special interest rate rebate program which is now coming due. Many of us were hoping that the Government would consider the severe financial distress which continues to plague many of our farmers, as we apparently come out of this most recent recession.

We hoped that the Government would make some move toward dealing with the serious situation of farm bankruptcies, or would at least have indicated that it recognized that there is, indeed, a problem. Last year, Mr. Speaker, farm bankruptcies were up 16 per cent from 1982; they rose from 410 to 488. Ontario led the nation with a total of 165 bankruptcies, and prairie farm failures doubled last year. There is no mention of the voluntary bankruptcies, which in my riding and the surrounding area are triple this number, but are not recorded. This situation is worsening. In January, farm bankruptcies were 62 per cent higher than the record level of 1983.

The Government did nothing, absolutely nothing, which would indicate that it is sensitive to the economic crisis which continues to face agriculture today. We did not see an extension on the special interest rate rebate program, nor the introduction of any other measure which could assist farmers who are facing the loss of their farms. The issue was simply ignored, which I feel is inexcusable. It is clear to me that the Government did not do sufficient homework on this issue, otherwise it would have seen fit to introduce some measures to help those farmers who need it.

● (1540)

Another disappointment was the way in which the Government dealt with Section 31 of the Income Tax Act. Basically, it just did not address that situation at all. Section 31 has been a problem for some time, but the Government did nothing other than to promise yet another study, which indicates a lack of awareness of the real problem. In spite of recommendations by farm groups and even by the Minister of Agriculture (Mr. Whelan), the Budget did not increase the $5,000 farm loss provision to a more realistic figure. More important, the Budget did not even propose amendments to the criteria on which full-time farmers as opposed to hobby farmers are assessed. The biggest problem, aside from the loss provision itself—which has not kept up with inflation—is the fact that many legitimate farmers are not classified as farmers. The situation is compounded by the real economic difficulty in farming today. Many young or new farmers, not to mention experienced farmers, facing financial troubles are forced to work a full eight-hour day off the farm, when they can find it, and then to spend another full eight hours, and very often more than that, working on that farm. Very often, in the absence of the farm owner or manager, the farm is looked after by the spouse or young children in order to create enough revenue to meet mortgage payments on the farm and to provide decent living. That is a reality of farm life today, and Section 31 does not recognize that reality. That part of Section 31 was completely ignored in February's Budget.

Some concessions, however, were made to farmers, which should be commended, with reservations. The Budget proposes to allow full-time farmers—and again the stress is on so-called "full-time" farmers—to invest up to $120,000 of taxable gain on the sale of qualified farm property in an RRSP, based on $10,000 times the number of years since 1972 during which a farmer has been in operation. While this provision is welcome, I would like to remind the House that the Budget of 1979, which was brought down by my colleague, the Hon. Member for St. John's West (Mr. Crosbie), had a similar provision without the strings attached. As my colleagues have noted, this proposal was ignored even though the Government has enacted much of what was contained in the 1979 Budget.

In the intervening years, Canadian agriculture has suffered. Most important, the Government has not addressed the real problem facing agriculture today, which is declining profitability. Farm income in 1983 was down 2.6 per cent relative to 1982, and the Government has done nothing to reverse that trend.

Concessions were made to home owners in this Budget, again in the form of promises. These promises are welcomed by home owners if implemented and if they are further defined in a positive way. They are welcome to me. However, proposals in this area are, again, just promises. The Budget promised to examine a mortgage rate protection program to provide mortgage rate insurance. The Government promised a similar mortgage relief vehicle in the form of indexed term deposit certificates in 1982, which came to nothing. Similarly, legislation to make it easier to repay a mortgage was introduced in this Budget, as was promised in the 1974 election campaign as well. So we return to the same problem of government promises. While these proposals are welcome in themselves, again with reservations, many questions with regard to them remain to be answered. I wonder if we will ever see them enacted. I hope that some of them are. I hope that this matter, as all the others which the Government has pledged to deal with, is really addressed and not just put on the back burner one more time.

I am concerned, Mr. Speaker, about the elderly poor in this country. Therefore, I was pleased to see the issue raised. Any help for the elderly poor is most welcome. However, once again, the Government has fallen short of reasonable expectations. By 1985, when the guaranteed income supplement increases are fully implemented, recipients of the old age pension and the GIS will still be living almost $1,900 below the poverty line. The guaranteed income supplement should make living decent for the elderly.

As this House is aware, a parliamentary task force on pension reform recommended a GIS increase of $102 a month for those single elderly Canadians who have no other income except the guaranteed income supplement and the old age pension, with the increase reduced by a dollar a month for every dollar of outside income. I regret that the Budget did not accept this recommendation, which would have meant that the poorest elderly would get double the increase proposed by the Government, without increasing government expenditure.

I was also outraged by the fact that the new GIS regulations will actually result in a decrease of income for those pensioners who are disabled. I refer to the fact that beginning this year, Workmen's Compensation Board pensions are to be counted as part of a pensioner's income. What this means, Mr. Speaker, is that in the case of Workmen's Compensation Board pensioners, the Government, apparently in defence of equity, is bringing one group of low-income pensioners down to the level of

another low-income group. At the same time, tax benefits are being offered to upper-income earners bringing them up to the level of another high income group through changes in contribution limits for RRSPs. I understand that an official in the federal Health and Welfare Department has admitted that this application of the equity principle is "unfortunate". It is more than unfortunate, Mr. Speaker, it is unjust. It is appalling. The elderly disabled in this country deserve a better deal.

However, I was pleased to see the issue of the guaranteed income supplement—the only one in the pension area—treated with a sense of urgency. While $50 a month increases in the GIS fall short of what I would have liked to see, we can at least rest assured that they will happen and, therefore, that much needed assistance for the elderly poor is forthcoming. It should help some 750,000 needy senior citizens. I am worried that we might never see the other pension reforms. Canada Pension reforms, for example, have been delayed one more time pending discussions with the provinces. That, from past history, could take months, if not years. The provisions for RRSP contributions, also included in a discussion paper, will not come into effect until 1985 for those with no other pension plan. Those with a pension plan must wait until 1988. Why must we wait this long for these measures to take effect?

We did hear of proposals for business tax simplification, another study, which could eliminate the $1 million cumulative earnings limit over which a business ceases to be considered small and which could reduce the tax rate for incorporated professionals. These are positive measures, Mr. Speaker, which our Party has been advocating for years. I would like to remind the House, however, that as a representative of the Canadian Federation of Independent Business has stated, this legislation, if passed, simply clears up tax complications which this Government itself introduced in 1972.

To conclude, Mr. Speaker, there are some positive proposals in this Budget, some "goodies". But as the headline in *The Financial Post* asked, when can we open this box full of goodies? When indeed, Mr. Speaker, will the Canadian public really see the contents of that box of goodies?

Mr. Peterson: Mr. Speaker, I would like to ask the Hon. Member if he would be prepared to abolish all limits on losses and at the same time make the cash accounting basis available to all persons who want to get involved in farming?

Mr. Cardiff: Mr. Speaker, I do not believe it would be fair to abolish all cash losses. We must make sure, when we are dealing with Section 31, that we allow for the viable farmer. I believe it is more important to define who is a full-time farmer than just to say flatly that we will write all farm losses off regardless of what they are doing, whether or not they have another profession. We still have to address the issue of what is a full-time farmer.

• (1550)

Mr. Peterson: Mr. Speaker, I take it the Hon. Member is not in favour of abolishing Section 31, as many Members of his Party have advocated. I take it as well that he is satisfied with the definition of a part-time or full-time farmer as contained in the information circulars published by Revenue Canada.

Mr. Cardiff: Mr. Speaker, I have not had the pleasure of reading what Revenue Canada defines as a full-time farmer. All I know is that we have been having problems in defining a full-time farmer. It does not seem to matter how it is written, because there seem to be many ways of interpreting what is a full-time farmer. I have many people in my riding who have been forced to take off-farm jobs to meet mortgage payments, whether it be to the Farm Credit Corporation to banks or whatever. There are farmers who have the full intention of becoming full-time farmers, but Revenue Canada interpretations will not allow them to do that. I think we should have Section 31, we should have some controls to help maintain and preserve the family farm, because these are efficient producers who want to stay in agriculture. I do not think farming should ever become something for corporations to invest in for the purpose only of incurring losses or otherwise for tax reasons.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, I listened with interest to the Hon. Member's speech with the intention of trying to find out what the Tory policy might be on some of the issues he addressed. However, as we are accustomed to hearing in the House, we heard a whole litany of what is wrong. One could get the impression that nothing is right and that we are living probably in the worst country in the world. The Hon. Member has not made one suggestion as to what should be done. I would like to ask him: If the Tory Party has a single position on any issue, would he state that position now?

Mr. Cardiff: Mr. Speaker, I should remind the Hon. Member that we are a Party in opposition; it is not our place to come up with policy for this lame duck Government. Certainly we have a policy and he will see our policy when the appropriate time comes. In what I have said here in the past 20 minutes or so, I complimented the Government in some areas where it has done well. Did the Hon. Member not listen to that? Certainly I have criticized where it was due. If we wanted to get into real criticism, it would take a lot longer than today. We could not begin to dig up everything and throw it out here on the floor and debate it. We had to touch on some issues that concern people in Huron County and Bruce County as well as people in the ridings of Members on the other side who have the same problems we do. We have addressed some of those issues.

Budget measures, Mr. Speaker, the good ones we see here today, were taken from Tory policy at one time or another over the past few years. After the next election, when you see a Tory Government, you will see good policy and good management of this country, people working and things going well.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, the last statement the Hon. Member made was the silliest of all. If he complimented the Government, it must have been during the 45 seconds I was out answering the telephone. It is

obvious that the Party opposite has no policy, or if it does, it does not intend to share it with the Canadian people. They have no right to know, according to that Party. Since the Hon. Member is concerned with the elderly poor, is it his position, as it is the position of the Hon. Member for St. John's West (Mr. Crosbie), that there should be a means test applied to the elderly of this country?

Mr. Cardiff: My position in dealing with the elderly poor and pensions would be to take the recommendations provided by the committee which was chaired by a Member of the Liberal Party. I think if we followed the guidelines we were given there, we would all be doing justice to the senior citizens of this country.

Mr. Dionne (Northumberland-Miramichi): You did not answer my question.

Mr. Hargrave: Sure he did.

Mr. Peterson: Mr. Speaker, does the Hon. Member agree with the recommendations of the Ontario Minister of Agriculture, Dennis Timbrell? Does he agree with his desire to have a beef marketing commission in Ontario?

Mr. Cardiff: Mr. Speaker, that is not a position for any Member of Parliament to take, regardless of Party affiliation. Any marketing organization put in place should be asked for by the producer, and all marketing organizations in the Province of Ontario have been implemented by vote and with a majority of over 60 per cent of the producers asking to have their products marketed that way. We hope that in Ontario those producers will exercise that right again. If they ask for assistance in marketing their product, it should be given to them. If they turn it down or reject it, that is what should happen.

Mr. Peterson: Mr. Speaker, at last we have a clear definition of Tory policy. They are opposed to what Dennis Timbrel is attempting to do in the Province of Ontario.

Mr. Cardiff: Mr. Speaker, that was not a question, it was a statement. Has the Hon. Member ever read the policy of Dennis Timbrell? I should not have asked the question, Mr. Speaker, but judging from the comment he made, I am sure the Hon. Member has not studied that policy at all.

Mr. Gurbin: He does not know what a cow is.

Mr. Cardiff: No, I give him more credit than that.

Mr. Gurbin: All we have been getting from him is bull.

Mr. Cardiff: Mr. Speaker, we have to commend the Ontario Minister of Agriculture for his initiative. The producers of the Province asked for some help in the beef industry. He has come up with a program and he has appointed a commission to study the alternatives. I believe he will come up with something fair. We do not know what that program is going to be, but let us give the Minister time to do it. We know there is a deadline. I have been here in the House for four years and I know that we have waited for a policy on agriculture for many, many years and a policy on other matters. We have heard the Minister say, "Look, I have a plan", and this has been going on for four years. Tripartite stabilization is a fine example. Had it wanted to help, this Government would have co-operated and brought forward a national tripartite stabilization program to help all farmers, but it has failed to do so. It tries to divert our attention to a provincial Government and it is not doing its job here.

Mr. Dionne (Northumberland-Miramichi): Mr. Speaker, the Hon. Member said that neither he nor any other Member should take a position on a beef marketing board for Ontario. Is it clear then, to extrapolate from that, that the Hon. Member believes that Members of Parliament should not take a position on things until they are forced by their constituents to do so. In other words, he believes that Members of Parliament should not lead, they should just follow.

Mr. Cardiff: Mr. Speaker, that is unfair. The Hon. Member knows full well that this is not the intent. In a democracy, and this country is a democracy, the producers of a commodity have a choice of collectively marketing if they wish. That is usually exercised by a vote of a majority of those producers, and there is nothing wrong with that. Too many times we govern from the top down. It is time we started governing from the bottom up. It is time that we listened to the grass roots. Whenever this Government has nerve enough to call an election, we will see what happens to the Liberal Government. It will be turfed out. The people of this country are sick and tired of this nonsense.

• (1600)

The Acting Speaker (Mr. Herbert): That is the end of the 10 minute question period. The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) on debate.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I am going to a reception tomorrow night for Canada's athletes who have won medals at the Olympic Games. If I had my way, the Hon. Member opposite who has just spoken would be given one of those medals. It is not easy to try to speak intelligently when both of your feet are planted firmly in your mouth. I have never seen an Hon. Member so diligently straddle the fence and still be able to walk away from the debate without being knock-kneed. I can only say this because Members on this side have been kind and understanding.

I sit in the House today, Mr. Speaker, as a Member who stands to defend the Government of Canada, the policies of the Government of Canada and, in particular, the most recent Budget of the Minister of Finance (Mr. Lalonde). I am here because of a motion put to the House by the Hon. Member for St. John's West (Mr. Crosbie), who I note is not here.

An Hon. Member: He knew you were speaking.

Mr. Tobin: For the last day or two I went into great detail in preparing the kind of technical and detailed arguments I thought would be required in an intelligent debate. I went into

the type of detail meant to refute what I thought would be intelligent, well researched Opposition comments, criticisms and perhaps some sound suggestions. As I sat waiting to speak, Mr. Speaker, I had to discard that well researched speech and, much to my chagrin, because I cannot stand to participate in a partisan shouting match, I had to pull out my political speech.

Having said that, Mr. Speaker, and having indicated the level of debate we are having here today, much to my disappointment I asked myself what purpose could possibly be served and whether I should even bother participating in a debate on a motion put by the Hon. Member for St. John's West, which obviously was not put in a sincere and caring manner with the notion of improving the lot of Canadians, but was put rather for pure partisan gain. Why should I participate? I decided that if this debate serves no other purpose, it shall serve one, that is, to alert the people of Canada who are listening to what we say today in this Chamber to the total paralysis of policy on the other side of the House.

Canada has come through a couple of years of recession, as has every other country in the western world. It is not unique to our country. We do not live in a bubble or a vacuum. We are part of the world community. The real way to evaluate the Government and the Finance Ministers of the day is to ask how we have dealt with that recession as compared to other nations. I suggest, Mr. Speaker, that when one looks at the last Budget one sees that we have been diligent and vigilant in particular in resisting the temptation to try to spend our way out of that recession. We have made progress in taking the steps necessary to lower that deficit. However, we have not done it, as has been suggested by Members opposite, on the backs of the people who can least afford it and are having the most difficulty in weathering this recession. We have respected the integrity of the individual in Canadian society.

I laughed out loud several times today, and I am sorry if I disrupted the House, when I heard some of the speeches of the Members opposite. As I look at a newspaper clipping of October 26, 1979 I read the headline: "Will keep Interest Rate Up to Beat Inflation, PCs, Prime Minister Joe Clark and Finance Minister John Crosbie". Their policy was to keep interest rates up to beat inflation. Under Liberal Government we have low inflation and low interest rates. Where are the crocodile tears now?

The answer of the Hon. Member for Yellowhead (Mr. Clark) to the criticisms of the day for the ill-fated Budget and policies of the Hon. Member for St. John's West was, "Come up with a better idea". The people of Canada did. They elected a Liberal majority Government in 1980.

Another headline reads: "Crosbie: Interest Rate Anti-Inflation Tool". This was said when he was Minister of Finance, but now we hear a completely different tune as this Party sits in Opposition.

I said this would illustrate, for the information of the public, not only the paralysis of policy on the other side, but the tug of war, the trench battle which is taking place on the front benches of that Party. I am not one of those satisfied to say that we have not heard Conservative policy because they do not have any. I know that is not true. They have policies over there. Each and every Member of the front bench has a different perspective on policy. They have four or five different policies. They are not quite sure yet who is going to win that battle. They are not sure whether the newly elected Leader, the newly elected recipient of the policy of the pin-cushion mentality of the backbenchers shall win, or whether it will be the Minister of Finance, who forgot to have a look on the last ballot to see who actually won the leadership convention. He still believes that he came out ahead. Or it may be the Hon. Member for Yellowhead, who is as loyal to Mr. Mulroney as Mr. Mulroney was to him.

Some Hon. Members: Order, order.

Mr. Tobin: He was as loyal to his Leader as his Leader was to him.

The Acting Speaker (Mr. Herbert): Order please. I remind the Hon. Members that other Members must be referred to by their constituency and not by name.

Mr. Tobin: My point, Mr. Speaker, is that they have different policies. I mentioned the Hon. Member for Yellowhead, the Right Hon. former Leader of the Opposition. I am saying that he is as loyal to the present Leader, the Hon. Member for Central Nova (Mr. Mulroney)—only the Honourable, not the Right Hon. yet, and maybe never—as the Member for Central Nova was to the Right Hon. Member for Yellowhead when he came and endorsed his continued leadership in Montreal.

Let us not suffer from any illusions. It is not just that there is no policy on the Conservative side of the House, but there is a battle going on between right-wing demagogues and twiddle-about do-nothings who have no notion of how to administer, manage, and govern the country. There is a battle going on between those who believe they should say what they stand for and those who wake up in the morning and the first thing they put their hands on is the Gallup poll. They, the dinosaurs in that caucus say, "My God, if we can only hide ourselves, if we can only keep beneath the surface and away from the Canadian public, we just might have an opportunity to vent our spleen upon the Canadian public."

On August 7, 1979 the Hon. Member for St. John's West said they were not going to do something just because it was promised during the campaign if they have now decided it is not the right thing to do. They have had a switch in policy. During the campaign they told us what they were going to do, but afterwards they changed their minds. Now their policy is that they are not going to tell us at all, because they cannot agree among themselves.

Witness the shameful episode last week of the Hon. Member for St. John's West, who claims to speak with authority for the Conservative Party on the question of offshore ownership in Newfoundland, being publicly backhanded across the cheek by the Member for Central Nova and being told that his statements on universality are not the policies of the Party.

I will have more to say about that because I believe it is the policy of the Conservative Party. It was the policy enunciated by the Hon. Member for Central Nova when he was a candidate for the leadership of that Party. He advocated cutting back on social programs in the country. He advocated needs and means testing. He advocated an end to universality.

I thought it might be a useful exercise to look at what the finance critic for the Conservative Party said after the last Budget of the Minister of Finance. When you separate the gibberish, the nonsense and the partisan foolishness, what does he say about the Budget? He says that the Minister does not have much room to manoeuvre. He goes on to say that he wants a massive deficit reduction, on the backs of people who cannot afford it, if necessary. With respect to the question of reducing the deficit, he went on to say that there is not any easy way to do it. They asked the Hon. Member for St. John's West, since he was arguing that the deficit should be reduced, how it is to be done. His very detailed answer was that he cannot point to any magic area to reduce the deficit. He went on to say that one has to consider the question and must look again to see whether, on the social side, it is possible to introduce more needs testing, so the programs will not be universal.

• (1610)

They also talked about unemployment, health services and family allowances. The Member for St. John's West says that as Finance Minister he would have to look at matters such as transfer payments for health care services and family allowances.

The Member for St. John's West, the future Finance Minister, we presume, was asked about unemployment in Canada. Since he comes from Newfoundland he would understand the destructive nature of that problem, so how would he solve it? His answer, with great compassion, was "We can't do much about unemployment now, if anything, unless we resolve the deficit first". He was asked about employment creation programs. He said that there is no quick solution and there is not any Party which could offer one. One would not know that today, listening to his colleagues.

He was asked about employment programs. The question was: "You said there may be some money that is being misspent". His answer was, "Yes, I would say that. There is too much being spent on temporary employment programs, not being well spent." He said that in fact these programs should be reduced. The fact is that in 1979 they did away totally with those programs. I would like to know which of his constituents in the small rural fishing communities surrounding his riding, who sent him to Parliament to represent them are prepared to thumb their noses at the chance at least to retain the dignity of having a job rather than being on welfare after the fishing industry went through a disastrous recession and an upheaval. That is what the Member for St. John's West had to say. If that is not bad enough, let us look at the record of the front bench candidates to the leadership of their Party.

What did we see when it came to the Budget? Conflict. The Leader of the Opposition, when he was a candidate, said that his program when he was elected would be to balance the Budget over the life of the Government. Can you imagine, Mr. Speaker, the kinds of massive cuts that are being designed in the backrooms, away from the light of day, only to be sprung upon the electorate if and when the public is ever foolish enough to put them back in power?

What did the Right Hon. Member for Yellowhead, the former Leader of the Opposition, have to say? During the leadership campaign he avoided a commitment to balancing the budget over a period of four years, and I might say sensibly so. With respect to Crown corporations, the Member for Etobicoke Centre (Mr. Wilson) wanted to sell them all off. What did the Leader of their Party say about that during the leadership campaign? He did not promise to sell any Crown corporations. How did he respond when told of the comment by the Member for Etobicoke Centre that CN and Air Canada should be sold? He asked, "Why does he say such things?" He even gave the figure of $13 billion. Who will pay it, he was asked? "I don't know", he said. "I don't know of a bank which will finance this operation. I don't know of any". Is that solidarity in policy?

What do they say about free trade with the United States? The Hon. Member for St. John's West said that we should have free trade, that we should break down the barriers with the United States and study the possibility of a common market with the United States. Referring to the proposals made by the Member for St. John's West, the Right Hon. Member for Yellowhead said, "Presented as they are, I find his proposals dangerous". The current Leader said, "Free trade with the U.S. is like sleeping with an elephant. Canadian plants won't be able to compete with larger scaled U.S. firms without some kind of protection". He said that Canadians rejected free trade with the United States in 1911, and they would do so again in 1983.

Are we to believe that they have a coherent Party policy? Perhaps it sounds cruel but those people, historically and by their very nature, have frozen mentalities. They are bound by their ideological dogma. It goes off at every spectrum, starting at the centre and going all the way down to Genghis Kahn right. It is impossible that such individuals as these can be fit to govern a country as diverse and different from region to region as Canada.

It is obvious that the Member for St. John's West is not even present for the debate on his own motion. In fact, very few members opposite are here on the debate on a motion that they would tell us is important. But if it serves no other, it should alert the Canadian public to the fact that there is a political Party opposite that is confused and suffers from an opposition mentality. If it has a policy, it is not prepared to present it. Its members cannot decide among themselves what their policies should be. They cannot even govern themselves as a Party. An example of this is what is taking place with respect to Manitoba. We see the example of serious disagreements on the question of social programs, on whether or not to

balance the budget, as well as serious disagreements about job-creation programs and free trade.

If the debate serves nothing else, it should serve to tell the public to demand that the Party opposite stand up and say what its policies are on such issues as the offshore, an issue that is very important in my province. On an issue that is vital in my province we see the Member for St. John's West on the one hand tell the House, fellow Newfoundlanders and the people of Canada that if Members opposite form the government, the offshore will belong to Newfoundland. On the other, we hear the Member for Central Nova, the Leader of the Opposition, say in the House to the same Newfoundlanders and Canadians that he really cannot comment on his position, that it is a hypothetical question that cannot be answered until the Supreme Court rules. The court ruled last week. We still do not know his policy.

The Member for St. John's East (Mr. McGrath), who practically lives on the doorstep of the Member for St. John's West, tells us that their policy really has not changed since 1979. When asked what that was, he said, "We are working on it". He said that there is a position paper being developed. If they cannot make up their minds on as honest, fundamental and straightforward a question as that and do not have the courage of their convictions in public life, I predict that they will meet the same fate as they met in 1979.

The Member who spoke before me, when asked what his policy is, said that it is not their job to enunciate policy because they are in Opposition and it is their job to oppose. He said it is not their job to put forward policy. I ask the Hon. Member if he has ever wondered why they have been in Opposition for so many years. Does he really think that the Canadian public can be sold a government in the same way you would package and sell peanut butter? Does he believe that if you put a pretty label on the product, consumers will buy it? They may once, but not twice. With those comments, Mr. Speaker, I thank you for the opportunity to participate in the debate.

Miss MacDonald: Mr. Speaker, I believe many of us in the House have some idea of the depth of unemployment in the Province of Newfoundland and the concern that Canadians everywhere have for the human and social tragedies that affect that province. What really astounds me is to see a Member of Parliament from that province rise and never once speak out about the tragedy of the unemployed in Newfoundland, never once. That tragedy is always raised by Members on this side of the House. The Hon. Member for Humbert-Port au Port-St. Barbe (Mr. Tobin) stood on his feet for 20 minutes and never once raised the plight of the 50,000 people who are out of work in the Province of Newfoundland. He never once spoke about the problems their families face. He never once looked at who has been in office for the last four years and whose policies have deliberately thrown most people out of work.

• (1620)

It is a tragedy in this country today that a Member from the province where unemployment is higher than in any other part of the country will not address the problems of his people, will dodge, weave, bob and duck in every way shape and form so as not to bring their problems and their tragedies to the attention of this House.

It is no longer enough that a back-bench member of the Government—and that is why he will be on the backbenches because he will not speak up on behalf of his constituents—

Mrs. Beauchamp-Niquet: Question.

Miss MacDonald: I am sorry the Hon. Member does not seem to know that this period also allows for comments. We can comment on the real failings of one of her colleagues, the shortcomings of her colleague who will not take upon himself, as he must, the responsibility for the decisions that that Government has made that have thrown 50,000 people out of work in the Province of Newfoundland, which represents one-quarter of the population. This affects families, dependants, children and spouses. Those people are out of work because of the uncaring attitude of that Government.

Mr. Tobin: Mr. Speaker, I am glad the Hon. Member got up and sought to sooth her wounds. Obviously my comments bit her right to the quick. I have seldom seen her, in such an absolute explosion of partisan bile, respond so quickly.

Some Hon. Members: Oh, oh!

Mr. Tobin: What about the unemployed in Newfoundland and Labrador, Mr. Speaker? I only wish I were standing—maybe some day I will, in 25 or 30 years—in the Legislature of Newfoundland while I addressed these comments.

Mr. Blenkarn: They will never let you.

Mr. Tobin: It is the Conservative mentality, it is the notion that confrontation is better than co-operation that has led Newfoundland, more than any other province of Canada these last four years, to suffer from recession. It is the confrontation mentality of Premier Peckford, who is unable to make a deal with Ottawa at a time when Premier Lougheed—would you call him a Tory?—when Premier Buchanan—would you call him a Tory?—when Premier Bennett—you may as well call him a Tory—have been able to deal with Ottawa. It is only Premier Peckford in all of Canada who is unable to negotiate.

Mr. Bradley: Where were you last week?

Mr. Tobin: What was his reasoned response upon hearing the news, the very sad news, that the Supreme Court of Canada had to rule on the question of the off-shore? Is his response to look at the facts as they are, to examine as chief executive officer his options, and to make an intelligent response? No. His response is, "I do not care what the courts say, even though I referred the matter to court. No matter what the Newfoundland court said or what the Federal Court said, I am going to have my way or we will continue this economic stagnation in Newfoundland". He has it in his mind that the people of Newfoundland are willing to pay the cost of

his ego and his stubbornness with their livelihoods and their way of life.

The Hon. Member asked what am I doing for the unemployed. Let me quote what the Hon. Member for St. John's West said. He said, "In my own province of Newfoundland on job-creation programs, $4.6 million odd was spent by the department of fisheries building wharfs and breakwaters and repairing wharfs and that kind of thing. And every cent was spent in five Liberal ridings".

On the one hand we have a Member who says that we are not working to look after our ridings. On the other hand we have the Hon. Member for St. John's West complaining that we are doing too much. If that is not hypocrisy in action what is?

An Hon. Member: You.

Mr. McDermid: Mr. Speaker, the last two times I have heard the Hon. Member in the House he has talked about confrontation. On both occasions when he talked about confrontation his voice decibel rose about 5,000 per cent. He started to scream, to rant and to rave. Could I have his definition of confrontation?

Mr. Tobin: Mr. Speaker, in a low voice or in a loud voice I am prepared to give the Hon. Member what my definition of confrontation is, especially when it applies to a gentleman who wears two hats in Canadian society. That is the job of a political leader. The one hat is that of the guy who goes out and stirs up the troops, who puts forward his policy and platform—which the Hon. Member has failed to do—and who tries to be elected on the basis of that policy and platform. But the other hat he must wear, having assumed office, is the hat of chief executive officer of the company. Any province is like a very large company. Premier Peckford has left his chief executive officer's hat growing dusty in some long forgotten closet. He has never stopped the campaign from day one. The people of Newfoundland know today, more than you would realize, my friend—you should come to Newfoundland—just how costly it is and how expensive his own ego and desire are to be listened to always. He has surrounded himself with a caucus of 44 members who jump to his every bark. He has somehow got confused. He believes that everyone else in Canada, including the people of Newfoundland, will jump to his every bark. I can tell you they will not jump anymore. I am afraid the only person who will be doing some hopping in short order at the next provincial election is Premier Peckford on his way out of the Confederation Building.

Mr. Baker: Mr. Speaker, I have a question for the Hon. Member. The Opposition Party has referred to unemployment. What does the Hon. Member regard as being the rationale of the Progressive Conservative Party when it was in power for a short period, and what is the PC Party's rationale now? Is its policy to do away with all term employees of the federal Government, as it did? Five hundred jobs were lost to Newfoundland when the PCs were in power. But even more important, what rationale would be used, does he think, since he has made reference to the Progressive Conservative Party, for discontinuing all direct job-creation programs under the federal Government? What effect would that have on his riding?

Mr. Tobin: Mr. Speaker, I am glad the Hon. Member for Gander-Twillingate (Mr. Baker) has asked that question. It is easy to laugh up your sleeve at job-creation programs and say, "They are only temporary. They are only painting the graveyard fence and they are a waste of money". But job creation programs in a constituency such as mine not only provide people with the dignity of work but with the opportunity to say, "I sweated today and I worked for my living". But in ridings such as mine and in other rural parts of Canada—and I do not think the Hon. Member for Kingston and the Islands (Miss MacDonald) understands what rural Canada is all about—

• (1630)

Miss MacDonald: Mr. Speaker, that is slander.

Mr. Tobin: —it provides the opportunity to instal in some communities facilities as basic as a water system with running water. Only now in the 1980s are there wharves and facilities for fishermen to take that resource from the sea, town halls and fire halls to make their communities safe, and the Tories cancelled that program with a loss of jobs and a loss of ability to improve their way of life and to improve their lot—

The Acting Speaker (Mr. Herbert): Order, please. I regret to interrupt the Hon. Member but the time for questions and comments has expired.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, unlike the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) who just spoke and ranted and raved, I wish to address the problems and plight of the unemployed in the Atlantic region whose cause the Hon. Member from Newfoundland totally ignored in favour of making an utterly partisan statement and speech which served no purpose whatever other than to take the time of the House.

Today the House of Commons is debating a motion of condemnation of the Government for bringing the economy of the country to the brink of disaster. Every major economic indicator demonstrates that we are about to enter another recession. Yet the Minister of Finance (Mr. Lalonde) continues to boast about vigorous recovery. Either the Minister is misleading the Canadian people or he simply does not know what is happening in the country. In either case our economy is once again in deep trouble. The one man, the only person upon whom Canadians are counting to lead us out of the mess, fails to recognize that the mess even exists. The Minister of Finance is the Captain E. J. Smith of 1984. He is sailing the *Titanic* at 25 knots an hour full blast toward a gigantic iceberg, totally unaware of the ominous trouble ahead.

If this sounds like so much exaggeration or hyperbole, let me assure you, Sir, that if anything I have understated the case. The Canadian economy is lurching toward potential

disaster. To make matters worse, the only man in the federal Cabinet who has shown any real leadership—and I pay him that respect—is turning a blind eye to all the warning signals. He prefers to let the orchestra play through the night while the ship sails to catastrophe.

The Minister's immediate predecessor, the present Secretary of State for External Affairs (Mr. MacEachen), made the same mistake in misreading the warning signals. We are still paying the price for his policies, predicated as they were on assumptions about the economy that were totally out of whack with reality and with the real needs of the country. The current Minister of Finance, like the Bourbons of old, has forgotten nothing and has learned nothing. Repeating his predecessor's mistakes, he persists with policies strapped to recovery when what we have in Canada is not recovery at all but the re-emergence of a full-fledged recession.

Nothing more graphically illustrates the problem than the juxtaposition of two news stories in the business section of *The Globe and Mail* over the weekend. One was headlined, "Canadian Jobless Rate Climbs to 11.3 per cent". Directly below that article was another one that read, "Jobless Rate in U.S. Falls to 7.8 per cent". Those headlines tell it all. At a time when unemployment in Canada jumped sharply for the second straight month in 1984, the unemployment rate in the United States plunged to its lowest level in 2.5 years. The American rate was a full .3 per cent lower than it had been two months earlier and 3.5 per cent lower than our own rate. Rather than sharing in the North American recovery, Canada is pulling it down.

On Friday in Question Period, I drew to the attention of the Finance Minister the jobless trend in my Province of Prince Edward Island to illustrate the problem. In P.E.I., over 1,000 jobs were lost from January to February out of a total workforce of 47,000, an increase in unemployment of .8 per cent in one month alone. In the last three months the unemployment rate has skyrocketed 2.5 per cent on the Island. The overall picture right across the country, from coast to coast, is one of steadily rising unemployment in the midst of what is supposed to be recovery.

On Friday I asked the Minister of Finance the question, since unemployment has risen three months in a row in Canada, and he calls that recovery, what then does he consider recession? The House and I were treated to a lecture on how much more the Government has been spending in P.E.I. than anywhere else in Canada. I acknowledge that the federal Government is pouring money into job creation in P.E.I. and in other provinces. Certainly, in the face of Gallup polls that show the Government would be trounced in a federal election, the Government is flooding the country with cash, mostly in Liberal-held ridings. But the fact that unemployment is soaring, the fact that it is continuing to rise despite such spending, reveals the extent to which the Canadian economy is fundamentally and structurally unsound. No amount of makeshift, no amount of ad hoc, patronage-motivated job-creation schemes, will shore up an economy devasted by 16 years of mismanagement and neglect under this Government. All current economic indices prove that fact. Canada remains far below its pre-recession peak levels of production, employment and income while the U.S. has surpassed them. Indeed, had the Canadian economy performed as well as the American economy since the outset of the 1981-82 recession, there would be 450,000 more Canadians with jobs than there are now. That increase would be more than enough to slash in half the total number of people without work in the Atlantic region and Quebec combined.

Unfortunately, the worst is not behind us. The spectre of steadily higher interest rates threatens to snuff out what little recovery there has been as plummeting investor and consumer confidence constrains the industrial expansion and private sector spending so vital to job creation.

On Thursday, the Bank of Montreal, the Bank of Nova Scotia and Montreal Trust fell in line with other lenders by raising mortgage rates. In the case of the Bank of Montreal, for exemple, one and two-year rates were jacked up by half a percentage point to 11.25 per cent for open mortgages, while the five-year rate was leaped to 12.75 per cent. Markets analysts predict steadily sharper hikes in coming weeks and months as the Bank of Canada props up the dollar's relentless slide here in Canada.

For the past nine days our dollar has been trading well below 80 cents relative to the American currency. At the end of last week the dollar closed at 78.5 cents U.S., its lowest level since July 1982. When the value of our dollar plunges in such a fashion, imported goods become correspondingly more expensive because our currency simply loses its buying power. It takes more Canadian dollars to purchase foreign goods and services when the dollar is weak than when it is stronger. Some 35 per cent of the goods we use in Canada are imported, and it is impossible to substitute domestic goods for many of them, especially in winter months when we depend upon fresh produce from abroad. The declining dollar will most certainly trigger a new round of inflation. In fact, each one per cent drop in the dollar generally adds one-third of a percentage point to the consumer price index. Such inflation in turn compounds the unemployment problem, for instance, by reducing the amount of disposable income available to Canadians for the purchase of cars, appliances, furniture and other big ticket items that normally lead to industrial expansion and jobs. An unemployment and inflation spiral is heading in our direction, threatening to suck away the few economic gains our country has been able to make in recent months. Now the Bank of Canada is expected to support the sagging dollar by jacking up interest rates even further. Some reputable analysts are expecting a return to 14, 15 or 16 per cent mortgages by the end of the summer and into the fall. How can such a development do anything but devastate housing construction in the country, one of the most job-intensive sectors of the country?

• (1640)

What is the response from the Minister of Finance to the spending crisis? He says he is not losing any sleep over it. Those were his exact words. The Minister said:

I am not spending my nights up worrying that the dollar is not at 81 cents, I can assure you.

What we need is a Minister of Finance who will start worrying about the Canadian people, who will suffer a little bit on behalf of the poor, the underprivileged and the downtrodden, who are disadvantaged so much by such economic trends, and especially the unemployed for whom a shaky dollar is the worst possible threat to their job prospects. More than anything else, we need a Minister of Finance who recognizes that the Canadian economy is not in recovery but, rather, heading for recession.

Now is no time, for example, to be imposing a heavy layer of additional taxes on the Canadian people. They need more buying power, not less, if industrial growth and job creation are to be fostered. Just as his predecessor misjudged the extent of the recession in 1981 and inflicted a whole range of tax burdens on the Canadian people, thereby compounding the problem, so also is the current Minister deepening this new recession with whopping tax increases that are no less severe simply because they are hidden. The Minister's April, 1983 Budget ushered in billions of dollars worth of tax increases that in many cases will take effect in the next few months, in the middle of the recovery crisis. In October of this year, federal sales taxes will be hiked on construction material, alcoholic beverages and tobacco.

In the past, the federal Government has not collected the first $200 of federal taxes payable, but this tax break is to be eliminated all together in 1984 for many Canadians and reduced significantly for others in the following year. The standard $100 tax deduction is being eliminated. The child tax credit and the tax exemption for children and other dependants will be sharply reduced through de-indexing. At the same time, unemployment insurance premiums are to be raised sharply in each of the next four years.

Most offensive of all for many people is the Canadian ownership charge of four cents on every gallon of gasoline. This odious tax was originally imposed as a temporary measure to pay for Petro-Canada's purchase of Petrofina. Now, long after that purchase was made at a cost of $1.5 billion to the Canadian public, the tax is to be made permanent.

The Minister of Finance must realize that there is not enough momentum in the economy to support such heavy new taxes. The Minister's overly-optimistic projections of economic growth in the next two years have already been proven wrong. The Conference Board projections, which have been consistently more accurate than the Government's, indicate a growth of only 3.3 per cent this year and .3 per cent in 1985, compared to forecasts of 4.9 per cent and 3.5 per cent respectively in the February 15 Budget. Worse still, the Conference Board projects that there will be negative growth in all four quarters in 1985. That is a recession by anyone's definition.

The Government should shift gears immediately to policies more sensitive to the realities of a flagging recovery. A few moments ago the Hon. Member for Northumberland-Miramichi (Mr. Dionne) asked the Member then on his feet what policies the Progressive Conservative Party would put forward. I will tell him what some of those detailed policies are.

The federal Government should tackle the deficit with equal measures of frugality and sensitivity to the needs of the poor, and the unemployed in particular. It should get the tax collector off the backs of small businesses and individuals so that they can get on with the job of creating wealth not only for themselves but for the country as well. It should stop pouring money into Crown corporations without procedures for accountability and cost effectiveness. The money saved should be put into enterprises that are self-sustaining in the private sector in a way that will help men and women and especially the youth who are unemployed in countless thousands. It should stop wasting money. We are not against Crown corporations, but we want to make them more effective. We want to ensure that money spent on them is money well spent.

The Government should restore to Parliament control over the bureaucracy and Government spending, both now out of control. It should reduce the tax burden on all of us, particularly in the energy field, so as to encourage consumer spending and job creation and ultimately to foster more revenue for the Government. It should replace a reliance on transfer payments with policies aimed at building self-sustaining local industries in the so-called have-not regions of the country.

Transfer payments are a valuable and useful instrument for creating wealth in the have-not regions of the country, protecting the underprivileged and assisting the unemployed, and in general furthering the objectives of the country. An over-reliance on transfer payments at the expense of genuine job creation of a self-sustaining sort is, however, bad policy for the very parts of the country those transfer payments are intended to serve.

Most of all, the country needs a Finance Minister who gears his budgets not to the whims of his advisers or to his own whims, but rather to conditions in the real world. He is courting disaster by imposing high taxes when rising interest rates and a plunging dollar threaten investor and consumer confidence, without which no recovery is possible.

If the Minister of Finance is not prepared to provide such leadership, he should take his cue from the Prime Minister (Mr. Trudeau) and leave the stage altogether. Certainly the Canadian public would welcome a fresh start. In the event the Government will not provide real leadership to Canadians, we in the Opposition are prepared to provide it just as soon as the Government screws up enough courage to test its record in a federal election. For most people, especially the unemployed, and most especially for those in the Atlantic region who have been so disadvantaged since Confederation, largely as a result of policies followed by this Government in the last 16 years, that day cannot arrive soon enough.

The Acting Speaker (Mr. Herbert): There is a ten-minute period for questions and comments.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Simcoe South (Mr. Stewart)—Finance (a) Effect of taxation on distilling industry (b) Membership of task force; the Hon. Member for Calgary West (Mr. Hawkes)—Finance (a) Allocation of job-creation funds (b) Government position (c) Request for list of projects funded; the Hon. Member for Fundy-Royal (Mr. Corbett)—Labour conditions (a) Unemployment in New Brunswick (b) Employment—Special Employment Initiatives Program—Distribution of funds to New Brunswick ridings.

The Acting Speaker (Mr. Herbert): Debate. The Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Gingras).

● (1650)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FEBRUARY, 1984 BUDGET

The House resumed consideration of the motion of Mr. Crosbie:

That this House regrets the failure of the government to include measures in the February 1984 Budget to prevent the continually sagging Canadian dollar from further decline, reverse the continuous increase in the already critically high levels of unemployment, and combat the return to steadily rising high interest rates, all of which signals an end to any possible recovery and clearly demonstrates the incompetence of the government and its callous attitude of ignoring the social and economic hardships that it is imposing upon the Canadian people.

Mr. René Gingras (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, thank you for this opportunity to address the House today. On February 15, the Hon. Member for St. John's West (Mr. Crosbie), said that it was necessary to be hard and mean and to do all kinds of unpalatable things. In referring to future budgetary measures by Progressive Conservatives, he added: That is why I am not going to tell you what they will be.

I might add that the last Budget brought down by the Progressive Conservatives in the fall of 1979, by the same Hon. Member, was not exactly a big hit here in the House. I would even go so far as to say that thanks to that Budget, Abitibi voters decided to do their duty and elect a member on the Government side. Today, we are discussing a motion that says more or less they are sorry the dollar is going down and that there is unemployment. They are afraid interest rates will go up. They are blaming the Liberals but are carefully refraining from telling Canadians what they would do if they were in power. Mr. Speaker, they even go so far as to say we are not dealing with the social problems arising from the recent recession. Mr. Speaker, I maintain the Progressive Conservatives are not the people to teach us how to deal with social problems. Today I am not going to pose as an expert on economics. Personally, I do not claim to know or understand fully all the factors that can affect our economy. However, Mr. Speaker, I do know one thing and that is that the world economic situation always makes things difficult for us. And when that is the case, the Government of all Canadians does give special attention to those who are affected by the vagaries of the economy. I also know that the Liberal Party has a philosophy that, contrary to certain Conservative ideas, is more sensitive to individual hardship.

In his last Budget, the Minister of Finance (Mr. Lalonde) decided against a Budget surplus so that he would not have to cut off Canadians in need. Mr. Speaker, constituents in the riding of Abitibi have also suffered from the effects of the recession. During that time, they put considerable pressure on Members of Parliament to have measures taken that would help them. I am from Abitibi, which is a resource region. Most of its resources are priced on the international market, and many are subject to tariffs on the export market.

As far as I know, Mr. Speaker, we are not going to set the price of gold here in the House, not anymore than we will decide the international price of leather, or the price of lumber, or even less the price of zinc. Those products come from Abitibi. While the world price of those products is decreasing, the motion of the kind now before the House will do nothing to change the situation. To put it quite simply, this motion is meaningless.

Earlier today we heard Members on the other side raise objections against job creation programs. That is not what the people of Abitibi want to hear, Mr. Speaker, for they know that no one can, overnight, create a gold mine, a copper mine, a paper mill or a saw mill to offset a temporary decline in the price of those products. No Conservative in his right mind will promise to do away with those make-work programs if he wants to be elected in the riding of Abitibi. The last budget of 1979 is still too fresh in their mind.

Although I would rather not dwell on such an insignificant motion, I do want to take this opportunity to make a few comments. Right along with the industries I referred to earlier, Mr. Speaker, the first occupants of our country make their homes over a sizeable part of my riding.

Last week, I had the honour to be appointed Parliamentary Secretary to the Minister of Indian Affairs and Northern Development at a rather crucial time of our history. The First Ministers held a conference last week, the outcome of which was not particularly promising, but I did notice that those conferences can be tainted with political partisanship. When one hears somebody refer to the equality of women in terms of such or such political party being in power, one has the impression that certain provincial premiers simply cannot understand our Prime Minister's way of thinking. I was extremely shocked to realize that self-serving considerations stood in the way of progress for our native people.

I shall not take up any more time today, Mr. Speaker. I have much more important things to do than to dwell on such silly motions which are not even in order and which, even if they were acceptable, would be defeated.

[*English*]

Mr. McDermid: Mr. Speaker, I listened with great interest to the Parliamentary Secretary, especially toward the end of his speech when he spoke about political partisanship at the First Ministers' Conference last Thursday and Friday. I attended the conference as well, and I take umbrage at what the Hon. Member had to say. There were provincial Premiers from the same Party who had different points of view on how to reach the same goal. The Hon. Member mentioned the equality clause. To my understanding, all ten Premiers and the Prime Minister (Mr. Trudeau) supported the equality clause which was proposed on the Friday afternoon. In fact, it was the assembly of First Nation which rejected that and promised to give its answer within three weeks' time. I ask the Parliamentary Secretary if, in fact, that is not true. And how could he say that there was partisanhip when there were Premiers from both Parties who took different points of view?

• (1700)

[*Translation*]

Mr. Gingras: As far as the equality clause is concerned, if the Hon. Member will recall, it was not discussed by all the participants. The question was put to the native groups, and the last one to be interrogated was the Assembly of the First Nations which said: "We are not ready just yet. We would like to ponder over this for three or four weeks".

I was referring more specifically to the issue itself. If I made a mistake with respect to political autonomy for the Indian people, I am sorry. On this issue, the Province proved to be extremely reluctant, and I was giving my personal opinion earlier when I said that it was because of a certain political reluctance on the part of the Premiers.

[*English*]

Mr. McDermid: Mr. Speaker, I will ask a supplementary question because I believe what the Parliamentary Secretary must be very careful of is using our aboriginal people for political purposes. I believe something like this, a subject which is so important today, should be placed above politics. I believe it is fair to say that there were some provincial Premiers of the same political Party who had disagreements with other Premiers of the same Party. I do not believe there is any question about the fact that they want to reach the same end somewhere down the road. However, I think it is the method of getting there that counts. I would hate to think that the Parliamentary Secretary is trying to bring politics into this very important subject, which is going to be a matter of very serious debate over the next short period of time, both with respect to equality rights and the subject of self-government.

[*Translation*]

Mr. Gingras: Mr. Speaker, I do not want to spend too much time on this issue, but in responding to the Hon. Member, who is the critic of his party for Indian Affairs and Northern Development, I must say that there was no question in our proposals of having partisan political debates. I only said, and it is fortunate that the Hon. Member himself has recognized this, Mr. Speaker, that some of the provincial Premiers could be playing politics at the expense of native rights. That is the only thing I said, Mr. Speaker.

[*English*]

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, in looking at the motion before us and having listened to the debate, Sir, I would say that nothing more clearly indicates the lack of leadership of the Liberal Party today than the comments which we have heard coming from the government benches. I would ask you, Sir, to take a look at what the motion says. The motion says:

> That this House regrets the failure of the government to include measures in the February 1984 Budget to prevent the continually sagging Canadian dollar from further decline—

There has been no explanation, none whatsoever, provided by anyone who has taken part in this debate as to the reasons behind the sagging Canadian dollar. If the Hon. Member opposite thinks that the Canadian dollar has not been sagging in recent days, he should take a look at the markets and see what is happening. We have no one standing up over there to tell us what the Government proposes to do about this, and obviously the Budget did not do anything about it, except perhaps to trigger what is happening to the dollar.

The motion goes on to say: that this House regrest the failure of the government to:

> —reverse the continuous increase in the already critically high levels of unemployment—

And they have gone up. The Hon. Member may not be aware, may not be cognizant of what is taking place in the country, but hundreds of thousands, millions, of Canadians are aware of the fact that they are out of jobs and unable to get work. There was nothing, however, from the government

benches today to tell us why, or how the Budget would even begin to address that very serious problem. The motion also says: that this House regrets the failure of the government to:

—combat the return to steadily rising high interest rates—

People all over the country are terrified by the upward trend in interest rates. Investment has stopped, building has stopped, and jobs have stopped because of the high interest rate policy of this Government. It has been going on and on.

I listened to some of the things which the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) said. He talked as if there had been no high interest rates with this Government. Interest rates have been at the highest levels in Canadian history. They have thrown hundreds of thousands of people out of work and they are on the climb again. Is it any wonder people are absolutely terrified by the lack of leadership of this present Government? That is set out very clearly in the motion we have before us today, Sir. It is a statement of failure of the present Government. It is a statement of failure of this Government, in the first place, to avoid the recession which it did so much to create. It is a statement of failure, in the second place, to diminish the economic calamities of a world recession. It did not take any buffers and put them into place. And it is a failure, in the third place, Sir, to find a way out of the mess into which it has plunged all of us, but mostly the unemployed, the poor and the elderly who are suffering so much more as a result of this depression.

On this side of the House, Mr. Speaker, my colleagues have spoken to this motion and have discussed the failure of the Government to manage its own finances, and its economy more generally. They have shown how the misguided policies and, indeed, Sir, the foolish, wasteful spending of this Government, has severely crippled a country which is rich in natural and human resources, and how these policies have practically brought our economy to its knees. They have shown, indeed, during the debate today, how this recent Budget has done nothing to alleviate the problems of so many Canadians from coast to coast.

However, Sir, these are the fiscal considerations. A mounting deficit, high interest rates, and a sagging dollar are all in fiscal and monetary dimensions.

There is something equally important which government Members would not address today. Not only are the fiscal considerations important, but equally important are the social costs which are inflicted upon Canadians by a clearly incompetent Government. And I say they were inflicted upon them because time and time again the Government has had the opportunity to reverse some of its disastrous policies, but it has not done so.

Social costs, Sir, which in spite of the Government's often repeated claims of having preserved the social safety net, exact their painful toll on those people who are already at a disadvantage. Nowhere, Sir, did I hear it expressed more clearly than the other night by the Minister of State for Economic and Regional Development (Mr. Johnston). He said, "Why should we have universality? Why do we not question universality?" Here is a man who is running for the leadership of the Liberal Party, hoping to become Prime Minister of this country, and the first words out of him after he makes his declaration known is that he is going to question universality. He does not want safety nets. He said, "Do not have a safety net. Instead, make it a trampoline". He wants people bouncing up and down unprotected by the social security safety nets. He does not want the security which exists for people who are old, unemployed or single parent mothers. No, indeed! Put them on a trampoline, he says. That is what he would do with them. That is the man in charge of the economic development envelope for this Government. All I can say is, thank God he is not in charge of the social development envelope or there would be a great many people in far worse straits today.

• (1710)

Last week, Mr. Speaker, the most recent unemployment figures were released and they showed what we have been saying right along. The recovery in this country has stalled. That is tragic for a great many people. The unemployment rate in this country is now 11.3 per cent; 1.5 million people are out of work. With their dependants, it runs into the millions. But that is not the total figure, that is just those we see in these statistics. What about the many hidden unemployed, the discouraged unemployed?

While the unemployment rate in this country was mounting, Sir, what was happening south of the border and in other industrialized countries? The unemployment rate was going down. Canada is the reverse of all these other countries. In the U.S. the unemployment rate fell to 7.8 per cent last month, in Canada it rose to 11.3 per cent. It accelerated. Yes, officially we have 1.5 million unemployed, but, Sir, the discouraged unemployed would bring that figure to two million. There are 350,000 fewer full-time jobs in this country today than there were when the recession started. That is absolutely incredible, Mr. Speaker. And our population is growing all the time. That figure in itself shows the difficulties we have entered into.

There are hundreds of thousands of people, Mr. Speaker, besides those officially listed as unemployed, hundreds of thousands who no longer report to Canada Employment Centres because they are victims of defeat, despair and discouragement. All Members of Parliament, I am sure, have heard from those people. We have letters from them, we have telephone calls from them, we have visits from them. They come to us pleading for us to do something. But not one of those people was mentioned by the Hon. Member for Humber-Port au Port-St. Barbe. I do not know, perhaps he does not have any of those people coming to his door, but I do. The Members with whom I sit do as well. They come with very, very difficult stories, tragic circumstances. I have a letter from a young man in Kingston who says:

I am a 24 year old male and the last steady job I have been able to attain was in 1981 . . . I have subsequently been forced to go on Welfare. Through Welfare I attended an Industrial Orientation Course wherein I was told to write down 100 possible employers. Since then I went to every place plus over 100 more here in Kingston.

I get up at 6 a.m. every morning in order to be at "Kingtario" to sign in and then proceed on to job searches. After this I go back there and report to my worker on where I have gone to look for a job. I've been doing this for 3 weeks now and because I have found no work she wants to put me down in a dark basement sanding mailboxes for $5.00 a day.

This is the absolute dead end, he explains, because $5 is not enough to cover any costs he may have. Yet he is taken off the job search routine, he cannot even get out to look for a job. He writes:

I don't want to be on Welfare, I want a job and I want to work for the money I earn.

I have excellent references from past jobs and all I want to do is work. I don't want to go back to school, just work.

If you have any ideas or suggestions as to where I can turn, please help. Anything at this point would be helpful.

Those are the people we hear from, Mr. Speaker. Those are the people who have been thrown out of work by the policies of this Government. They do not have a chance; they despair, and they are dejected. They have lost faith in a system of government which encourages them to study and look forward to making a contribution to their country, only to see the doors of opportunity close in their faces. Moreover, they are being robbed of their self-dignity and sense of worth. As long as they remain unemployed or unable to find work, of necessity there is a large and unproductive drain on the financial resources of this country.

A recent report on social development by the Canada Council indicates that unemployment and welfare payments as well as tax revenues forgone because of the unemployed average almost $15,000 per unemployed person last year, or about $20 billion in all. That cost is relatively easy to calculate, as is the increased spending under the Canada Assistance Program. Toward the end of last year the Minister of Finance (Mr. Lalonde) came back and asked for a Supplementary Estimate of almost $300 million for the Canada Assistance Plan. He did that, Sir, even though he made a forecast just six months previously as to what would have to be spent in that plan. But he underestimated because he could not predict the increasing numbers of unemployed and the cost involving people who would have to come off unemployment insurance and go on social welfare, the people who would be deprived of work.

That $300 million, Sir, was not approved because the Government was suddenly making a magnanimous gesture toward the poor. No, indeed, it had no discretion in this matter. It had to pay that money although it underestimated the number who would have to go on welfare and social security. These are people who really do not want to go to these offices.

However, Mr. Speaker, unemployment insurance and welfare expenditures are relatively easy to calculate, so is the cost of lost tax revenue. But there is a far greater cost than the mere dollar figures that we can come up with in this way. That is the human cost of being poor. That is what this Government will not address, the costs represented by the tens of thousands of Canadians who are simply not making it in the system. These are the faces, the people behind the statistics. It is the cost of lost dignity, lost hopes and dreams, the cost of broken homes, family violence, juvenile delinquency, the cost of petty and more serious crimes, the cost of alcoholism and drug addiction. These costs soar with soaring unemployment.

Last Friday I asked the Minister of Finance to respond to a front-page article in *The Toronto Star* the headline of which said: "Deaths, diseases rise with jobless rate—". I asked him whether any studies were being done in the country to show the linkage between unemployment and the tremendous social costs that are being built up. The story in *The Toronto Star* said:

● (1720)

Canadians are paying a frightful price in ill health and early death for today's heavy unemployment—

It went on to list some of the costs and some of the ways in which this is coming through. It said that a study was conducted at Johns Hopkins University, which is no mere fly-by-night institution, though the Minister of Finance tried to dismiss it as such. The study has shown that for every 1 per cent increase in the jobless rate there is a 2 per cent increase in cardiac arrests. For every 1 per cent increase in unemployment there is a 3 to 4 per cent increase in infant mortality. For every 1 per cent increase in unemployment there is a 4 to 5 per cent increase in suicides and homicides. For every 1 per cent increase in the jobless rate there is a 5 to 6 per cent increase in admissions to psychiatric hospitals.

These are costs that will not go away overnight. They will be there building up in our society on an ongoing basis. That is why some of us are so concerned. The person who was heading this study at Johns Hopkins University in the United States said that what is applicable to the United States will apply to Canada as well. He went on to say that while no research has been done here on the link between unemployment and health, his impression is it would be the same in Canada. He told the conference that the stress and shock of being without a job strongly influences psychiatric disorders and aggression and is reflected both in the home and in crime. Those are the things which are connected with unemployment. Those are the issues which we should be addressing.

When I asked the Minister of Finance about that on Friday, he said that this is a subject on which we can make no scientific assessment or studies. Other countries are doing these scientific studies. Other countries are making these assessments and discovering that we are building into our social patterns a kind of disorder and burden down the line which we simply should not have to bear. Families and individuals are being put under pressures that may be reflected in today's unemployment figures, but will further be reflected in tomorrow's suicide rates, psychiatric problems and infant mortalities, as is mentioned here. Those are the problems which have to be studied. We cannot dismiss the linkage between unemployment and social problems and social costs. They are there and they are deep.

I know that you have indicated that my time is expiring, Mr. Speaker. The other day the Minister of Finance said that this is an issue which cannot be addressed in a scientific manner. I urge him to look at some of the studies already done in

Canada. One has been put out by the Social Planning Council of metropolitan Toronto and the Ontario Social Development Council. It is called, "And the Poor get Poorer". I could give you some very telling illustrations from that report. Another one was put out the other day by the National Council on Welfare. It is called, "Sixty-five and Older". It indicates the kind of poverty there is in our older generation.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the hon. lady but her time has expired. There is now a 10 minute question and answer period following the remarks of the hon. lady.

Mr. Ferguson: Mr. Speaker, I listened with a great deal of interest to the Hon. Member for Kingston and the Islands. She stated that construction has decreased. I would think that this would be logical in a country such as Canada where we have a harsh winter climate. It would only be normal for some types of construction not to be undertaken during our extreme winters. This is unlike most of the countries south of us where there are not such extreme climates. The fact is that construction employment increased by 5.4 per cent in February 1984. In February 1984, 54,000 new jobs were created. In fact, during the recovery period, 424,000 jobs have been created, and in the last month full-time jobs have increased steadily. Part-time jobs, admittedly, have been showing fluctuations with seasonal needs. The decline in employment in January was due entirely to a decline in part-time employment. Does the Hon. Member suggest we should be putting emphasis on part-time jobs rather than permanent jobs?

Miss MacDonald: Mr. Speaker, I am just saying that there should be emphasis on job creation. This country needs to get people back working again. That has not been done. Unfortunately, as I said in my address, there are 350,000 fewer jobs today than when we went into the recession, whether that happens to be in the construction trades, the fishing industry, agriculture or in office work. There are a good many people who have come of labour force age. My emphasis would be across the board in every field possible, because the best social security net for anyone in the country is a job.

[*Translation*]

Mr. Henri Tousignant (Parlementary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, the speech we just heard by the Hon. Member for Kingston and the Islands (Miss MacDonald) could have been made by any other Canadian, because the Hon. Member was dealing with the present unemployment situation, and every Canadian understands the situation. We on the Government side do not need a Member of the Progressive Conservative Party to tell us to be sensitive to the needs of the unemployed. The Hon. Member mentioned the problems and the hardship, and the connection with the suicide rate and with all kinds of illnesses among the unemployed, and so forth. Mr. Speaker, this is all quite true, but there is not a single Government that would be stupid enough to wish a high unemployment rate on the country. No Government would do that. We would be the first to want full employment. Personally, I would be much happier if we did have full employment, and if people, instead of calling me up regularly to ask about a job . . . I would not have to cope with all these problems. I am surprised Opposition Members are not telling us what they would do. It is easy enough to say: the Government is doing a bad job, but I would prefer to hear some concrete proposals. Moreover, when we ask to hear them, they do not know what to say. Mr. Speaker, it is funny how it is always easy to criticize. On the one hand, they are saying we are not—

Mr. St. Germain: Call an election!

Mr. Tousignant: Yes, we are going to have an election, my dear sir, we are going to have an election and you will bite the dust once again, because your leader has no credibility . . . sorry, but you asked for it. Your leader has no credibility, and you are going to bite the dust once more. So, Mr. Speaker, as I was saying, we are being accused of poor administration and of having large deficits, and on the other hand, we are told to create jobs.

What kind of equation does the Hon. Member have in mind when she suggests that we create jobs, when it means we would not be competitive or would become less and less so? The Hon. Member says we lost 350,000 jobs since the beginning of the recession. Mr. Speaker, if those people were now employed, but not employed efficiently, what would happen to our prices? How would we be able to compete on the international market? I wish the Hon. Member for Kingston and the Islands (Miss MacDonald) would address those problems. Let's have an intelligent and non-partisan debate on these issues and let us make a joint effort to find solutions. As I said earlier, there is not a single political party or Government that would be stupid enough to keep unemployment rates high on purpose, just for the hell of it. There is something wrong somewhere. Did we put too much pressure on the economy? Did we as Canadians make too many demands on our economy and is that why it is now "overheating"? That may be the problem. Therefore, I wish the Hon. Member would make concrete proposals. Mr. Speaker, back in 1979, if we had not had a Government in Quebec that wanted to separate the Province from the rest of Canada, we probably would have let the Progressive Conservatives remain in power. However, we did not want to run that risk, since the Leader of the Government at the time would have been completely wiped out by the Premier of Quebec. He would have lost his shirt, and today, the country would be as good as split in two. We did not want to run that risk, but otherwise, we probably should have let the Progressive Conservatives govern the country, and inexperienced as they were, they would have panicked and cut all social programs. Actually, it is rather funny to hear Progressive Conservative Members, like the Member for Kingston and the Islands, trying to teach us a thing or two about social programs. But if they had been elected, they would have slashed all social programs. It is the first thing that would have come to their mind in an attempt to bolster the economy—do

away with all social programs. The result would have been political chaos, Mr. Speaker. Fortunately, because we ran competent men, men of experience, men who have already seen—

• (1730)

[*English*]

Mr. McDermid: Mr. Speaker, I rise on a point of order. I understood that this was a ten-minute question period for the individual who had the floor and not a ten-minute speech by the Hon. Member for Témiscamingue (Mr. Tousignant).

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please. The Chair must point out to the Member for Témiscamingue (Mr. Tousignant) that his remarks must at least have some bearing on the speech made by the Hon. Member who had the floor.

[*English*]

Miss MacDonald: Mr. Speaker, I was waiting for him to finish that rather long, involved and preambulating comment that seemed to wander all over. I think he tried to incorporate a question into it as to what positive proposals I would put forward. I have put them forward a couple of times.

First, I say to him that I would not put the senior citizens of this country on a trampolene, like the Minister of State for Economic Development would be prepared to do. That is what I would say at the outset.

The second thing I would say to him—and I have already made this recommendations with regard to the Budget measures—is that rather than make proposals which would benefit people in the $55,000 and over income bracket with regard to retirement plans, I would have directed that $300 million, which the Government will lose in revenues as a result of that, to people who really need it in social programs, not those who earn over $55,000. You should be ashamed of yourselves for doing that.

In this regard, I suggest to him that we look at the $300 million that the Government has used in its special porkbarrel, the Special Employment Initiatives Program, and put it into the job career programs for training young people so that they can learn the new technologies of today. It would be far better to train these young people in the proper technologies than to try to buy somebody's vote in a Liberal riding.

[*Translation*]

Mr. Louis R. Desmarais (Dollard): Mr. Speaker, the Hon. Member for St. John's West (Mr. Crosbie) said in his remarks that he regrets the failure of the Government to include in its February 1984 Budget, and I quote, " . . . measures to prevent the continually sagging Canadian dollar from further decline, reverse the continuous increase in unemployment, and combat the return to steadily rising interest rates".

In reply to the Hon. Member for St. John's West, Mr. Speaker, I would like to say that his remarks reflect a misinterpretation of the basic measures required to sustain the economic recovery which has been under way for some time now. Indeed, Mr. Speaker, the main purpose of the February 1984 Budget is exactly what the Hon. Member is accusing us of ignoring. As it happens, our February 1984 Budget acknowledges that the best way to prevent a further decline of the Canadian dollar, reduce unemployment and maintain interest rates at an acceptable level is to promote productivity and ensure the best possible competitive position against foreign competitors. That, Mr. Speaker, can be done through incentives to the private sector and sustained confidence in our society, from both an economic and a social point of view.

Here is an excerpt from the February 1984 Budget of the Minister of Finance (Mr. Lalonde):

> If Canadians are to meet the challenges of the future, we cannot be satisfied with past performance and past habits. These will not sustain us in a fiercely competitive international marketplace. We must become better than the competition—better at producing and marketing goods and services; better at working together for the shared economic interests of all Canadians. If we measure up to that challenge, then we shall create new opportunities for Canadians to find good, satisfying, permanent jobs. We shall create opportunities for more Canadians to buy a home, to start or expand a small business, and to invest with confidence in our future. In short, we shall create the opportunities for Canadians to build better, more fulfilling lives on a foundation of economic strength.

The budget of February 1984 encourages the private sector to become more competitive with foreign industries.

First, it proposes new and important initiatives to strengthen the productivity, competitiveness and export capacity of our industries.

Second, it simplifies the taxation system and reduces the administrative burden resting on the small business sector which is the main reservoir of jobs in Canada.

Third, it simplifies the filing of income tax returns for individuals and makes for a fairer taxation administration.

Fourth, it proposes innovative mechanisms to increase the economic security of homeowners and market stability for builders.

Fifth, it announces new significant initiatives designed to bring about a reform of the Canadian pension system and to provide for greater assistance to those most in need.

• (1740)

Sixth, it continues to pursue fiscal responsibility by limiting and reducing government deficits to provide for growth potential in the private sector.

Finally, it keeps us on the road to success in our fight against inflation.

Mr. Speaker, how do we plan to meet this objective? First, by maintaining wage and price restrictions; by creating a new Productivity Centre; by creating an Aid-Trade Fund; by simplifying the taxation system as regards small businesses; by enhancing as I was saying earlier, the economic security of individual Canadians and by proposing an action plan for

pension reform; by implementing a mortgage rate protection plan—

[*English*]

Mr. McKinnon: Mr. Speaker, I rise on a point of order. I do not wish to take very long on this point of order, but I would draw your attention to page 1785 of the House of Commons *Debates* for March 5, 1984. The Acting Speaker (Mr. Guilbault) said:

> Order, please. May I ask the Hon. Member to address the House orally as provided for in our rules and traditions? This is the second time I have reminded him.

I draw this matter to your attention again, Mr. Speaker. I trust that the same regulation applies now that applied on March 5.

The Acting Speaker (Mr. Guilbault): The Hon. Member's point is well taken. The rule still applies as it did the other day. I ask the Hon. Member, although he is allowed to quote documents provided that he identifies the document, to speak orally.

[*Translation*]

Mr. Desmarais: Mr. Speaker, I shall be very brief. I am definitely under the impression that what the Hon. Member for St. John's West (Mr. Crosbie) is advocating is exactly what our budget is aiming to do. I think that, in addition to being contradictory, his motion is unfounded and should be withdrawn.

[*English*]

Mr. Blenkarn: Mr. Speaker, does the Hon. Member for Dollard (Mr. Desmarais) agree with the Minister of State for Economic and Regional Development (Mr. Johnston) when he is alleged to have said that the deficit has a very pragmatic restraint which people do not see? I mean that people have to understand that governments simply cannot borrow and borrow. Would the Hon. Member agree with that? Would the Hon. Member be taking that advice from the Minister when he is voting on the borrowing authority Bill and approving a Budget that contemplates the Government's borrowing, borrowing, borrowing, and borrowing into the indefinite future?

Mr. Desmarais: Mr. Speaker, my understanding is that the debate on borrowing, borrowing and borrowing will take place tomorrow on Bill C-29, I believe. I am prepared to speak on that tomorrow if the Hon. Member would like to attend.

Mr. Blenkarn: Mr. Speaker, does the Hon. Member feel that the Canadian dollar should be allowed to drop? Does he approve of the Government's interference today when the Government started again to use its reserves to bid up the dollar on the marketplace? Is that the kind of economy the Hon. Member would like to see?

Mr. Desmarais: Mr. Speaker, I believe that our policy has been to let the dollar float within reasonable limits. The fact that the dollar is dropping, as the Hon. Member knows very well, helps our exporters to do more business. It helps to create jobs in Canada. It is a subject I understand the Opposition has been harping and carping about at some great length.

Miss MacDonald: Because unemployment is going up as the dollar is going down.

Mr. Desmarais: Why would the Opposition continue to talk about it?

Miss MacDonald: Because unemployment is going up as the dollar is going down.

Mr. Desmarais: It also helps us to maintain the interest rates where they are. This helps private enterprise to improve plants and equipment and to create more jobs.

Mr. Ferguson: Mr. Speaker, I was noting the comments of my colleague. I want to draw to the attention of Hon. Members the fact that the foreign trade surplus has increased to $18.3 billion in the fourth quarter of 1983 from $16.3 billion in the third quarter. The fourth quarter surplus was about twice the pre-1982 record level of $8.8 billion in 1980, which was the same as the 1982 level. The trade surplus for December stood at $19 billion.

If we were to implement the provisions in the Budget to make more money available to Canadian corporations to bid on projects in the Third World countries, how will this affect our Canadian job market? Will this increase employment for Canadians and result in a better pattern of world trade, which would even further enhance our exports?

Mr. Desmarais: Mr. Speaker, I am glad the Hon. Member brought up this matter. It leads to another point. Currencies around the world are not controlled by Canada, whether we like it or not. Let us take a look at currencies last year. Say, for instance, you had done business in Italy in June. You would have found that if you had waited two months, the money you would have received for a product would have depreciated by 20 per cent. It makes a whole lot of difference. It is true that if we permit our exporters to sell more overseas, this will create more jobs here. It is important to remember that in September of last year plant utilization in Canada was 70.5 per cent. This means that a 30 per cent capacity was not being used.

It is true that this creates more jobs, and it is very important that that point be made clear to Canadians.

Mr. Blenkarn: Mr. Speaker, I want to confirm with the Hon. Member for Dollard that he really believes we would improve employment by allowing the dollar to drop. Would he give the Minister of Finance (Mr. Lalonde) that advice? That is an important consideration. In other words, the dollar drops and more people in the world can buy our goods. Presumably if the dollar were to drop to, say, 75 cents compared to the U.S. dollar, we would have more buyers and more employment. I presume that is the argument. Conceivably, if we get the dollar down to 50 cents, we could really have full employment. Would that be the advice he would give to the Minister of Finance?

Mr. Desmarais: No, Mr. Speaker. My advice would be to increase productivity. That is what we are trying to do. If we increase productivity, our dollar will not drop. It will maintain its level. Hon. Members must remember that all other currencies in the world went down last year compared to the American dollar; all but the Canadian dollar. The Canadian dollar is now sliding a little bit. There is no harm in that. I think you have to let it float. If you increase productivity, you will increase the value of the dollar.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am literally amazed at the various solutions offered by Members on the other side of the House. They realize how disastrous the economy of the country is.

Mrs. Beauchamp-Niquet: That is what you think.

Mr. Blenkarn: We had the Minister of State for Economic and Regional Development (Mr. Johnston) announce his candidacy the other day. In announcing his candidacy for the leadership he was very concerned about the borrowing and the continual deficit action of the Government.

I wonder how a Member of the Government side can stay a Member of the Government and go along with Cabinet decisions that produce budgets that inevitably lead to borrowing, borrowing and borrowing, and then on the street and in halls around the countryside, as reported in the press, attack his own Government, attack the very essence of the decisions made when he was a member of the Cabinet, and indeed stay in that Cabinet. It is inconceivable that any form of Cabinet solidarity would allow that to occur. Indeed I am surprised that the Prime Minister (Mr. Trudeau) would allow it, but I suppose I should not be surprised because we have the Minister of Justice (Mr. MacGuigan) doing the same thing. The Minister of Justice says, "When we have a problem, we throw money at it". That is exactly the answer of the Liberal Government—throw money at a problem. He says that it does not work, but he stays in Cabinet.

● (1750)

One must wonder where we are going with a Government where two Ministers so far have elected to put themselves up as leaders of this motley group across the hall with entirely different philosophies from those that have been pursued by the Government over past years. Yet they want to remain members of the Government. Is it because they receive first-class and unlimited travel as Cabinet Ministers, so that they can continue to toot around the countryside?

Our Whip has put a question on the Order Paper indicating that we would like to know where the JetStars are going, but that will not prevent them from using their ministerial offices in their campaigning. Surely yesterday's man on Bay Street should have the same privilege as the critical men here.

I would like to refer to an article by Don McGillivray which appeared in the March 9 edition of *The Citizen* and to quote just briefly from it. In part it reads:

The finance minister's February 15 budget was a gamble that interest rates would fall and growth continue strong through this year. It's already looking like a bad bet.

We had better believe that it is a bad bet. The unbelievable Minister of Finance (Mr. Lalonde) goes before the Beth Zion Synagogue this weekend and says, "Our forecast is for a decline toward the end of the year". Boy, we will have a decline. As long as these fellows stay in power, we will have a decline. It will not be in interest rates, as he suggested. It will be in economic activity as more and more Canadians every month find that they cannot obtain a job.

This morning the minister said that his projections were based upon a 4.9 per cent growth factor. He has already retreated from 5 per cent. Also he said that other economic forecasters have averaged up to 4.6 per cent. That is right, as he was averaging in forecasts of last summer when it looked as if there might be some resurgence in Canada's growth and when it looked as if they might possibly get a hold of things.

If we take a look at every economic forecast this year—in January, February and March—the average is more like 3.5 per cent and maybe not even that. Tom Maxwell, Chairman of the Conference Board, suggested in Calgary last week that 1985 would be the beginning of a real recession. He said that the last one was chicken-feed and "waint until we get this one coming up".

So what do they do? They put forward a Budget which does absolutely nothing for anyone, except increase unemployment, see the dollar drop and see interest rates rise. Yet their apologists on that side all day today have spoken about how wonderful they are. We are finding out how wonderful they are as various members of the Cabinet put themselves up as the new leaders of Liberalism. One by one they stand and say, "We have not been doing very well, have we?" One says that we must borrow and borrow and borrow. The other says, "We throw money at it." But none of these things work.

They have program after program supposedly to put people back to work. What kinds of programs are there? There is half a million dollars for Liberal ridings, each of them. There are make-work programs, maybe. Do they give jobs? Yes, they do; they are trying to ensure that Liberal Members come back. That is the affirmative action program of the Liberal Party. Those are the kinds of jobs we will get, but do they really get at the problem?

Do they really say that if they take money out of the economy, there is no money for young businessmen who want to start to put people back to work in real jobs? If we borrow and borrow, do we not drive up interest rates? That is what Mr. Bouey has said. That is what Paul Volcker has said. That is what every economist has said. That is what is happening. Yet they do not seem to concern themselves with it. They seem to have some idea that the brains over there know how to run the country and know how to put people to work.

They talk about job creation as if they created jobs. They do not create any jobs at all. What job did government ever create that was not just straight overhead? Government may be involved in the redistribution of wealth. Government may

be involved in looking after the poor, helping the blind and the disadvantaged. Does Government really create any jobs or any wealth? Nonsense, nonsense. Government is a spender, government is a drag. This Government is a real drag. Under the Government and its leadership, including both provincial and municipal governments, Government expenditures last year were well in excess of 47 per cent of the Gross National Product. If we add Crown corporations—and this Government is great at creating and feeding them—well over a half or probably 55 per cent of the GNP of the country is in the maw of Government. Is that not what is wrong? Where are the policies from that side?

The policies are such that a week ago Statistics Canada reported that it could not find $6.6 billion which was supposed to be in the exchange fund or in the current accounts surplus. What happened to it? They say that it must have gone on illegal drugs, Florida real estate or was lost in the tax havens on the Cayman Islands. Where did it go? It went because the people in Canada who earned those moneys found that Canada was not a safe place in which to keep their money and so they invested it elsewhere. A government which was active and working for Canadians, a government that was attempting to put Canadians back to work and to make Canada grow, would be a government attracting into Canada savings and wealth from around the world.

This country could be the Switzerland of the world. We have more opportunity than any nation. Here we are with but 25 million people to share our vast resources, sitting next to the largest, most profitable and most commercially-sound market in the world—the United States. Yet we have unemployment. Here we are right on the edge of the Pacific Rim with various people looking for our technology and resources, and we have unemployment. Here we are with clear access to the major countries of Europe, and we have unemployment.

Is there any justification for why Canada should have unemployment when Japan has little? Those rocky, barren islands with virtually 100 per cent employment have interest rates down in the 5 per cent category. There is no justification for the mismanagement, incompetence, sloth and waste that we have had from the leadership of the country.

The various members of Cabinet who are now standing before their Party asking to be nominated ought to resign; they ought to resign. If they want to criticize their Party, if they want to criticize their Government, if they want to stand up for Canada, they ought to resign and reorganize the Liberal Party. We need two Parties in the country, but we do not need this kind of government.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member but it is now six o'clock.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCE—EFFECT OF TAXATION ON DISTILLING INDUSTRY. (B) MEMBERSHIP OF TASK FORCE

Mr. Ron Stewart (Simcoe South): Mr. Speaker, during Question Period on February 6, 1984 I asked the Minister of Finance (Mr. Lalonde) what he intended to do about the economic downturn in the distillery industry, brought about by his Government's taxation policies. On February 24 I again raised the matter with the Minister of State for Finance (Mr. MacLaren).

The issue I was bringing to the attention of the Government was the plight that the distilling industry is facing today. It was brought on by the introduction of the *ad valorem* taxation system introduced by this Government in 1980. *Ad valorem* taxation resulted in an excise tax increase of 15.2 per cent in September, 1982, and a further increase of 13.3 per cent a year later. The obvious conflict with the Government's six and five program would have been enough in itself to prompt the Government to reassess this unfair method of taxation, but the problems go much deeper than that.

This method of taxation actually fuels inflation, even when there are no price increases at the manufacturers' level. *Ad valorem* increases of the excise taxes on alcohol products are based on the rises in the consumer price index. The increases are automatic, regardless of their effect. The Association of Canadian Distillers has pointed out that "since excise duty leads the retail price, the index feeds itself". These increases raise the consumer price index and are reflected the following year by a further increase in taxes, not to mention inflation.

These excessive tax increases have resulted in a decline in consumption by Canadians and tourists, which has in turn resulted in the layoff of 2,500 workers in the distilling industry, at a direct cost to the Government of at least $40 million in UIC payments and lost income taxes. This costs the Canadian taxpayers, me and you.

That is not all. By forcing down sales in this way the Government is losing tax revenue from the industry. The number of cases of alcohol sold declined by 15.5 per cent from 1981 to the end of 1983. It is called "killing the goose that laid the golden egg". My economics professor very early taught me the law of diminishing productivity. That is what we are seeing. If the present trend continues, the Government will actually start to lose tax revenue by next year. It will lose revenue through increased taxation. That is the issue here, lost revenue and lost jobs, not morals.

This is the situation I was trying to point out to the Minister. I asked what he intended to do about it. What I got

was a lecture on morals by a Minister who has none. He made a little mistake of $200 million in his budget, but that had nothing to do with morals. He said he didn't change the budget. He said he does not disapprove of this situation because it reflects a situation in which Canadians are changing their habits. The Minister of Finance is trying to use the tax system to bring about social changes and to alter drinking habits. That is not what the tax system was set up to do. It is unfair and an abuse of the system.

Sales are down because the federal taxation system has priced the products beyond the reach of an increasing number of Canadians and visitors. This has resulted in a loss of tax revenue for the Government and a loss of job, jobs and more jobs. In the House the Minister implies that this is not the case, yet in a private letter to his colleagues he expressed concern that the federal share of tax revenues from alcohol products declined from 41 per cent to 31 per cent in the past. But "O holier than thou" does not admit this, does he?

• (1805)

Where does the Government really stand? It introduces a system to increase the federal take, and the result is a decline in revenues. The minister then applauds this situation by saying that Canadians are becoming more moderate and furthermore, he adds, just for good measure, any excessive taxation is the fault of the provinces. The Minister then sets up a task force—that we knew nothing about—to look into the very concerns I have raised, in the hope that it will find alternatives that may meet the objectives of both industry and government. This is a cop out.

The Minister cannot have it both ways. Either he must accept the consequence of his tax policies, which is a drop in tax revenues for the Government—which he applauds—or he can accept the fact that the Government has brought about this situation, and remove the *ad valorem* tax system, if he is truly concerned, as he appears to be, judging by the establishment of the task force. However, he cannot go on applauding Canadians for their so-called moderation, blame the provinces for excessive taxes and ignore Canadian shareholders in a Canadian industry to boot.

Provincial taxes are applied after federal taxes, so that every increase in federal tax means an automatic increase in provincial tax, which means higher prices and an automatic increase in federal taxes. So the whole process repeats itself several times a year.

The Minister cannot go on ignoring the effect of all of this on the tourism industry. These taxes are costing the industry more than 37,000 jobs and will add $700 million to the tourism deficit this year. Individual tourists and conventions alike do not want to come to Canada with our bulging prices on liquid refreshments and tobacco, which suffer the *ad valorem* tax, and the price of gasoline and accommodations.

I put my questions and concerns to the Minister again, and hope that he can provide a more appropriate response than the one he gave on February 6, and which was supported by the Minister of State for Finance.

How does the *ad valorem* system fit into the six and five program? Why does the Minister applaud declining sales and tax revenues then set up a task force? Why does the Minister believe that the provinces are responsible for the effects of his policies? Why does he not lead the provinces with solutions?

Finally, why does he tell me one thing in the House, then tell his colleagues and constituents another thing in his letter, to cover his guilt? Who is he misleading? Where does the Government really stand, and what does it intend to do about the problems that I have outlined?

Mr. Ralph Ferguson (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the taxation of alcoholic beverages is a multi-faceted subject which encompasses a number of complex and controversial issues. The major question concerning the taxation of alcoholic beverages, on which the discussion is now focused, concerns the indexing mechanism used in adjusting excise levies on these products.

For the purpose of background information I should put on record some examples of what is happening in the liquor industry. I use a moderate sized purchase which would retail for $13.46. Out of that the Government of Canada, through excise tax and sales tax, takes 26.1 per cent; in Ontario the provincial Government takes a total mark-up and tax on top of that mark-up of 57.4 per cent, leaving the distillers with 16.5 per cent. The Hon. Member is quite right when he says that not only do we have a provincial tax on top of a federal tax, but we also have a provincial tax on top of the provincial mark-up; the mark-up is about $6.29. That accounts for a good deal of the problem and I want to make sure that the Hon. Member knows where the money goes.

The alcohol and tobacco industries have made representations concerning certain problems in the technical operation of the indexing system. For example, they have expressed concern over the linkages of the federal levies with provincial taxes on these products, and the ability of one industry to affect the taxes imposed on its competitors.

In response to these representations, the Minister of Finance (Mr. Lalonde) on November 7, 1983 announced the creation of the Task Force on Alcohol and Tobacco Tax Indexation to examine the current indexing mechanism and to consider whether other such systems can be devised to better meet the objectives of both government and industry. As announced by the Minister on November 7, 1983, the task force is chaired by Dr. Douglas Peters, senior vice-president and chief economist from the Toronto-Dominion Bank who is currently serving a two-year appointment with the Department of Finance. The other four members of the task force were drawn from the distilling, brewing, wine and tobacco manufacturing industry associations.

The task force first met on November 7, 1983, and I understand they have since had several meetings and are continuing to work diligently at achieving the objectives of the task force.

The Minister also announced on November 7, 1983, that written submissions to the task force could be directed to Dr.

Peters. To date the task force has received and given consideration to a number of submissions from industry and consumer groups, and other interested citizens, and I am sure that the task force would welcome any representations that the Hon. Member might wish to make.

• (1810)

FINANCE—(A) ALLOCATION OF JOB-CREATION FUNDS. (B) GOVERNMENT POSITION. (C) REQUEST FOR LIST OF PROJECTS FUNDED

Mr. Jim Hawkes (Calgary West): Mr. Speaker, I rose in this House in early February to ask about the issue of the contribution of the Special Employment Initiatives Program to Canadian unity, to the willingness of Canadian taxpayers to pay taxes. I made four allegations over the course of a week, Mr. Speaker. I made the allegation that this was a program which would divide Canadians because it created first class unemployed Canadians in Liberal ridings and second class unemployed Canadians in ridings held by members of other political parties. I made the allegation that it took this Party two years to find out the criterion for allocation of some $300 million. I made the allegation that the Government was in fact ignoring the criterion which it finally gave us almost two years later. And I made the allegation that it was the Prime Minister's office, and not the line Ministers, which was controlling these funds. In effect, Mr. Speaker, we had the total use of Canadian taxpayers' dollars put in the hands of the backroom manipulators in the Prime Minister's Office, the unelected backroom manipulators, who would determine who in Canada was to get a job and who in Canada was not.

Behind those allegations was the certitude that we were involved in the expenditure of taxpayer dollars to build favours for a leadership campaign—that was the thrust of it—to build favours for the re-election of Liberal Members. These backroom manipulators were using taxpayers' dollars for purposes which were never voted by this Parliament, and in ways which were never contemplated by the electorate of this country.

What have we found out, Mr. Speaker? I represent the riding of Calgary West, one of five Hon. Members of Parliament from a thriving city of some 600,000 which has been hurt by the National Energy Program. I represent a city in which 42,000 people are unemployed. These 42,000 unemployed, Mr. Speaker, have families, spouses, children, economic hard times, high interest rates on their mortgages, and so on. Of the $186 million which we currently have in the lists provided for us by the Minister of Employment and Immigration (Mr. Axworthy), out of 15 government departments, not 10 cents of the Special Employment Initiatives Program was spent in the City of Calgary. Not a job was created, not a dime was spent, Mr. Speaker.

What is the characteristic of the City of Calgary? It has all Conservative Members of Parliament. There is not a Liberal in the bunch. Some two-thirds of the voters in this city chose to send Conservative Members to this chamber. We have a $186 million expenditure, supposedly to be used to create jobs across the country, and out of 42,000 unemployed people in the City of Calgary, not one can get a job under this program.

Alberta, as a province, has one independent and 20 Conservative Members. They received $3.3 million out of this total program, somewhere near 2 per cent of the funds. The Province of Quebec has 74 Members out of 75 who are Liberal. It has about 27 per cent of the Canadian population. However, out of this fund, Mr. Speaker, 48.48 per cent of the funds go to that province which is represented in this chamber predominantly by Liberal Members.

The Province of Ontario, Mr. Speaker, received $53 million. It is a province which has Members from all three political parties. However, 90 per cent of the money in the Special Employment Initiatives Program in the Province of Ontario—90 per cent of $53 million—went to Liberal ridings.

Surely, in our four years of experience in this House, there is no greater case for condemnation of a government for the misuse of public expenditures. At the same time, Mr. Speaker, Revenue Canada is out there badgering taxpayers to pay more taxes. How can Canadians feel good about paying their share of taxes when they have a government at the centre of the country which so badly abuses that sense of public trust and public responsibility?

Back room manipulators in the Prime Minister's Office were telling line Ministers how to spend the funds voted for this program by this Parliament. Let us look at what some of those line Ministers did. In Fisheries, Mr. Speaker, 80.5 per cent of the money went to Liberal ridings. Under the Department of Health and Welfare, headed by that great champion of the underdog in this country, 97.8 per cent of the funds went to Liberal ridings. Is that the kind of person we want as the head of Health and Welfare in Canada? Under Energy, Mines and Resources, Mr. Speaker, 100 per cent of the funds went to Liberal held ridings. Under the Department of the Environment—surely of public concern, with acid rain and all those good things—100 per cent of the funds went to Liberal ridings. Under Public Works, Mr. Speaker, 91.1 per cent went to Liberal ridings. Under Transport, and that great saviour of the West, the Transport Minister, who will probably become a candidate for the Liberal Party leadership, 85.2 per cent to Liberal held ridings. Under Correctional services, 100 per cent to liberal held ridings. Under Central Mortgage and Housing, that great body supposed to provide shelter for all Canadians when they need it, 89.5 per cent to Liberal ridings. Under Canada Post it was 95.7 per cent. There was one exception, Mr. Speaker, that of DRIE, under which 26.6 per cent went to NDP ridings; that is for Jim Coutts in Spadina. Even there they—

• (1815)

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member, but his seven minutes are up.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): As concerns the com-

ments made by the Hon. Member, I believe that whenever he refers to the Department of Transport, he should mention the amounts which will be invested in the Vancouver area under the new Western Grain Transportation Act. He should check the figures involved and ask his colleagues from the Vancouver area whether they supported us when this legislation was passed. Not one Hon. Member of his group spoke against the Bill at second or third reading stages in this House because the money was to go to the Vancouver area. The Hon. Member should not be selective in quoting these figures; he should take all of them into consideration. He would then see what is the actual economic situation. The Hon. Member has made many allegations to the effect that the funds set aside for job creation were only allocated to Liberal constituencies.

Mr. Speaker, as the Minister of Employment and Immigration (Mr. Roberts) has explained several times these last few weeks, all the funds were spent by the federal Government to create jobs. This has been explained very clearly and put on the record. As for the way the funds were distributed among the Provinces, it was in every case in relation to the number of unemployed in each Province. It can hardly be suggested that two classes of unemployed have been created, as the Hon. Member opposite has said over and over again. He should know that unemployment has nothing to do with what is usually referred to as class divisions.

I would also like to remind the Hon. Member opposite that the job creation programs which he criticized are part of a comprehensive government initiative which, along with the $2.4 billion of economic incentives announced by the Minister of Finance (Mr. Lalonde) in his April budget, had substantial effects in all provinces whatever their political allegiance. The evidence is found in the number of jobs created last year. Over 400,000 jobs, Mr. Speaker.

Naturally the Hon. Member for Calgary West (Mr. Hawkes) has found fault with the special job creation projects. As the Hon. Member knows full well, it is only one aspect of the government's job creation programs. As the minister said when he tabled the complete list of job creation projects, the funds granted for job creation by the CEIC have now reached $2.5 billion for a 2-year period from 1983 to 1985. The special recovery projects, which are meant to increase employment, are funded by several federal departments within the framework of previously established programs. This will provide a total of $2.4 billion in additional funds during fiscal years 1983-84 and 1984-85.

• (1820)

I have indicated to the Hon. Member with regard to job creation programs . . . It is quite surprising to hear the Hon. Member opposite complain about this situation, because when his party was in power for a little while, a very little while in 1979, it was overanxious to get rid of all the job creation schemes as we know them today, such as the Canada Works program. But when benefits are being paid the unemployed in their own constituencies, they always feel it is too little and too late.

These people speak from both sides of their mouths, just like their leader does, concerning job creation programs. They just do not know where they stand, Mr. Speaker.

[*English*]

LABOUR CONDITIONS—UNEMPLOYMENT IN NEW BRUNSWICK. (B) EMPLOYMENT—SPECIAL EMPLOYMENT INITIATIVES PROGRAM—DISTRIBUTION OF FUNDS TO NEW BRUNSWICK RIDINGS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, Members on this side of the House in Her Majesty's Official Opposition have consistently and constantly been belabouring the inaction of the Government over the desperate unemployment situation that exists in the country. I would like to refer to a question which I asked of the Minister responsible on February 23 in which I brought to his attention the fact that the construction industry in the Province of New Brunswick is considered to be the bellweather of the economy. I pointed out to the Minister that recent figures available to me indicate that in the Saint John region, and I suspect the same is true throughout the entire area of New Brunswick, unemployment is absolutely astounding and totally unacceptable. I referred to the construction trades in particular.

I pointed out to the Minister that the unemployment figures for the Saint John building and construction trades during this period of time were as high as 84 per cent in some areas. That is in the labour force. There was a total membership in the labourers' union in Saint John of 889, of which 748 were unemployed. Another astounding fact is that unemployment of plumbers and pipe fitters reached 83 per cent. Out of a total workforce of 588, some 489 were unemployed. There is 82 per cent unemployment among carpenters, 75 per cent unemployment among millwrights, 72 per cent unemployment among operating engineers and 76 per cent unemployment among sheet metal workers. The list goes on and on, Mr. Speaker.

One of the most discouraging things about the high unemployment figures, particularly in the construction trades, is that it specifically and particularly affects the youth. The Government has made reference time and again to how much it is doing to encourage youth to get into the workforce, and what it is doing to promote special programs to take care of the extremely high unemployment factor amongst the youth.

In response the Minister of Finance (Mr. Lalonde) brings in a Budget which says it is going to generate lasting and meaningful jobs. He says jobs are going to be available to all Canadians who want one. In effect, Mr. Speaker, this is a bunch of nonsense that has been set into meaningless motion by a Minister who does not have the slightest care or the slightest idea of what unemployment is all about in Atlantic Canada, let alone in the rest of Canada.

We have a Government, Mr. Speaker, that attempts to place a project in the Miramichi of New Brunswick. I am referring to the phase out of CFB Chatham, the airforce base where

eventually 3,400 or 3,500 jobs will be either directly or indirectly adversely affected. The Government says it is going to place a prison up there. That prison is currently under construction. The Atlantic region's project manager said that one of the main objectives, if not the prime consideration in the spending of $43 million at this construction project at Renous, is to utilize local and New Brunswick professionals and, of course, skilled and unskilled labourers.

It came to my attention, Mr. Speaker, that the structural steel contract, which would be of substantial importance to the local region as well as to New Brunswick's economy because it would be labour intensive, was awarded outside the province. This is directly contrary to the promises that were made by the Government to the people of the region and to the workforce of New Brunswick. Yet the Government turned around and awarded contract that outside the province. I attempted to elicit a response from the Minister as to why this was done. I approached him last July 29, almost a year ago, asking him for an explanation as to why this structural steel contract was awarded outside the province. Just recently I received in my office correspondence from the Deputy Minister which was dated January 23. It has taken them all of August, September, October, November, December and most of January to respond to my inquiry as to why that contract was awarded outside of my province when, according to the promises that were delivered by the Government, it was supposed to be designed for the employment of New Brunswick workmen.

● (1825)

The reason given to me was that it was influenced because of the need for delivering a high quality product within prescribed timeframes; that it is the normal practice to let general contractors choose their own subcontractors. In this case the general contractor engaged a subcontractor whom he felt was more advantageous to him. The entire purpose of the project was to provide something that would be advantageous to local labour. The Government chose to ignore it, the way it has continued to ignore the plight of the unemployed, and the unfortunately ridiculous situation that has been brought down on their heads by a very uncaring and insensitive Government.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, as regards the allegations made by the Hon. Member concerning contracts that were awarded, strangely enough, I did not hear the Hon. Member for Fundy-Royal (Mr. Corbett) talk about contracts given for the construction of six new frigates and notably about the two contracts given to the St. John's Dry Dock in New Brunswick. The Hon. Member did not say a word about that and I recall the Opposition critic for National Defence, the Hon. Member for Victoria (Mr. McKinnon), congratulating the government for having given the frigate contract to the St. John's Dry Dock and saying this was the best thing that could happen. That is in New Brunswick, the St. John's Dry Dock, and the Hon. Member should know that.

Mr. Speaker, the most recent figures reveal that at the end of 1983, the level of economic activity in New Brunswick was back at 98 per cent of pre-recession level, that is during the first quarter of 1981. The economy has improved some 2.5 per cent in 1983. Moreover, it is anticipated that the economic situation in New Brunswick will continue to improve this year and indeed, the growth rate could even reach 4 per cent for the first time in five years. The Minister knows that you are worried about the level of activity in the construction industry. This industry will certainly experience a marked recovery in the spring when ongoing construction sites reopen and new projects are launched in a context of economic recovery.

Along with putting questions about the construction industry and economic forecasts, the Hon. Member has criticized as being ineffective the spending of job creation funds in New Brunswick. Let me ask the Hon. Member from New Brunswick how he can describe as ineffective job creation expenditures totalling $89 million for 1982-83. He might say that not enough money is being spent on job creation in New Brunswick, but I challenge him to prove that these $89 million allocated for job creation in New Brunswick have not been spent in an effective manner.

The Hon. Member also referred to Nova Scotia. In total, Mr. Speaker, over $83 million have been invested in direct job creation in that province. This is 5.2 per cent of all moneys spent for job creation throughout Canada, while Nova Scotia accounts for only 3.5 per cent of the unemployment in the country. These funds have been allocated in both provinces in order to help the unemployed people in all ridings.

As far as specific allocations are concerned, Mr. Speaker, I do not think the Hon. Member for Fundy-Royal has any complaint about the amount of $122,000 allocated for special job creation projects in his riding, or about $131 million being spent for special job incentive projects in New Brunswick, including $22.5 million in York-Sunbury and $10 million in Carleton-Charlotte, two Conservative ridings.

Mr. Speaker, the $2.5 billion spent over two years for job creation in 1983-85 and the $2.4 billion allocated for job incentives are an indication of the Government's major efforts to encourage employment in every Canadian province, including New Brunswick which is one of the provinces and which is getting its share.

The Acting Speaker (Mr. Guilbault): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at eleven o'clock.

At 6.30 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 13, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Thursday, March 8, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill Domm (Peterborough): Mr. Speaker, the last time this matter was up for debate I went into the issue of whether it was really necessary for the Government of Canada to be borrowing $29.5 billion, an amount equal to what was not too long ago our entire budget. Included in that total are amounts for contingencies which, for Members of the Opposition, represent a flashing red light. When the Government of Canada asks for over $4 billion more than its budgeted requirements, according to the Supplementary Estimates (B) and (A), there is reason to be concerned about whether the contingency amounts requested are totally necessary.

We on this side, on behalf of our constituents, expressed concern at the lack of priorities of this present Government. To compound this concern, we have obvious divisions within the Liberal Government and Cabinet on what should be the policy concerning financial accountability to the Canadian people and Parliament. On one hand we have a Budget brought down by the Minister of Finance (Mr. Lalonde) which claims one thing. On the other hand we have members of Cabinet, who are now aspiring to become leader of their Party, expounding entirely different positions. That brings into question the credibility of this Government and Cabinet policies because there are obviously divisions within the Cabinet on just what direction this Government should take.

I would like to give a few examples of the contradictions between members of Cabinet and the policy as expounded in the Minister of Finance's Budget. One of the most crucial matters is that of economic development, and therefore we look to the Minister of State for Economic and Regional Development (Mr. Johnston). We find he is espousing certain things today which are not necessarily the position of the Government of the day as it proceeds with its request for $29.5 billion. I will give the House an example. On March 9 the Minister of State for Economic and Regional Development said:

• (1110)

I'm the last one to say that once you create a program it should stay there forever.

All programs can be improved. This question of universality—that's a buzzword which I don't even like to hear these days. The point is that social programs have to be married to the economic requirements of the country so that people use those programs to help themselves get back into the mainstream of economic activity.

He went on to say:

I think all Canadians understand that governments have to live within their means and that the only way of getting at the deficit is either more taxation or, on the other hand, cutting programs, or inflation, because that's another way governments traditionally have gotten rid of deficits in historic times.

If it is the intention of the Minister of State for Economic and Regional Development to cut the deficit, as quoted on March 9, why is the Government asking for $29.5 billion which would increase the deficit? Why is the Government requesting $4 billion more than it has fiscally spelled out in its 1984-85 requirements?

We can refer to other members of Cabinet to show that the Cabinet is obviously all over the place on what fiscal responsibility is. I maintain that no government can act any differently from any individual managing their household or any business person managing their business. When you spend more than you have on a continuing basis, sooner or later you are going to have to face reality. Money is going to cost more. When money costs more, inflation goes up and the value of the Canadian dollar goes down. As all caucus members in all political parties are aware, interest rates are now rising quite rapidly. Last week one-year Treasury bills moved from 10.44 per cent to 10.95 per cent interest, an increase of over 50 base points or one-half of 1 per cent.

The present net federal debt matures within about two and one-half years. It is essential following interest rate debt. The effect of last week's increase in interest rates alone increases the cost of carrying the $150 billion net debt of the country by $750 million. This little increase totally shatters all of the Budget figures of the Minister of Finance. This point should be well made by all members of the Opposition. The forecasts in the present Budget of the present Finance Minister are already out of date and we are still debating a borrowing law for $29.5 billion which is $4 billion more than the Government really needs.

To explain the differences of opinion within the Cabinet, I would like to quote a statement of the Minister of Indian Affairs and Northern Development (Mr. Munro) made on

November 7, 1982. At a Liberal Party biennial policy convention, "bleeding heart Munro" supported a motion that we eliminate universality. He said:

> The Government is wasting millions of dollars by sending monthly pension cheques to wealthy senior citizens and baby bonuses to families who do not need the money. Such funds should be redirected to help the most needy.

• (1115)

It is very damaging to the position espoused by the Liberal Party, that universality is here to stay, when statements like that are made within the Cabinet of the Liberal Government today by the Minister of Indian Affairs and Northern Development. They require some clarification from the Government as to what the policy is. Now that the Minister of State for Economic and Regional Development and the Minister of Indian Affairs and Northern Development are travelling throughout the country telling people that what the Government is doing today is not right, it behooves us in the Opposition to confirm their positions and ask the Government of Canada what it will do about it.

Back in the early 1970s the Minister of State for Economic and Regional Development produced a book which is dedicated, to use the words of the Minister:

> —to all Canadians who share my belief that Canada, with its beauty, its resources, its people, and its legal-political heritage, could be a country of unequalled opportunity and happiness, were it not for too much taxation, too strong a bureaucracy, too much government, too much welfare, too many politicians, and too few statesmen.

There are so many inconsistencies in statements by Ministers today that one wonders if a Finance Minister who brings down a Budget calling for a projected debt of the country of over $31 billion and a borrowing requirement of some $29.5 billion is really fiscally accountable to the Canadian people.

Another article for *The Toronto Start* last year written by the same Minister of State for Economic and Regional Development states:

> What we really require in Canada is solid fiscal reform on the revenue and expenditure sides to make our system more efficient and equitable. The taxing mechanism itself must be readjusted. At the same time we must address ourselves to the expenditure side, attacking inefficiencies and specific superfluous programs on a department-by-department basis. Wielding the big axe on programs across the board may have some political appeal but it's impractical and inefficient.

If I go into a few of the matters that need to be addressed by this Parliament, I think I would be repeating the Minister. We should occasionally look at some of our Crown corporations which were alluded to by the Minister of State for Economic and Regional Development as needing some cut-backs. We should look at Canada Post. The advertising costs in the post office are rising faster than the postal rates. Advertising costs are projected at $2 million in fiscal year 1983. According to Canada Post Corporation President Michael Warren, this will at least double to $4 million or $5 million in fiscal year 1984. The post office spent $500,000 to explain postal rate increases implemented in the spring of 1983.

Let us look at transport for a moment. Mirabel Airport has appropriately adopted a white elephant as its symbol. This unnecessary and unwanted airport has cost the taxpayers of Canada a total of $841 million to date, including construction costs of $514 million and total operating costs of $327 million. In the last fiscal year 1982-83, Mirabel lost $35 million compared to a $43 million profit as Lester B. Pearson International Airport. I think we should rename Mirabel Airport "Pierre Elliott Trudeau Airport".

Out of 336 ministerial JetStar flights in the first seven months of 1982, 44 per cent were to transport Cabinet Ministers to and from their ridings. The estimated cost of this, based on Transport Canada charges of $1,000 per hour, is $300,000. Air Canada sent 20 executives to California for a $600 a day medical examination.

Let me deal with Petro-Canada and take a moment to point out a couple of matters that have recently developed with that Crown corporation. Petro-Canada is considered to be the "Big Brother" watching over consumers in Canada and trying to protect them. It has now entered into signed reciprocal trading arrangements with the Seven Sisters. This is a case of Big Brother joining the Seven Sisters in an effort to protect Canadian consumers. What are these reciprocal refinery agreements, some of them long term, 15 years or more, doing to Canadian consumers today when they go to buy gas at the pumps? They are forcing up the price of gas at the whim and fancy of our protector, Petro-Canada. I think it is time for the Minister of Energy, Mines and Resources (Mr. Chrétien)—

• (1120)

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member but his allotted time has expired.

Mr. Mazankowski: Continue.

The Acting Speaker (Mr. Guilbault): A ten-minute question and answer period will now be provided. Are there any questions or comments? The Hon. Member for Etobicoke Centre (Mr. Wilson), for debate.

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I am very pleased to participate in the debate on Bill C-21, the borrowing authority Bill. This is not a routine piece of legislation but with the number of times we have debated the question of government borrowing over the years we tend to think it becomes routine. It is, though, one of the most important pieces of legislation before this House. The debate today is a debate on whether or not we are giving the Government authority to borrow moneys sufficient to finance the deficit, a deficit of 31.5 billion this year. It is a debate also on the implications of Government borrowing money of that magnitude.

I want to start by asking a very simple question of Hon. Members. Is there anybody in this House who wants to go through another recession like the one we went through in 1981-82, where employment in Canada dropped by over 5 per cent, where industrial production dropped by about 17.5 per cent, and where as a result thousands of businesses and many, many farms were lost? The answer is obviously no.

What we remember most about that period is the fact that interest rates were far higher than they should have been. Interest rates sky-rocketed during that period to between 22 per cent and 25 per cent. The reason was largely because of what went on in the United States and the very high interest rate policy followed there. Canada was going to have a deep recession regardless, but the effect of these high interest rates meant that the recession was far, far worse than it was in the United States. The unemployment rate in the United States went from 7 per cent to 10.5 per cent, whereas in Canada the unemployment rate went from 7 per cent to 13 per cent, almost double that of the U.S.

Why did this happen? What were the differences in Canada compared to the United States? We had the National Energy Program which totally undermined one of the most important industries in Canada. What about the way the Foreign Investment Review Agency was administered? There was the attitude toward investment, both domestic and foreign, and we had the 1981 Budget which raised taxes just at the point in time when the economy was falling into recession and we should have been reducing taxes. This caused a tremendous disruption in the economy. These were significant factors where deliberate economic policy in Canada added to the natural economic forces that were leading to a recession at that time. Our budgetary deficit was too high to give the Government the flexibility to offset the impact of higher interest rates in the United States or to follow a different economic course here in Canada. As a result, we were helpless as we watched the United States rates climb higher and higher. Canadian rates followed and in some cases were pushed even higher than those in the United States.

Today we are facing a similar scenario, Mr. Speaker. The Government still has not learned the lesson we suffered so dearly in 1981-82. It is likely that we will be facing a recession either later this year or early next year brought on by policies followed by the United States which we have no opportunity or flexibility to offset. All the ingredients are there. We have a slower recovery in Canada. Employment growth is far slower in Canada than in the United States. The unemployment rate in Canada has risen from 11.1 per cent to 11.3 per cent over the past two months. In the United States it has gone down from 8.0 per cent to 7.8 per cent. Business investment in Canada is flat. The latest figures for the Gross Domestic Product show that it has turned down.

● (1125)

By contrast, the United States economy is quite healthy. The unemployment rate, as I said, has gone down. Business investment, investment which creates tremendous numbers of jobs, in now projected to increase in 1984 by 12.8 per cent. That is the highest increase in real terms since 1966. The United States response is a classic one. It wants to temper this very healthy economy by leaning against it somewhat. The obvious response is to allow interest rates to move up ever so slightly to temper the boom and not let it get out of control.

What is the Canadian response to our slow recovery? What would we expect? Are we allowing interest rates to fall somewhat because of the slow economy? Will we try to encourage business investment or the purchase of automobiles or houses by lowering interest rates? No. Interest rates are going up. They have risen about one percentage point over the past few weeks. Why are we moving in lockstep with the United States economy? This Canadian response is irrational and inappropriate. It will surely lead to the recession which we do not need at this time.

The Government says that we have no option, that United States rates are going up and that we have to follow because of our very close relationship to the U.S. economy. Surely that forces us to ask ourselves one question: How can we unhook ourselves from the United States economy? How can we gain a greater degree of independence of action? How can we distance ourselves somewhat from United States interest rates today when it is inappropriate for us to follow the same interest rate policy as the United States? Or, simply put, how can we avoid falling into the same trap that we did in 1981-82?

It is obvious that we cannot be totally independent from the United States. With 70 per cent of our trade and the great amount of integration between the two economies, we cannot become totally independent. However, we can achieve some independence and flexibility in our policy response when our economy is moving in a different direction. Right now we do not have that independence or flexibility. We have been described by some people as the tail on the end of the dog. I would describe it as being the flea on the end of the tail of the dog.

How can we achieve that flexibility and independence? I want to draw the attention of Hon. Members to the experience of the United Kingdom. In 1981 it took a policy decision to reduce its public sector borrowing requirement relative to total government spending by a significant amount. The result is that today its borrowing requirement or its deficit is about 8.5 billion pounds. That is roughly 6 per cent of over-all spending compared with about 30 per cent in Canada. Also it is about 2.6 per cent of its national income compared with about 8 per cent in Canada. The United Kingdom has moved differently from the United States because its economy is a little weaker. Previously its interest rates were very much the same as those in the United States, but we have seen a very interesting phenomenon over there: its interest rates have become unhooked from the United States ones.

I should like to give some figures on this. U.K. Government rates are 10.71 per cent. The U.S. Treasury rates are 12.05 per cent. United Kingdom corporate rates are 11.6 per cent and in the United States the corporate rates are 12.75 per cent. The bottom line of all this, when we take the different inflation rates into account, is that real interest rates in the United Kingdom are 4.9 per cent as against 7.2 per cent in the United States, a difference which is appropriate for the different performance of the two economies.

● (1130)

The U.K.'s lower deficit has done two things for them. It has taken the pressure off interest rates. It has also given to the Chancellor of the Exchequer flexibility in his forthcoming budget to drop taxes or increase spending, depending on what he feels is appropriate at this time. He has that flexibility. He has that independence of action which we do not have at this time. The policy that they began in 1981 to reduce their deficit in a significant way has given them that flexibility to follow different policy approaches when that is appropriate.

There are other examples. I have just talked about the U.K. There is also the contrast between Germany and France, two countries living side by side with a fair amount of trade between them. It demonstrates that this is possible because of the better economic performance of the Germans relative to the French. They have been able to keep some distance between the two policy responses in those two countries.

That is the lesson of the Budget deficit that we have in Canada. The 31.5 billion deficit, plus the borrowing of the Crown corporations, is far higher proportionately than most other countries. Of the industrialized countries, only Italy is higher than us. Relative to the United States, we are about 50 per cent higher. That is why we must take action now on our deficit. We have to start taking those first steps today. With Bill C-21, this borrowing authority Bill, we are presented with that opportunity.

Let me summarize the economic costs of a higher deficit. First is the interest burden that all Canadians pay. The cost of the interest is $1,900 per taxpayer per year. Second, we have lost our flexibility within the Budget. One dollar out of three revenue dollars is spent on interest alone. One dollar out of five expenditure dollars is for interest alone. That is far too much. It reduces the dollars available for other programs. The third cost is that heavy government borrowing of the order of magnitude that the federal Government is borrowing today crowds out other productive investment, whether it is business investment or borrowings by individual Canadians to buy a car or a home. All of these are going to be squeezed back, particularly when you consider that over-all government borrowing today of $29.5 billion is about 92 per cent of the personal savings of individuals amounting to $32 billion.

The next point is that it forces foreign borrowing by the Government and by the Crown corporations directly through U.S. dollars, Swiss francs, German marks or whatever, or indirectly because of the amount of bonds that are purchased by individuals or institutions in other countries. Also, it forces provinces and corporations to move into foreign markets to borrow money when they cannot find that money in Canada. Canada today over-all is one of the largest international borrowers in the world, up in the big leagues with Mexico, Brazil and Argentina.

The next point is the high interest rate that are caused because of the concern of investors that these deficits are going to lead to higher interest rates and higher inflation. There has been a debate among economists that this is not so, but the fact is that in the real world investors have said that it is so and have acted accordingly. That is one of the reasons real interest rates are as high as they are in Canada and the United States, the two countries with the most significant deficit problems.

The final point is the loss of confidence by investors in Canada and abroad. That is very clearly demonstrated in the weakness of the dollar, not just in these past few weeks. It is coming to a head right now, but this has been going on since 1976 when the dollar was $1.03. It is now 78 cents. That is purely and simply a lack of confidence in the financial management and performance of this economy. Today we are seeing the inevitable result of excessive government borrowing and government mismanagement. It is all tied together in that one figure, the level of the Canadian dollar in the foreign markets today.

These costs translate directly into lost jobs. It is a clear reason why today employment in Canada is still 139,000 jobs lower than it was at its peak in the middle of 1981, or 1.3 per cent. In the United States the comparable figure is 2,796,000 jobs, or 2.8 per cent higher than it was in the pre-recession peak. Where the disparity becomes even more serious is in full-time jobs. In the United States they are 1.7 per cent above the pre-recession peak. We are 3.7 per cent below that pre-recession peak in terms of full-time jobs.

That contrast should be all that is necessary to tell the Minister of Finance (Mr. Lalonde) and Members of Parliament that the policies that this Government have been following are wrong, wrong, wrong. The place to change this policy direction must start with action on the deficit. The time to do it is now. It will give us more flexibility; not immediately, but it will start that process where we will be able to do the same as the U.K. has demonstrated in its performance in recent years.

Let us take advantage of the strong economic recovery in the United States. Let us move with them. If we can cut our deficit and be carried along by the momentum of the deficit in the United States, the pain here of reducing the deficit will be considerably less. Action today would give confidence to both Canadian and foreign investors to put money into this country, to give some upward lift to the Canadian dollar. That in itself would give the Bank of Canada some opportunity to relieve the pressure of interest rates and pressure on the Canadian dollar.

I stress that this will not happen overnight. It will take time. We have to start those steps today with a substantial reduction in the amount of borrowing requirements requested in this Bill. The reason why it will take time is that there is no confidence on the part of investors or individuals in the policy statements which this Government has made. Over the years we have heard various Ministers of Finance say: "We are going to hold government spending to the rate of growth of the national economy". Let us look at what has happened here. I want to give some examples. There have been four years in the past 14, one of which was a year of Conservative Government, when that actually took place.

Let us look at some of the times when it did not take place. In 1974 GNP went up by 19.4 per cent and government

spending went up by 29 per cent. The next year there was an 18.7 per cent increase in the GNP and government spending went up far higher than that. In 1977-78 it was 13 per cent as against 19.6; in 1981, 20.4 per cent as against 14.3 per cent; and in 1982, 18 per cent as against 5.2 per cent. No one believes what the Government is saying. That is why we have to show the public by our actions, not by words which have a very hollow ring to them.

Let me summarize the message that I have been putting forward to Members here today. We have to start today to take action. This was demonstrated clearly in the Estimates that we saw the other day. Spending controlled by legislation, so-called statutory spending, is up by 8.1 per cent. Discretionary spending, spending that can be controlled from year to year, is up 13.2 per cent. Therefore, there is no demonstration yet of the discipline needed to get this deficit under control.

The message to Canadians is that we have to reduce government borrowing. If we do reduce government borrowing, we will free up savings of Canadians for use for productive purposes, such as business investment, the purchase of cars, houses and the creation of jobs. We will reduce interest rates. There will be less pressure from the Government of Canada on the markets which will allow interest rates to come down. Most important, we will be able to increase the independence of action and flexibility of the Government of Canada in following policies which are appropriate to the Canadian economy, rather than being forced into slavishly following the United States when their economy is performing differently than ours. That is why we have to cut borrowing. That is why we as Members of Parliament have to take a hard line and tell this Government that it must cut back its borrowing for the good of all Canadians, for the health of our economy and the health of our society.

• (1140)

Mr. Evans: Mr. Speaker, I was very interested in listening to the Hon. Member, as I am whenever he speaks, but I would suggest to him that a great deal of a mumbo-jumbo type of analysis went on. Does the Hon. Member honestly believe that the whole problem with the economy can be wrapped around the deficit? He said that we should be reducing the deficit. I think all of us would agree that we want to see the deficit reduced. The specific question that he must answer is how it will be reduced. The Hon. Member said that we could reduce the deficit in many ways. Let us have him put some specifics on the table. Precisely how does he suggest that the deficit be reduced right now?

Second, does the Hon. Member realize that our economy is significantly different from that of the U.S. and the U.K.? Our economy is a resource-based economy. Has he looked at past history? Does he realize that a resource-based economy is typically hit harder in times of recession and that when facing world competition for those resources, it will have a difficult time restoring employment?

The main areas of unemployment in the country are in the resource industries. Those industries are facing stiff international competition. What, perforce, would the Hon. Member suggest the Government do in order to make those resource-based industries more competitive with world competitors immediately? Those are a few of the questions I would like to put to the Hon. Member.

Mr. Wilson: Mr. Speaker, perforce the Hon. Member would listen to my speech the next time and perforce he might learn something. Let me try to recall for him what I said in my speech. The Hon. Member said that all are in agreement with the need to reduce the deficit. Has he discussed with the Ministers the reasons it is important for us to reduce the deficit? I ask that question because I think it is important that we in the House do not get distracted by where we are going to cut. What is the most important point? It is of absolute importance to reduce the deficit so that we can have a healthier economy and deal with some of these other problems.

I am not suggesting to the House that the only problem we have is with the deficit, but I am saying, and I think the Hon. Member would agree with this, that it is the most important problem. Finding a solution to that problem will help us deal with some of the other problems with which we are faced.

The Hon. Member asked me where I would cut. If the Hon. Member had been in the House last week, he would know that I addressed that question then. If he would like he can check back in *Hansard* to see what I said.

Let me address the Hon. Member's second question which dealt with the fact that our economy is significantly different from that in the United States because our economy is a resource-based economy. That is precisely the point that I am making. The fact that our economy is different should be taken as the primary reason why we should be in a position to have the flexibility and independence to do the things we need to do for our economy without having to follow what happens in the United States. If we have a deficit of $30 billion and we have spending of $100 billion, 30 per cent of that is deficit spending. When we are spending one dollar out of three revenue dollars on interest and interest alone, what flexibility do we have to deal with the problems in the resource industries?

The Hon. Member asked me what I would do about these problems. Let me tell him what I would not do about them. I do not know how the Hon. Member can say to the House that our industry is resource based and we must be concerned about the loss of competitive positions for the two main industries. What happened to the mining industry 10 years ago? We took a series of steps which increased taxation in the mining industry just at the point in time when the competitive position of the mining industry relative to the rest of the world was beginning to suffer. That is when the Government significantly increased the tax load on that basic industry of the country.

What about the National Energy Program which began in 1981? The Hon. Member knows and I know that the steps taken by the Government led to a weakening in the energy industry of huge proportions which resulted in a loss of economic activity in that industry from which we are still

suffering today. Obviously what we must do is look at the resource industries not as a cash cow, not just as a source of revenue for government, but as basic industries in the economy which are essential to our over-all competitive position and important to our over-all economic performance.

[*Translation*]

Mr. Deniger: Mr. Speaker, I would like to ask my colleague opposite how he can possibly talk about reducing the deficit when his own Party wants to increase military defence, and that considerably, and increase transfer payments to the provinces, and is also proposing tax relief for business, and when he himself said, in his answer on October 23, 1981, on *Question Period* to Mr. McGillivray, that he was prepared to reduce tax rates for high income groups?

[*English*]

Mr. Wilson: Mr. Speaker, the Hon. Member has raised the question of three or four different elements of spending. I think he realizes that he has picked three or four different areas from within the Budget. There are other areas in which cuts can be made in order to allow for an increase in spending in those very important areas to which he refers.

If the Hon. Member were to look at the amounts of money that are involved, he would see that those amounts of money are not large relative to the over-all spending of $105 billion. In my remarks I mentioned that discretionary spending, spending that is up to individual Ministers and the Government as a whole each year, is up by 13 per cent in the era of the six and five program. Statutory spending is up by about 8.8 per cent, I think. I am telling the Hon. Member that we should increase discretionary spending by 5 per cent. I think he would find that by holding the line on some of that discretionary spending, plenty of money exists which will result in an ability to pay for the increased spending which we have committed to transfers to the provinces for post-secondary education and health care as well as for military spending.

Mr. Blenkarn: Mr. Speaker, I wonder if the former Minister could advise us what will happen with the increase in interest rates which took place in the last week. The Hon. Member for Etobicoke Centre (Mr. Wilson) will know that one-year Treasury bills moved from 10.44 per cent to 10.95 per cent in one day last week, an increase of 55 base points. What does that do to our net debt which now stands at $150 billion and is moving to $180 billion? How does that affect the total cost of carrying the debt?

Mr. Wilson: Mr. Speaker, using a quick calculation, I believe that that will come to something like three-quarters of a billion dollars being the over-all cost of the debt if that is carried through during the course of one year. This is one of the key elements which I think Members opposite should understand. If by taking a tougher line on government borrowing we can reduce the pressures of government borrowing and therefore reduce interest rates on government borrowing, that in itself can free up a tremendous amount of money to put toward other more productive uses, such as increasing military spending and increasing transfers for post-secondary education and health care.

• (1150)

Mr. Evans: Mr. Speaker, I wonder if the Hon. Member would be specific. The Party has indicated it will increase defence expenditures, increase or at least hold the line on transfers to the provinces for medicare and post-secondary education and reduce taxes on businesses. The Hon. Member should realize, if he does not, that he is not going to reduce the interest burden on the Budget in a short period of time. Over time, yes, it could be reduced, but it cannot be reduced overnight. The Hon. Member is talking about reducing the deficit now. The question is that if expenditures are going to be increased in those areas and revenues are going to be cut in other areas, and from what the Hon. Member apparently just said—

The Acting Speaker (Mr. Guilbault): Order, please. I regret to interrupt the Hon. Member but the time for the question period has elapsed.

Hon. Don Mazankowski (Vegreville): Mr. Speaker, I am very pleased to follow my colleague the Hon. Member for Etobicoke Centre (Mr. Wilson) in debate. I feel he made a very thoughtful and constructive presentation—

Mr. Evans: Very constructive, but—

Mr. Mazankowski: —and very logical. I am happy the Parliamentary Secretary agrees. It was a very responsible presentation and it certainly is incumbent, I feel, upon Hon. Members on the other side to become more responsible in their presentation rather than giving us the kind of political rhetoric and flim-flammery that we hear coming from Hon. Members across the way.

Bill C-21, Mr. Speaker, represents the largest borrowing authority ever to come before Parliament. The last largest Bill was, I believe, for $19 billion. This Bill asks for $29.5 billion. It is the eighth time this Parliament has been presented with a massive borrowing Bill. I believe the total borrowing works out to something like $103 billion.

My colleague, the Hon. Member who just spoke, talked about the tremendous burden this magnitude of borrowing imposes upon the Canadian economy and upon individual taxpayers. He indicated that the interest alone costs every taxpayer some $1,900 per year. Interesting as well is that the interest on the debt in the 1984-85 fiscal year will equal 4.7 per cent of Canada's Gross National Product, and this compares to a figure of 2 per cent when the current Prime Minister (Mr. Trudeau) first took office. That is a more than a doubling, Sir, and I believe that gives you some idea of what we are really faced with.

Another way of putting this, Mr. Speaker, is that in the fiscal year 1968-69, it required one out of every nine tax dollars to service the debt. Today, as a consequence of the successive deficits and the current irresponsibility of this Government, it takes one out of every three tax dollars to service

the deficit. Two disturbing thoughts emerge from this, Mr. Speaker. First of all, I am sure the public, particularly those people who are thoughtful and are concerned about the economic future of this country, have the impression that spending is clearly out of control and that the Government is not treating their tax dollars with any degree of respect. It has gotten so bad that the Government cannot even predict accurately. The budgetary deficit for this fiscal year, according to the former Minister of Finance, was supposed to be something in the order of $11 billion. It is instead $31.5 billion. So there was a mistake in calculation of $20 billion. That really goes not augur well for generating any confidence in the minds of the average Canadian.

This Government is so impaired, so drunk with spending, that it should lose its licence for life. I feel in the minds of people there is a sense of unfairness, a feeling that somehow the Government is not only spending unwisely, but it is being very unfair in the way in which taxpayers' dollars are being distributed throughout the country. There is a sense that there is discrimination and inequity in the distribution of the people's money. We know of the tremendous amount of money which is used for political purposes, the porkbarrelling, so to speak.

What emerges in the minds of the Canadian public is that there are really two classes of unemployed people in this country. There is regional discrimination, and the result of that, Sir, is regional disharmony and division. In some cases it creates a genuine feeling of disgust. One only has to look at articles which have been written, some recent and some not so recent. I will quote from an article by Brian Fox of Southam News in the July 30 edition of *The Citizen*. It outlines in detail the Special Recovery Projects. The headline reads "Liberal ridings win at handout time". The article begins:

> The federal government has been using its pump-priming $2.4 billion capital works program to pour millions of dollars into Liberal ridings and the backyards of influential cabinet ministers.

It continues:

> Politics undoubtedly has been a major factor in determining where these valuable federal funds would be spent.
>
> For example, in Nova Scotia $25.4 million has been budgeted to improve 31 small harbors. Of those, 19 are in Cape Breton Highlands-Canso, held by Allan MacEachen, now minister of external affairs and deputy prime minister.
>
> Interestingly, MacEachen is one of nine Liberal ministers on the sub-committee which approves the siting of the projects.
>
> Of the remaining 12 harbors, 10 are in other Liberal ridings and the remaining two are in Progressive Conservative territory.
>
> To date, those two harbor improvements are the only projects that directly benefit PC ridings.

The article concludes:

> In true Liberal fashion, these goodies are timed for the middle of the byelection campaign—

That sums of the kind of feeling of unfairness and inequity which pervades the country. This is the feeling of people who are strapped and finding life very difficult when they see this kind of money thrown around simply for political gain. And it will probably continue. It will probably get worse. An article in Edmonton's *The Journal* talks about the secret film which unveils Liberal strategy, and I quote from the article:

> The 30-minute film implies throughout that the Liberals will use taxpayers' money to woo key electoral groups—women, youth, the urban middle income groups and ethnic voters.

In addition to Canadians being discriminated against, I believe they feel a sense of "being had", being conned by this Government with their own money through advertising, through straight porkbarrelling and through the kind of seductive practices which will be contained in this 30-minute film. The total picture is that respect for the institution of Parliament, respect for government and respect for the departments of government is being eroded very dramatically. If we couple that with what is going on in the Department of National Revenue and the high-handed, Gestapo-type tactics which are being employed by that Department to extract every last bit of blood out of the taxpayer, there is a real feeling of disgust and anger out there.

In summary, Mr. Speaker, it means that there is something dramatically wrong and something must change. If we are going to have a voluntary income tax system, there is going to have to be some improvement in the integrity of that system. There must be some improvement in terms of accountability so that this institution, Parliament, will have some control over the expenditure of taxpayers' dollars.

• (1200)

The Government fails to recognize that what it is spending here is not money that falls from the sky, it is the people's money. The lack of respect, indeed the disrespect, this Government has had over the years for the people's money is really at the root of the problem.

On successive borrowing authority Bills our Party has tried to zero in on the need to reduce waste. We have identified many areas where in our opinion there is waste and extravagance. We have tried to identify areas where excessive government expenditure could be reduced. We have tried to identify programs which we believe have outlived their usefulness and should be reassessed. We have supported the Auditor General in his desire to ensure money is spent on the basis of adequate value received—comprehensive analysis. What we find disturbing, Mr. Speaker, is that when these areas are identified this Government uses distortion, fear and hysteria. When you question any expenditure the Government immediately says: "Oh, the Tories are going to cut this and that". That is very irresponsible, Mr. Speaker. How can you, in a rational way, attack this problem which has built up over the years? Why can we not have a rational debate on this issue?

We have recommended that a sort of no holds barred committee be formed to get right into the nitty-gritty of the Government's expenditure program. But the Government pooh-poohs the idea. That is only one suggestion for getting to the bottom of some of these things, and I am sure there are others. But we know the Government will not go that route because it would restrict its ability to porkbarrel, to cajole the voter into supporting the Government. It would restrict the

Government's ability to con people with their own money, to buy votes.

The Special Employment Initiatives Program is a clear example of discrimination in the most crass manner that one could ever envision. We have waste and unproductive investments, and all of it adds up to a massive burden on the producers of this country.

We are hearing a lot about the new Liberalism, the new era of Liberalism of the 1980s. If the slick media campaign being unveiled is any indication where the new Liberalism is going to take us, then we can only expect that we are going to have the same kind of thing. The former Minister of Multiculturalism, in his expressions about ballyhoo and manipulative tactics, gave an accurate description of this Government today. I sense it will be an accurate description of the Government under a new leader, irrespective of who that leader might be.

I would like to give you a couple of examples, Mr. Speaker, to illustrate clearly the motivation of the Government in its abuse of the taxpayers' dollar. First of all, there was an announcement by the Minister of Transport (Mr. Axworthy) some time ago concerning the expenditure of some $306 million for the establishment of four new maintenance centres for VIA Rail. There was one in each of Winnipeg, Halifax, Montreal and Toronto. I want to talk about the Montreal facility because I think that is a real can of worms in this project.

At present VIA Rail rents a facility under a three-year lease with a one-year renewal option over a six-year period. It is paying roughly $3 a square foot, with 600,000 square feet of available space although it is using only 70,000 square feet. The facility is pretty good. It was built by Hawker Siddeley. However, rather than maintaining that facility or purchasing it, which it could do for something in the order of $11 million, and renovating it for probably $14 million to $15 million, for a total cost of $25 million, what do we see here? The Minister of Transport announces a commitment to build a facility worth $147 million. Add in the equipment and interior improvements and we are really talking about a figure in the order of close to $200 million. But they have a facility there now which the Government could have for roughly $25 million. That is the kind of abuse and irresponsibility we are talking about.

My colleague from Peterborough talked about Mirabel, and I could talk about the aborted airport at Pickering. We know that when the Mirabel airport revolving fund was renegotiated the airport was losing something in the order of $52 million per year. With the write-down and rearrangement of the airport revolving fund the losses were cut, simply through a book transaction, to some $20 million or $25 million. On August 24, 1982 the Windsor *Star* said: "The elephant is still white but now there is hope. After seven years of failure new federal plans may be able to revive Mirabel". It is not being revived, Mr. Speaker.

Mr. Pepin: It is.

Mr. Mazankowski: The former Minister of Transport says it is. Well, if registering deeper losses is a revival, then it is well on its way. In 1982-83, Mirabel lost $29.174 million. In 1983-84 Mirabel lost $43.912 million. In 1984-85, according to this year's Estimates, it will record a loss of $48.168 million. There have been losses of close to $500 million since this thing opened, which symbolizes the reckless political expenditures made time and time again by this Government.

Mr. Huntington: What's $500 million?

Mr. Mazankowski: What is $500 million? What's a billion? That is really the attitude. It does not matter because it is not the Government's money, it is the people's money. This Government, any government, is charged with the responsibility of preserving and ensuring those dollars are spent wisely and in a productive fashion. The taxpayer should not be abused.

When you look at this piling up of deficit upon deficit, Mr. Speaker, we could liken it to a family living beyond its means. Year after year after year they take out a new mortgage on their home to buy groceries and pay for their vacation and gasoline for the car. I am very interested in the remarks of the Minister of State for Economic and Regional Development (Mr. Johnston), who is running for the leadership. On March 9 he said that he thought all Canadians understand that Governments have to live within their means and the only way of getting at the deficit is either through more taxation or, on the other hand, cutting programs. Or through inflation, because that is another way governments traditionally have gotten rid of deficits in historic times.

Well, Mr. Speaker, we have a situation where the Government is really mortgaging the homes of Canadians, Canadians today and Canadians in the future. This has had a major impact on the nation's confidence, and a major impact on our ability to engage in productive investment which would increase the size of our Gross National Product. This is at the root of the problem of medicare and social programs which are under attack. It goes back to the issue of poor economic management. Mismanagement is really the buzz word for the Government's performance.

• (1210)

Mr. Blenkarn: Mr. Speaker, the Hon. Member will appreciate that the amount of borrowing required depends to a large extent on the growth projections in taxation and so on in the country. In his Budget the Minister of Finance (Mr. Lalonde) forecast a growth of 4.9 per cent or 5 per cents, depending on how you read it. In the House yesterday the Minister said that the average projection for growth by economic agencies was 4.6 per cent. I know the Member studies economics and economic forecasts. Has he ever seen any growth projections by a private forecaster issued in January, February or March of this year that indicated any growth projection of 4.6 per cent, let alone an average of 4.6 per cent? Is the fact of the matter that the only growth projections everproduced this year have been in the order of 3.3 per cent, similar to the projection produced by the Conference Board?

Mr. Mazankowski: Mr. Speaker, I and my colleagues on this side of the House would prefer to follow the projections of

the Conference Board of Canada because it has consistently been more accurate than the Government. The Minister of Finance should have some credibility. We should be able to believe him. The Government does have the resources and facilities with which to make accurate projections. However, the Minister said that in 1983-84 we would have a budgetary deficit of $11.8 billion. It turned out to be 31.5 billion. I submit that does not provide much credibility to any figures which flow from the mouth of the Minister of Finance.

Mr. Malone: Mr. Speaker, I know that the Hon. Member for Vegreville (Mr. Mazankowski) comes from a constituency which has many farmers and ranchers. That group of people are heavily dependent on capital, and often borrowed capital. If the Government gets another $29 billion of borrowing authority, does the Member have any concerns or fears that that might have an impact on inflation and interest rates? Of what detriment might that be to the people in his constituency?

Mr. Mazankowski: Mr. Speaker, it will be a very major detriment. In *The Globe and Mail* this morning it was reported that agriculture is in depression. The number of bankruptcies is 58 per cent higher this year than last year. Last year there were 488 farm bankruptcies registered. That is about 400 per cent more than in 1979. That four-year period is significant because that is when the Government was returned to power. Naturally the increased borrowing will cause pressure upon the capital markets and will drive up interest rates. It will have an impact upon inflation as well.

Our Party advanced a 10-point agricultural program a year ago. We have renewed those principles time and again. One of them is the provision of at least $100 million to allow farmers who are locked into these high interest rates to bail themselves out. We also support the establishment of farm finance review boards which would assist farmers as an arbitrator functioning through the auspices of the Farm Credit Corporation offices, in negotiating with banks. We have also advanced other initiatives such as the reduction of the 9 per cent sales tax on farm fuels and fuels used by fishermen. In other words, we believe it is counter-productive for the federal Government to impose a heavy tax burden on the producers of food.

I could elaborate further. The fact is that there was nothing in the last Budget to assist and motivate optimism and hope in the agricultural community. The Government is looking after retired farmers but is certainly not looking after the young farmers and the farmers who find themselves in severe difficulty at the present time.

Mr. Crouse: Mr. Speaker, I would like to ask a question of the Hon. Member for Vegreville. When the Prime Minister (Mr. Trudeau) took office in 1968 about $12 billion was required to look after the affairs of the nation. At that time we numbered something like 20 million people. This year we have seen a Budget tabled which calls for more than $98 billion, and with the supplementaries it may well run to about $103 billion, to look after a nation which now numbers about 25 million people. Does the Hon. Member feel these excesses were necessary? Why does he believe it takes more than eight times the amount to look after five million extra Canadians?

Mr. Mazankowski: Mr. Speaker, the Hon. Member is correct. When I came to the House in 1968 the Budget was $11 billion or $12 billion. Today it is $100 billion. Is that money needed? I guess there is room for some increases. I believe it really illustrates the growing intervention of government into the lives and economic activities of Canadians.

Some Hon. Members: Hear, hear.

Mr. Mazankowski: We see potential leaders running across the country espousing a new Conservatism and a new Liberalism. That is really what they are talking about. They want to distance themselves from the socialistic policies which have hampered the productive and entrepreneurial spirit of the country. We have really had 15 years of socialism rather than 15 years of a government dedicated to private enterprise.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, the shouts from the Official Opposition are most meaningful! I hear my colleague from Mission-Port Moody (Mr. St. Germain) who is also in the House and speaks very well, both in French and English. He just nodded to me, and I must say I am very pleased to see him in the House this morning. Well, Mr. Speaker, about the situation concerning Bill C-21, an Act to provide borrowing authority, we are hearing a lot of comments from the Opposition to the effect that the Government's deficit is a disgrace, that it must be brought down and that spending must be rationalized. However, we do not hear many comments telling us what programs should be cut. Of course, one of the Opposition Members has said that perhaps it would be a good thing to reduce or cut universality of health care, and it was the former Minister of Finance of the Progressive Conservative Government, that short-lived Conservative Government of 1979, who had dared to say so, and his comments were printed in the press. He was reprimanded by his Leader who said these services must not be touched. So it is all very well to make comments and get excited here in the House and say that the Budget deficit is a very serious thing and that we must do something about the fact that Canadians, according to the Opposition, are in difficulty. Mr. Speaker, there are many Government programs that are administered either by the federal Government or jointly by both levels of government. Obviously, there are many programs that require funding, and consequently, the Canadian Government, on the basis of its economic or social policies, must respond to the needs of Canadians. Whether we are talking about the spouse's allowance, the guaranteed income supplement or a pension system, the Government must act in response to the needs of Canadians. That is why in his Budget Speech, the Minister of Finance (Mr. Lalonde) approached this subject that is very important to Canadians who are eligible for these benefits. He said in his

speech, on page 14 of the Budget papers, that about 750,000 single senior citizens, three-quarters of whom are women, will benefit from the increase in the guaranteed income supplement. The Minister goes on to say that the additional Government support will amount to $460 million in a full year. The important thing is that Canadians approve of these social measures. And as far as the health care system is concerned, the polls show that Canadians generally favour the present system, and consequently the Canadian Government must continue in that direction.

• (1220)

About the deficit—because we have to finance these programs if Canadians are to benefit—we must ask ourselves: Where does the deficit come from? It seems that a large part of the increase in the deficit is due to increased public debt charges. Only a relatively small portion of the expected increase in the deficit will be due to official measures taken by the Government. However, the Government is prepared to accept an increase in the deficit in order to provide strong support for the economy. When the April 1983 Budget was brought down, at some point, perhaps a few weeks before, economists were asking the Government to increase the deficit if it had to, provided it released funds for job creation and for stimulating economic activity. They said that stimulating the economy would automatically reduce the deficit. Therefore, after reading the usual articles on the economy in general, we can say that our deficit is a cyclical, not a structural deficit. This means that if the number of jobs continues to increase, Opposition Members will say there was an increase in the unemployment rate over the last month. We must not forget that although 54,000 new jobs were created, there were also 75,000 Canadians entering the labour market for the first time.

What we have to do is adopt incentive measures that will automatically reduce the deficit and create jobs. Once jobs are created, economic activity will reduce the number of people drawing unemployment insurance benefits and thus reduce public spending. Similarly, the amount of corporate tax and sales tax collected will increase as well. Furthermore, once the planned increase in the tax rate, partly required to finance the incentive measures announced in the April Budget, becomes effective, that too will help bring down the deficit.

In this connection, Mr. Speaker, I would like to discuss our job creation programs. When we talk about job creation, we are talking about the employment situation of young people, men and women and in fact the population in general, but when we look at the statistics, we try to focus on the situation of our young people. For instance, right now we are preparing for the Summer Canada Program. For the fiscal year 1984-85, the Canadian Government wants to give Summer Canada a budget of $70 million, so that 27,000 Canadians will be able to take part in this program and we will be able to help these people during the summer. There is also the Canada Works Program and Section 38, which will help people go back to work. The Career Acess Program is also very important and also requires considerable funding. If we look at the budgets for 1983-84 for job creation, and I am referring to Canada Works, a grand total of $812.8 million has been earmarked for it. Benefit costs will amount to $66.5 million and the actual program will have a budget of $614.3 million. There will also be an unemployment insurance budget of $123 million. As far as participation in terms of person-years is concerned, there will be a total of 250,000 jobs which equals 58.4 person-years of work. The important thing is that we have all these job creation programs, including Canada Works, LEAD, Career Access. If we take the case of Career Access, this program will help people who have been unemployed for some time and who, in some cases, may have exhausted their unemployment insurance benefits and are looking for a job. For 1983-84, the Career Access Program will have a grand total of $115,000 million.

Mr. Speaker, all these programs have to be financed. If we want to reduce our deficit, we must provide a stimulus for workers and employers to create jobs. In the Budget Speech of February 1984 and its predecessor of April 1983, the Minister said that the private sector, with the incentives provided by the Canadian Government, is a creator of jobs. We have a number of temporary programs. For instance, in 1982-83, we introduced the NEED Program. There were other programs that existed at the time, including the CCDP, Canada Community Development Projects. We injected money into the system to put Canadians to work and reduce the amount of unemployment insurance benefits being paid. We wanted to keep these people in the labour force and keep the economy going.

If we look at the NEED Program—and I am thinking more specifically of my own riding—last year, Mr. Speaker, under this program which was announced when we returned to the House around October 20, if I remember correctly, when the Minister of Finance brought down his Budget on October 27, 1982, the sum of $170 million had been earmarked for the Province of Quebec. At that time, there was an agreement with the Government of Quebec, which was concluded in December 1982. The agreement was broken, however, and now both levels of Government are pursuing their own objectives, and in the riding of Lotbinière we were able to get $1.5 million—in other words, people presented projects and job creation was the result.

The important thing was that these programs such as NEED and Canada Works were made available to the private sector in order to stimulate employment. When an employer in the private sector hires a person who is in a job creation program, he may, if he is satisfied, decide to employ that person on a permanent basis, thus possibly taking someone off the welfare rolls or off unemployment insurance. As I said earlier, economic activity stimulated by the Government has an impact on employment. When, with the incentives made

available to them by the Government, employers are employing people who had left the labour market, these programmes, for instance in the riding of Lotbinière, are beneficial.

Through the Canada Community Development Projects for 1982-83, the riding of Lotbinière received over one million dollars. That year, as I said earlier, we were able to get $1.5 million under the NEED Program. For Summer Canada, we got nearly $200,000. The Canada Works budget for the riding of Lotbinière is one million dollars, and this year, Summer Canada will have a budget of $147,000.

Mr. Speaker, these are job creation programs, programs that provide incentives for employment. If we consider the entirely temporary aspect of summer job creation programs, the effect will, of course, be felt only over a short period, because students are concerned here.

But, Mr. Speaker, we do have to work if we are going to finance all those programs. It is important to set those funds aside as an incentive to encourage employers to hire those people. The Career Access Program, to which I referred earlier, is a commendable undertaking, and the Canada Manpower Centres in every riding are open to employers and people who want to submit their applications. All those job creation programs are designed to help the private sector hire young people and others who have been seeking employment unsuccessfully for weeks. Other programs are specifically open to women or the handicapped. I heard somebody on the other side say that we have been experiencing problems and running a huge deficit over the past 15 years as a result of the Government's massive intervention in the private sector. When it comes to providing incentives, this Government is just as concerned as the private sector. I do not think we have any lesson to learn from Members opposite, particularly not from the Official Opposition. There is no doubt that we have to co-operate with them, as we have been doing for many years, Mr. Speaker, and we have been working even closer together since the Budgets of April and February were brought down. Never before have we had as much consultation as has been the case since the current Minister of Finance came on the scene. There was some, but not that much with the private sector. What were the priorities of the private sector in terms of job creation and lower deficits? As I was saying at the outset of my remarks, some economists pointed out in April 1983 that perhaps the Government should not be overly concerned about the deficit, that it should offer incentives, stress the importance of job creation and realize that it was more urgent to turn the economy around without constantly worrying about the deficit and thus steer the country right out of the doldrums and the recession we were experiencing. That is exactly what happened. There are other economic sectors where program financing is needed, and that is why we have to seek borrowing authority regularly at the end of each fiscal year. Invariably, we hear the same arguments from Opposition Members who take us to task for financial mismanagement and urge us to slash expenditures here, there and everywhere.

Mr. Speaker, we simply cannot ignore the fact that these are hard times and that we must face up to the heavy financial commitments which those various programs entail. Should we tighten the purse strings of the Department of Regional Economic Expansion, even though that Department does make financial contributions to job creation programs? Should we reduce the funds earmarked for social programs or for the Guaranteed Income Supplement? Should we set less money aside for health insurance or post-secondary education which is financed by the Government to the tune of about 60 per cent? All those benefits are built into the system, people ask for them and want them maintained. I suggest that we must act responsibly and fill those needs, while at the same time providing financial incentives to create jobs and respond to the plight of the unemployed. And then, Mr. Speaker, the Government took the initiative of its 6 and 5 program. We said to the public sector: Listen, we have to face reality, we are going through an economic recession and the Government must be among those that set an example in terms of salary increases, we simply cannot afford to go beyond certain limits. After that, of course, we urged the private sector to adopt a similar approach. In my opinion, that policy had an extraordinary impact throughout the country. Some of the unions were perhaps reluctant at first, but then they wondered whether it would not be better to warn their members that the economic situation was bleak, that interest rates were quite high, and that they might be well advised to protect their jobs while waiting for an economic upturn and better prospects for income stabilization.

I believe that this fact was very readily accepted by the business community and the unions and in proof of this we have seen companies negotiate with their employees wage increases which allowed them to meet their obligations. This has been a period of co-operation and of increased awareness about existing conditions, and I believe that labour has now come a long way and seen the need to show some self-control and to be realistic considering existing economic conditions. I believe that labour has understood this very well. And when the Government decided to set an example in this area with respect to the implementation of its 6 and 5 policy, it was able to use some of the money thus saved to provide certain benefits for the vital sectors of our economy such as the building industry by offering purchasers of new or existing housing subsidies of up to $3,000 which were used to help create employment. People often say that when the building industry is in good health, so is the rest of the economy. I think that it was important to have such programs, Mr. Speaker. However, the incentives and assistance programs which we now have must be funded. As I was saying earlier, if we maintain these incentives and continue to create jobs, then the deficit will go

down. I therefore believe that the House should support this Bill and approve the borrowing authority requested by the Government.

The Acting Speaker (Mr. Guilbault): Are there any questions or comments?

• (1230)

[*English*]

Mr. Malone: Mr. Speaker, I have been listening to the Hon. Member's speech. I noted with some interest that he said one of the main reasons for the borrowing of money was the creation of work. He listed a number of programs, Canada Works, New Horizons, community development programs and so forth.

Bearing in mind that what we are doing now is talking about $29 billion, or a $102 billion deficit, does the Hon. Member not recognize that every time we borrow money of that kind we rob the borrowing market, which results in very stiff competition for the private sector? This causes pressure to increase both inflation and interest rates. In turn a negative impact on capital construction occurs in the private sector throughout the country and in fact it robs the country of jobs. While on the one hand the Hon. Member is trying to claim that you borrow money to create jobs, basically borrowing money destroys permanent job creation in the factories in favour of whitewashing local cemeteries. In other words, a job is created once and then destroyed thereafter.

[*Translation*]

Mr. Dubois: Mr. Speaker, I cannot agree with what the Hon. Member has said about the situation. The economists were saying after the April 1983 budget and also after last February's budget that the Government had to provide some incentives in spite of the deficit. This is what has been done since April 1983, and, whatever the Hon. Member might say, the rate of inflation has gone down considerably from between 10 and 11 per cent to about 6 per cent. It has fluctuated from one month to the next. While the Government made use of the borrowing authority which was approved last year, the inflation rate has gone down, incentives have been provided to create jobs and labour demands for wage increases have been reasonable. This is because, whatever the Hon. Member may say, there has prevailed a climate of confidence and it has been possible to lay some emphasis on job creation in the private sector with the assistance of the Government and because of all this the inflation rate has gone down and the economic activity has increased. When they saw that the economy was on the road to recovery, instead of keeping their money in the bank, Canadians began to reinvest in the economy in order to accelerate this recovery. As a consequence thereof, while many economists say that the deficit should be reduced, existing programs, in the areas of job creation, financial assistance and social legislation, for instance, must continue to be funded. If we had no unemployment insurance plan no social security programs, where would we be now, Mr. Speaker? Indeed, we have lived through the recent recession. Contrary to the Hon. Member's opinion, I believe that incentives, reasonable wage increases and job creation programs, have shown the general public that the Government wanted to co-operate with the private sector and that this did not stop the economy from recovering as everything proves it has been doing since last year.

I therefore believe that we must continue to honour our financial commitments and to do what we have been doing since October 1982, April 1983 and even June 1982 by way of the 6 and 5 program. This is why the budget brought down in February stated that the restrictions would be lifted but that wage increases would have to be reasonable. As concerns the confidence of Canadians and the fact that they were afraid that interest rates would increase, this is why, especially to help the building industry, the mortgage guarantee program was proposed. I believe that with programs and incentives such as those we shall be able to keep inflation at a reasonable level and continue to encourage people to invest in the Canadian economy and in their own businesses, because economic recovery is a worldwide phenomenon, and in this way, the Canadian people will continue to have their place in the sun.

• (1240)

[*English*]

Mr. Friesen: Mr. Speaker, I would like to ask the Hon. Member for Lotbinière (Mr. Dubois) a question. Later on, when this debate is finished, we will be voting to increase the public debt. By the time we accumulate all the votes we have passed over the years, the full public debt will be something like $140 billion to $150 billion.

Mr. Blenkarn: It will be $180 billion.

Mr. Friesen: My colleague tells me that it will be $180 billion. I suppose it would be all right for us to do that if in so doing we could in some way promise that we would pay it all off during our lifetime. The fact is, however, that we will not pay it off ourselves, we who are voting for it. Perhaps the greatest injustice we are doing is that we will pass on this debt on which we are voting to our children, our grandchildren and our great grandchildren. They will inherit our vote, what we are voting today. The children who will be born next year and in the next generation will immediately, with the first breath they take, be in debt $5,000 to $6,000.

Mr. Malone: By one government.

Mr. Friesen: Most of it done by one government. In all fairness, does he think that is right?

[*Translation*]

Mr. Dubois: Mr. Speaker, the best example of this is, having in mind the economy, if we refer to a small business or a farm ... Let us take the example of a farm. The Hon. Member wants to speak about farms! I could go on for quite a

while on the subject. We know what the situation is in Alberta and we know what the situation was under the Crow rate. The Hon. Member was certainly against its being changed! In fact, the purpose of this change was to increase the railroad capacity and to promote job creation. Let the Hon. Member for Crowfoot (Mr. Malone) raise the farm problem if he wants to!

Let us have an example, Mr. Speaker. We have a father operating a farm and increasing year after year its production capacity and improving its equipment, and everything that goes with farming operations. Unless he was born wealthy and has all the money he needs, he must borrow on the financial markets to be able to do all that. So he borrows to increase his production capacity and to purchase farm equipment. This increases the value of his farm. When he sells it to his son later in life, he must take these value increases into account, which means that the son who buys the farm must pay somewhat more. To reply more specifically to the question, I can say that all our general services and programs, at the post-secondary level, for instance, will produce assets, and while our children will inherit some indebtedness, if the economic situation continues to improve as it is now doing, the public debt will decrease accordingly. I am sure that, with all the facilities we have, with all our export and import programs, with the markets which we are developing through our industrial, business and job creation programs, our children will be able to face the future. We shall put at their disposal the ways and means of coping with American and European competition and of producing on our own markets, so that while we may have some debts, we shall also have the assets and the wealth to meet these debts. I have therefore no worries as far as the future generations are concerned, Mr. Speaker.

The Acting Speaker (Mr. Guilbault): This concludes the question period. Debate will now resume.

[*English*]

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, I am pleased to participate in the debate on Bill C-21, an Act to provide borrowing authority. In the Budget of February 15, the Minister of Finance (Mr. Lalonde) proposed expenditures of some $98 billion. The Minister projected borrowing requirements of $25.5 billion and a few days later the President of the Treasury Board (Mr. Gray) comes forward and asks for a borrowing authority of $29.5 billion, an additional $4 billion in less than three weeks. Like many Hon. Members on this side, I never cease to be amazed by the cynicism of the Liberal Government.

Why does the Minister ask for a borrowing authority for $29.5 billion rather than the $25.5 billion projected in the Budget? I think that begs some questions. Is the Budget some mere device rather than the primary economic document of the nation? Did the Minister suddenly discover that the Government needs an extra $4 billion? How will this $4 billion be used? Will it be used as petty cash for the Government? Is the Minister angling for a status like C. D. Howe had when he stated; "What's a mere billion"? The President of the Treasury Board wants $4 billion. Is he trying to attain a higher status?

As Members of Parliament we have the final responsibility for the administration of public funds. The amount is mind-boggling, almost $100 billion. My constituents understand the revenue side very well. They understand the tax structure and that Revenue Canada is very efficient in gathering tax moneys. A small business in my riding has found itself in difficulty because of a receivership. They are subcontractors who had amounts owing to them of somewhere in the neighbourhood of $80,000. They are unable to receive their moneys, but Revenue Canada is on top of them requesting their tax money. If they pursue this, this small cabinet business will have to close. That is the kind of tactic being used. This is what is happening to the small businessman.

• (1250)

What about the corporate structure, the large multinationals which are able to write off large amounts of tax? Canadians do not understand why the Government is asking for this $4 billion. Perhaps this money will be used to subsidize the transportation of western coal to eastern Canadian markets. Why not look at something like this? We have repeatedly asked this question in the House. Over 4,000 lakes in Ontario are dying because of the sulphuric acid in the air.

We import 16 million tons of dirty coal from the United States. This costs almost $1 billion a year. That dirty coal has a sulphur content 800 per cent higher than western Canadian coal. What is wrong with a program whereby the supplying province, the consuming province and the federal Government work together to create jobs in western Canadian coal fields, supplying central Canadian markets and stopping $1 billion from leaving this country each year as well as putting thousands of Canadians back to work?

Those are the kinds of programs we should be looking at. What does this Government do? It joins with the province in a project in northeast British Columbia which is costing billions of dollars. There is now a subsidy for the project. A study which has been conducted indicates that if that coal is shipped at less than $100 a ton, it will have to be subsidized. It is currently being sold at $84 a ton. Hundreds of miners are being laid off in southeastern British Columbia for short periods of time. We are vying for the same market, using taxpayers' dollars for a program that puts Canadians out of work in southeastern British Columbia. Does that make economic sense?

The Government asks for an additional $4 billion. It certainly will not get my consent for that kind of program. If the Government looks at something sensible that will create not only a clean environment but keep $1 billion a year from leaving the country and creates employment here, it will have my support.

My constituents are concerned about this $4 billion. Will it be used as another slush fund to elect Liberals? My constituents have difficulty with the gigantic tax expenditures mandated by this Government. Knock out a few of those tax expendi-

tures and the Government would not need this extra $4 billion. Why not drop the measure in the Budget that allows lawyers and doctors to pay less than their fair share of taxes as a result of RRSPs? Why not cap the amount Canadians can lock away tax-free in RRSPs? Why not start taxing corporations and banks at a level equal to what ordinary Canadians pay?

In the booklet *Budget in brief* there is reference to energy and resource taxes. It states that the incremental oil revenue tax will be deferred for an additional year, to June 1, 1985. This alone will save the oil companies $190 million. Our small business people and farmers are being pushed to the limit, going into bankruptcy right across this country, at the same time as we are giving the rich oil companies even bigger breaks. Through the Petroleum Incentives Program the Government will come up with as much as 93 cents on the dollar for exploration programs. Where, oh where, is it going to end? There is no commitment that Canadian products will be used or that Canadians will be hired, thereby alleviating our unemployment situation.

I also want to comment on the mortgage insurance program. What a scam this Government is putting forward! This mortgage insurance program will ensure that the banks get their interest rates. That is exactly what it will do. When you walk into the bank, the manager will say to you: "You are running pretty tight here; I do not think we would consider making this loan unless you have an insurance policy to ensure you can carry it through". Is that the kind of program we want? When the mortgage is due in three years, the interest rate may have gone up another 6 per cent or 7 per cent. This person would have to start again at that rate.

This program will only benefit the banks. If the mortgagor wants to sell his home, he will not be able to sell his insurance program, so up will go the interest rate. Who will buy at those kinds of interest rates? The Government knows that interest rates are going up yet it brings in this scam to cover up, telling the people not to worry, that they will be able to take out an insurance policy. What a joke!

I want to comment on the employment programs of this Government. It has a role to play and it must start playing it seriously, particularly in the area of technological change. In Japan it was found that there is a need to develop an early warning system in the form of flow of information about the planned introduction of new technologies. They have a program which studies the workplace to the year 1990. They have communications with their employees about their plans and programs, what they are doing in the workplace. They know the number of people who will be retiring and the replacements that will be needed. They are starting to train the replacements. Until we come up with that kind of program, we will have serious economic development programs. If we do not recognize that very soon, other countries will take over the major trade and we will be in an even more serious situation than we are today. It is unfortunate this Government uses patchwork programs, throwing money in any direction to try to carry it through so that it can be re-elected.

I want to refer for a moment to the comments made by the Hon. Member for St. John's West (Mr. Crosbie). He stated in Vancouver that if the Conservatives were in government, they would take a serious look at pensions and family allowances and possibly at bringing back the means test. I hope they never get in government if they are looking at those kinds of policies. I hope this Government will recognize that the B.C. Conservatives have taken over the government of that province, whether they call themselves Social Crediters or Conservatives. They are cutting education programs. Busloads of secondary school children have to travel 35 kilometres to school. Classrooms are being closed and they are being bussed to other areas. That is a shame. It should not happen with the resources that we have and it can only be related to the mismanagement of the Government of Canada.

Mr. McRae: May I ask a question?

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order, please! It being one o'clock, I do now leave the chair until 2 p.m.

At one o'clock, the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

AGRICULTURE

INCREASE IN FARM BANKRUPTCIES

Mr. Bud Bradley (Haldimand-Norfolk): Mr. Speaker, government Members continually say that we are in a recovery period. If it is judged by the fact that there were fewer personal and business bankruptcies in the first two months of 1984, I grant some substance to that statement. However, based upon those same figures, the agriculture industry remains in recession, or rather, in a depression. In January and February of this year 114 Canadian farmers declared bankruptcy, 58 per cent higher than in the same period last year. That does not include what I am sure would be an equal number of farmers who voluntarily liquidated and sold out.

The Government continually refuses to recognize this problem. Canadian farmers are in trouble. The Government continually refuses requests for emergency funds, implementation of agri-bonds, more Farm Credit Corporation dollars, lower interest rates, and reduction of energy taxes. It has turned its back on farmers all too often.

It is time government Members paid attention. What has to happen before they wake up? It is time for the Minister of

Agriculture (Mr. Whelan) to get the Government to do something realistic, or he should resign.

* * *

[*Translation*]

FISHERIES

MAGDALEN ISLANDS SEAL HUNT

Mr. Rémi Bujold (Bonaventure-Îles-de-la-Madeleine): Mr. Speaker, I want to tell the House how deeply I regret last weekend's events on the Magdalen Islands, which are part of my riding.

I cannot help condemning the members of the animal welfare group for their provocative actions. Seal hunting on the Magdalen Islands and elsewhere in Canada has taken place for several centuries and the people who take part in it do so in a humane fashion and always with the greatest concern for the welfare of the animals.

Moreover, Mr. Speaker, this hunt provides a great many people in my riding and elsewhere with additional incomes at a time of the year when unemployment is extremely high.

Finally, I am sorry that a number of seal hunt supporters of the Magdalen Islands caused damage, but I can understand their disappointment and frustration in the face of these provocative actions by individuals who are seeking to make names for themselves and promote their own personal interests.

* * *

[*English*]

POLITICAL PARTIES

SELECTION OF LIBERAL PARTY LEADERSHIP CONVENTION SITE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, Liberal members are like bottlecaps on an assembly line. Singular in purpose, they scour for power. Hour by hour, they drink and bathe in power. Who can tell, Sir, what happens to Liberal Members when they go walking in a snow storm? What destiny do they witness in a frozen sky? How badly does a winter blizzard numb their neurons?

Edmonton's Liberal alderman, Julian Kiniski, lobbied to encourage that Edmonton might host the upcoming Liberal leadership convention. That indeed was a laudable objective, for which I commend him highly. However, when Edmonton was not awarded the convention, he playacted animated anger, claiming that he had never been so furious in his life, and alleging that the reason Edmonton did not receive the convention was because the Leader of the Opposition (Mr. Mulroney) did not assure that the Government would not be defeated during the convention.

That was some ferocious blizzard within which Liberal Members took a walk which caused them to reason that, because of the over-population in China, the alfalfa production at the Prince Edward Island weather station will cause the Grand Canyon to fill with uranium and there will be nuclear war, and therefore high school will be let out early. That was some blizzard, Sir.

In the past when conventions have been held for the NDP or the Conservative Party, the Government, by tradition, has recessed the House. Are we to expect that it would forget to recess the House for its own convention? Does Kiniski and other Grits expect that Parliament would convene with no government Members present? Kiniski is naive. Such meetings do take place, but they are not called Parliament. That, Sir, is a caucus.

* * *

HOUSING

PROVINCE'S REFUSAL TO ALLOCATE NON-PROFIT HOUSING UNITS TO TORONTO

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, CMHC's federal allocation for public non-profit housing was announced in January. Under this important program Ontario gets 1,400 new housing units. However, the Province of Ontario which administers this program refuses to allocate any of these units to either Toronto or Metro Toronto. Furthermore, the provincial Minister of Housing, Claude Bennett, is using flippant and very political language to try to assure the people of Toronto and hide his personal indifference.

The reality behind this situation is quite a different story. Single parents, seniors, pensioners, disabled people, and low-income earners across the City of Toronto are being denied access to new housing. The long waiting lists in that city are getting even longer. Now the Government of Ontario, which has traditionally neglected its housing responsibilities, is offering not only financial neglect but adding to that a very serious geographic neglect.

In the biggest city in the country, public social housing is grinding to a halt. This is unconscionable. The Province of Ontario's Minister of Housing must be condemned for this insensitivity and his flippant arrogance.

* * *

EMPLOYMENT

CALL FOR NATIONAL JOB CREATION STRATEGY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, in Canada 85 per cent of the people work, and 15 per cent of the people do not work. This is unfair and is quietly killing those who do not work.

In the Province of British Columbia 25 per cent of the young people are unemployed. We will face a lost generation, and that is a tragedy. Unemployment is the major problem in Canada today, and I call for a national commitment to full employment. I call for jobs for all by 1989.

Now, more than ever, Canada needs new ideas. I propose that we take the $13 billion from unemployment insurance payments, the $8 billion which is given to the oil companies, tax those fat cat banks, and use that money to create a national job-creation strategy. We should begin by upgrading, not downgrading, our educational system, so that we have the finest in the world, and we should create jobs for all by 1990.

In 1960, Mr. Speaker, I remember John F. Kennedy saying that America would put a man on the moon by the end of the decade. Let us make a commitment to put all Canadians, especially young Canadians, back to work and have full employment by the end of the 1980s.

* * *

FINANCE

EXCHANGE VALUE OF DOLLAR

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, economic confidence in a nation is reflected by the value of its currency. The plunging Canadian dollar illustrates the lack of confidence which the market holds in the decaying Liberal Government and the lack-lustre quality of the various candidates seeking leadership of that sinking ship.

Exchange problems have been compounded by the amazing behaviour of the Minister of Finance (Mr. Lalonde). One day he does not care to what low levels the dollar sinks; the next, he instructs the Bank of Canada to buy Canadian dollars in any amount in order to camouflage the market response to his misguided policies. Tomorrow, as he again pirouettes with considerably less elegance, might I say, than his erstwhile leader, we face the inevitability of higher interest rates. The Canadian dollar will not cease its drift, nor will it stabilize, until the Canadian people have ousted the present Government and replaced it with a Conservative Government in which all can have confidence.

* * *

MEDICAL CARE

SUGGESTED ESTABLISHMENT OF MEDICAL INJURIES COMPENSATION BOARD

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, at a recent conference of the Canadian Institute of Law and Medicine, Justice Richard Holland suggested setting up a medical injuries compensation board which would eliminate the need for medical malpractice lawsuits. Under this scheme patients would recover damages based upon the extent of their injuries, rather than having to prove medical negligence in court in order to win a monetary award. I, too, see merit in this recommendation, in view of the rapidly escalating costs of medical malpractice insurance premiums which have come about as a result of many judgments exceeding $1 million in personal injury suits.

• (1410)

A second reason is the presumption of guilt stigma which is attached to members of the medical profession charged with malpractice, even if they are innocent. Malpractice litigation is now truly a growth industry as lawyers are more prone to take court action in malpractice suits. The Canadian Medical Association must consider these recommendations and explore their implementation through the justice departments of provincial legislatures.

* * *

CANADA POST CORPORATION

REMOVAL OF STREET LETTER BOXES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, for the past several weeks I have received many letters from concerned citizens in my riding of Timiskaming. The majority of these letters are from senior citizens who have written to me complaining about a relatively new Canada Post Corporation program involving the removal of street letter boxes.

In one particular area of Kirkland Lake a street box has been removed in the interests of post office efficiency and savings. However, what the post office does not seem to take into account when it removes these street boxes, are the hardships faced by senior citizens who used to rely on the corner box near their homes.

One lady wrote me and stated:

I am a woman, 76 years of age, and find it is hard, especially in the winter, to mail my letters, because I use a cane. I hate to ask anyone to go out of their way for me. I know there are a lot of elderly people in this district who write letters, so it must be a hardship for them to get their letters mailed.

Surely Canada Post, in its efforts to cut costs and increase efficiency, can retain a degree of compassion when implementing policies such as the street box removal plan. I urge the Minister responsible for Canada Post to ask the President of Canada Post to rethink his corporation's policy with respect to relocating street letter boxes. I urge Canada Post to consider the thousands of senior citizens in Timiskaming and throughout Canada who rely on the post office, and to reinstate street boxes in neighbourhoods where there is a high concentration of elderly people.

* * *

INCOME TAX

TAXATION OF WORKERS' COMPENSATION BENEFITS

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I rise on an important matter affecting those elderly Canadians who receive workers' compensation benefits following work place injuries. GIS benefits to the poorest elderly are being cut because the Government now treats these receipts as income rather than compensation.

This change was buried in an omnibus tax bill following the MacEachen and Lalonde Budgets, and slipped through almost

without notice. The change will mean more disabled workers are forced to subsist on incomes below the poverty line. The Government consistently refuses to increase old age pensions to eliminate poverty among the elderly, but must it begrudge the elderly the miserly sums they do receive? Why must benefits to the disabled be cut back?

This amendment is unwanted. Members on all sides have spoken against it. Even Revenue Canada, not noted for its generosity, has chosen to disregard the law and advises tax filers to ignore the change for most tax purposes.

We, in the New Democratic Party, call on the Government to table legislation immediately to ensure that GIS is not reduced by workers' compensation benefits. We are prepared to deal with such a bill as expeditiously as possible. One Minister has already advised the House that ministerial discussions on this matter are under way, but how long must the disabled suffer while the Ministers dither?

* * *

EMPLOYMENT

FUNDING SOUGHT FOR P.E.I. ELECTRO-MECHANICAL TECHNOLOGY PROGRAM

Mr. Mel Gass (Malpeque): Mr. Speaker, I would like to discuss an issue brought to my attention by the President of the Architects' Association of P.E.I., concerning funding for an electro-mechanical technology program for Holland College, the community college of Prince Edward Island.

Holland College has made application to receive funding through the Skills Growth Fund offered by the Department of Employment and Immigration. The program the community college wishes to develop includes computer aided drafting, design, and manufacturing.

I share the sentiments expressed by the President of the Architects' Association in that there is a need for the development of technological skills. In an attempt to alleviate the employment problems faced by our youth, it is necessary to provide exposure at post-secondary institutions to equipment which will help accelerate the growth of design and manufacturing sectors.

New advancements in technology will bring within the grasp of small businesses new markets within Canada as well as abroad, and provide employment growth. With increased emphasis placed on new technology, a strong demand for education and retraining of the work force is created. If we wish to keep abreast of this growth, we must provide the necessary tools, equipment, and programs, to train our young people properly and provide an on-hands learning experience to which students all across the country are entitled.

I urge the Minister of Employment and Immigration (Mr. Roberts) to support this worth-while project for the Province of Prince Edward Island as it is an investment which will pay dividends not only for P.E.I. but for all Canada.

THE ADMINISTRATION

CONDEMNATION OF GOVERNMENT POLICIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Liberals have lost all credibility. During the last 16 years the Grits have perpetrated policies upon the Canadian people resulting in one and a half million people being without work; a national debt which is 500 per cent higher than it was in 1968; thousands of farmers in a state of desperation, with 488 having gone bankrupt last year, and a program which will send most businesses in Banff into bankruptcy or receivership.

Now some of the Ministers are preaching solutions to the ruinous policies which they themselves imposed on the people. The Minister of State for Science and Technology (Mr. Johnston) even said: "These programs are not carved in stone. We have to look at them . . ." Well, let us look at the land rentals in Banff which are completely under the control of the Liberal Government. One business paid $300 in land rents in 1979. This was increased in 1980 to $10,536, an increase of 3,500 per cent. Another business paid $1,800 in 1979, and faced an increase of 1,600 per cent in 1980, to $28,842.

No business can raise its prices sufficiently to meet such gigantic increases, and the former Minister of the Environment who imposed the rents and the present Minister, refused to change them. Not carved in stone? Indeed! To re-elect the Grits would be like hiring the arsonist to put out the fire he started. Promises to change disastrous programs now, in a desperate attempt to stay in power, means nothing to the Canadian people who can no longer believe a word the Liberals say.

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INTEREST RATE LEVELS—GOVERNMENT POLICY INQUIRY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is directed to the Minister of Economic and Regional Development. The Government has allowed interest rates to climb about 1 per cent over the past three or four weeks. This would seem to me to be a totally inappropriate and wrong policy response at a time when unemployment is growing and when business investment, a part of our economy which is most affected adversely by high interest rates, is projected to have no growth at all in 1984. Could the Minister explain this irrational and inappropriate policy response?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, first of all, the Hon. Member knows very well that this is not a policy issue. This is an interest rate movement. There is no one on this side of the

House, and I would hope not on the other side of the House, who is promoting high interest rates.

Let us remember what we have been successful in doing in this country over the past year and how far we have brought inflation down during that period. The question of the Hon. Member is rather naive in suggesting there is some policy implication here. We all know the forces which work in terms of determining interest rates. We have had that painful experience. Let us make sure it does not happen again.

COMPARISON WITH UNITED STATES ECONOMY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, that is precisely the point I am making. Why is the Government allowing the interest rates to rise? I heard the Minister of Finance say that it is related to interest rates in the United States. However, the United States economy is strong. The Canadian economy is weak. Its unemployment rates are falling, ours is rising. Its business investment is rising to record levels; ours is flat. Its retail sales are up; ours are down.

It does not make any sense at all for us to have this situation in Canada where interest rates are allowed to rise. Is the Minister telling us there is no alternative, that the Government has no flexibility and no other options but simply to follow the policy of the United States lock-step, and watch our economy fall into the doldrums again?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Well, Mr. Speaker, this seems to take me back to debates which we have had across this floor over the last several years. We have debated the issue of interest rates and the forces which affect interest rates *ad nauseam*. We all know what kind of external pressures to which we are subject.

One thing we can do to improve our own interest rate situation, which we have done, is to control the rate of inflation. I know the Hon. Member would be the first to agree with that. We have gone a long way in that direction. Let us hope that that trend will continue and that we will keep pushing that inflation rate down. That is one thing, indeed, we can do, we have done, and will continue to do.

EFFECT OF GOVERNMENT BORROWING

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, I do not think the Hon. Member is paying attention to the debate which is going on today, which is on the borrowing requirement. Surely the Minister realizes that with a deficit of $30 billion or, if I might paraphrase something he said, "if the Government simply borrows and borrows", the result must inevitably be a weak dollar, or high interest rates, or a combination of both? Are we not seeing today the inevitable result of many years of excessive government borrowing and continuing government mismanagement? Is that not the reason why we have a weak dollar and the Government is being forced to let interest rates rise?

• (1420)

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): I think quite the contrary, Mr. Speaker. The Government's position on the deficit has been expressed many times by my colleague, the Minister of Finance. Everyone in the western world is concerned about deficits. The Americans are concerned about their deficits, as we are concerned about ours.

Mr. Wilson: They are doing something about it.

Mr. Johnston: That is exactly why the Minister of Finance took the position he did when he brought down his Budget. Those deficits have to be controlled and brought down in a measured way. We all know the impact of borrowing. We all know the more debt we have, the less funding is available to embark on those programs the Government would like to embark upon. The French, the British, and the Americans all kow that, and we certainly know it. That is precisely why the Minister of Finance is attempting to keep the deficit in line and reduce it over a period of years.

SIZE OF GOVERNMENT BORROWING

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Minister for Economic Development, who is supposed to be a voice of quiet intelligence in the Government. Now we can see that he is quiet.

The Minister said on March 9 that people have to understand that Governments simply cannot borrow and borrow. In view of the fact that this Government borrowed $101 billion in the last 11 years, and plans to borrow for deficits totalling $142 billion this year and in the next four years, what are people to understand from that—that this Government is composed completely of hypocrites who never do what they say should be done? Is that what they should understand?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): I do not know what kind of an outburst that was, Mr. Speaker. We all know that one cannot borrow, and borrow, and borrow; that is precisely the point the Minister of Finance made. We have come through the most difficult recession this country has known since the 1930s.

Mr. Wilson: Why was it difficult?

Mr. Johnston: We know the effect on the deficit of the automatic stabilizers in our system. The Minister of Finance is taking steps to ensure effectively continued and sustained economic growth, which is the best way of getting the deficit under control through revenues which will accrue as a result. Therefore I am not quite sure what the Hon. Member's point is. If he is decrying the size of the deficit, welcome to the club. We have all been concerned about the deficit. We are also concerned about the recession, and the programs which have been absolutely necessary to sustain Canadians through this

period. That is in large measure why the deficit is where it is today.

Mr. Crosbie: Mr. Speaker, I thought this putative leader had the answers. We certainly have not heard them today.

LEVEL OF JOB CREATION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, in an address called "New Financial Impediments to Economic Recovery", Mr. Mackness of the Bank of Nova Scotia points out that job creation, which was very rapid in the early stages of the Canadian recovery, has ground to a halt. Employment has increased at an annual rate of less than 1 per cent over the last six months compared to 5 per cent in the first eight months of recovery, and compared to U.S. job creation which is still surging ahead in excess of 5 per cent.

Why is it that in Canada our job creation is now less than 1 per cent in the last six months while in the U.S. it is 5 per cent? What policies does the Minister suggest which could bring us up at least to the level of the U.S.? What is he doing, rather than what is he saying?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): I wish I could do something for the Hon. Member who is wallowing in misery over there, Mr. Speaker.

Mr. Crosbie: It is the 1.5 million unemployed who are wallowing in misery.

Mr. Johnston: The fact is that this country has a record in job creation that is unexcelled.

Mr. Wilson: That is wrong.

Mr. Johnston: We knew, and everyone forecast, that the very strong recovery, which far exceeded everyone's expectations, would begin to slow down. I believe most economic indicators are indeed very promising. That Budget was designed effectively to stimulate the private sector and create jobs in small and medium sized businesses, where many, many thousands of jobs have been and will continue to be created. That is what the Budget is all about, and I hope the Hon. Member for St. John's West is around here to watch the results which are, frankly, extraordinary by international standards.

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MINES AND MINING

WESTERN CANADIAN COAL PRODUCTION

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, my question is directed to the Hon. Minister of Mines. Given the Government's concern over high unemployment and the weakness of the Canadian dollar due to capital outflow, and given the desire of all Canadians to reduce acid rain, can the Minister assure this House that, as a corrective measure addressing these problems, his Ministry has done its utmost to promote the use of high grade, low sulphur western Canadian coal which will create thousands of jobs, clean up the environment, and save $1 billion from leaving our country?

Hon. William Rompkey (Minister of State (Mines)): Mr. Speaker, not only are we concerned about western Canada coal, but I can tell the Hon. Member that we have a study under way in the Department on the use of non-ferrous smelters, and we hope to be making some further announcements about that in the near future. I have consulted with my colleagues, the Minister of the Environment and the Minister of Consumer and Corporate Affairs, and I can say we are very actively working in support of the Government's objective to deal with the problem of acid rain.

IMPORTATION OF UNITED STATES COAL

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, could the Minister then explain why, in 1983, central Canadian coal users continued importing 16 million tons of low-grade, high sulphur American coal, the use of which threatens some 48,000 lakes in Ontario? At the same time production in one of the richest deposits of high quality Canadian coal steadily declined, throwing men out of work and threatening the economic viability of western Canadian coal mines.

Hon. William Rompkey (Minister of State (Mines)): Mr. Speaker, I can point to a number of initiatives where we have assisted western coal in British Columbia. For example, the largest part of our trade with Korea is in coal, and it is growing rapidly. We are making every attempt to export Canadian coal, and I think it is showing some results.

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NATIONAL REVENUE

1981 AUDIT OF FISHERMEN'S EARNINGS

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is for the Minister of National Revenue. According to the report commissioned by his predecessor, the Rowe report, during the audit of fishermen in Canada in 1981 the average earnings of Newfoundland fishermen were $7,481, and in Prince Edward Island $8,752. The poverty line in Canada as defined by StatsCan is $9,300 for a family of four, or $11,400 for a family of six.

Why did the Government, specifically his Department, conduct an audit of a group of people whose earnings were below the poverty line?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I suggest the Hon. Member is looking at this issue from the wrong angle. The way he directed his question would seem to imply that legislations such as the Income Tax Act

which are Revenue Canada responsibilities should not apply to particular groups of individuals.

If the Hon. Member read the Rowe Report a little further, he would realize that Mr. Rowe indicated clearly that when penalties and fines are imposed following an audit, they are imposed in compliance with the legislation, and that when contributions are assessed, it is in conjunction with existing incomes. That is a truism. The figures which the Hon. Member has quoted, therefore, are average earnings and do not apply in all cases, which means that some individual earnings are higher, while some others are lower, and the tax rate for the former is greater than for the latter. His question, therefore, has nothing whatsoever to do with departmental responsibilities or the Income Tax legislation as it exists now.

• (1430)

[*English*]

Mr. McGrath: Mr. Speaker, judgement is the issue here. The Minister does not seem to be exercising that in his answer, and certainly not in his actions.

ROWE REPORT FINDINGS

Hon. James A. McGrath (St. John's East): Is the Minister trying to justify to the House and the country an audit of a group of people whose income is clearly below the poverty line, some of whom have had third party attachments on them for as much as 60 per cent of their gross incomes? The rationale for the audit in the first instance was because of a mistake made by the Government, namely, a ground fish subsidy of 2.5 cents per pound which was paid for four years by the Government, on which not T-4 slips were issued.

Given all those circumstances, and the fact that the Government has had this report for over two years, why was a stop not put to that disgraceful audit?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member knows perfectly well that when the report was published, the audit had been terminated. The Hon. Member knows that. Furthermore, he knows perfectly well that a . . . Mr. Speaker, instead of preparing the next question because he realizes his colleague does not know enough about the issue and that he has to tell him what to say, the Hon. Member should at least have the common decency to listen to the reply and show a little more intelligence in his understanding of the situation.

If assessments were made, this means that there was equivalent income. He is using an average figure as the basis for his claim that there should not be a tax audit. He knows perfectly well that this is a false premise.

[*English*]

DEPARTMENT'S POWERS

Mr. Chris Speyer (Cambridge): Mr. Speaker, my question is for the Minister of State for Finance. It has become crystal clear that the powers of search and seizure, the powers of collection, the powers of garnishee, and the powers of seizing people's bank accounts, are far out of control and in need of legislative change. If that was not clear, it has certainly become clear as a result of the 30 pages of the Rowe report which deal with the civil liberties of individuals.

Has the Minister read the report? What steps are going to be taken by the Government to correct this very serious problem? Does the Minister agree with the general principle that the Department of Revenue has far too many powers?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I have not read the report to which the Hon. Member refers. I shall do so at the first opportunity. I hope to be able to respond to him at that time.

NON-APPEARANCE OF OFFICIALS BEFORE CONSERVATIVE PARTY TASK FORCE HEARINGS

Mr. Chris Speyer (Cambridge): Mr. Speaker, my supplementary question is for the Minister of National Revenue. In a letter dated February 24 to the Member for Wellington-Dufferin-Simcoe the Minister gives reasons for the inability of his officials to testify. He says "the anonymity of public servants, and their political impartiality and loyalty" were at stake if they did testify. How does the Minister reconcile that reasoning with the fact that the Assistant Deputy Minister of Revenue for the western region appeared on *Cross Country Check-up* and gave a speech to the Chamber of Commerce where he made the most controversial of statements? Why can they appear on public radio and give speeches to Chambers of Commerce, and yet not speak to Members of Parliament?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member fails to see that he is daily undermining his own credibility by making statements that are based on pure fantasy.

First of all, he knows perfectly well that, provided Members of the Official Opposition and their caucus are prepared to observe the rules governing parliamentary activities, departmental officials are prepared to give briefings for the benefit of those members and to do so at any time. That is basically the point I made in the letter I sent to his colleague.

I may add that the Hon. Member and his colleagues are acting irresponsibly in making a political football of an issue as important as the administration of the Income Tax Act. They have made themselves unworthy of their privileges and rights by using the taxpayer to play their game of petty politics.

[*English*]

HOUSING

RESIDENTIAL MORTGAGE INTEREST RATES

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Minister responsible for housing. In his absence I will direct it to the Minister of State for Finance, if I can get his attention. My question has to do with the spectre of high mortgage interest rates which is once again coming to haunt Canadian home owners. I would like to remind the Minister and the Government that those interest rates rose to an appalling 23 per cent just three years ago and thousands of Canadians lost their homes. What has the Government in mind now to prevent those interest rates from soaring out of sight, causing thousands more Canadians to lose their homes?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, I do not share the view of the Hon. Member that there is any likelihood of mortgage interest rates soaring out of sight in the time ahead. On the contrary, indications within the Canadian economy with regard to long term interest rates remain favourable. The recent modest increase in mortgage rates is not, in my view, indicative of any trend contrary to that favourable long term trend which I have indicated.

In any event the Hon. Member should bear in mind that in the recent Budget we have provided for a mortgage rate protection program which will assure a mortgage holder that he or she will not again experience the type of mortgage rates which we had in Canada a year or two ago.

Mr. Blackburn: Mr. Speaker, the Minister's response reminds me exactly of what his predecessor said when mortgage interest rates were around 12 per cent or 13 per cent in 1980.

MORTGAGE INSURANCE SCHEME—AMOUNT OF PROTECTION FOR HOME OWNERS

Mr. Derek Blackburn (Brant): Mr. Speaker, I would like to quote Mr. Peter Carter of Royal Bank mortgage and consumer services. He said: "People will only start to claim under the insurance program when interest rates—God forbid—reach the levels of 1981 again". The Minister does not need to be reminded that at that time mortgage interest rates were 23 per cent.

Will the Minister acknowledge that if the interest rates rise by 3 per cent the home owner who has this insurance will still end up paying 75 per cent of the increased mortgage costs out of his own pocket? Will he also undertake to persuade the Minister of Finance that the only real protection for home buyers and home owners is to have the Government require that banks set aside a specific portion of their lending portfolios for mortgages, at long term stable interest rates?

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Member opposite must know that the real protection against higher mortgage rates in Canada is the reduction in the level of inflation in Canada. In recent months in Canada we have seen a sharp decline in wage rate levels. We have seen wage settlements. We have seen a rapid increase in productivity. We have seen a moderation in cost increases in industry. These are the real factors which create protection against higher mortgage interest rates in Canada.

The Member opposite must also realize that in the Budget we not only provided a mortgage protection plan, but we offered a mortgage-backed securities scheme which should also ameliorate the circumstances in the mortgage market generally, and contribute to a limitation on the rates of mortgage in the time ahead.

* * *

TOURISM

INDUSTRY DEFICIT—EFFECT ON EMPLOYMENT

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is directed to the Minister responsible for tourism. It is clear that the Liberal Government has neglected tourism over the past decade to the point that our tourist deficit has skyrocketed from a staggering $1.3 billion in 1982 to a record $2.1 billion in 1983. This has resulted in the incredible loss of 100,000 jobs last year alone. A lack of cost competitiveness in Canada is virtually pricing the tourism industry out of business, despite the low Canadian dollar vis-à-vis the American dollar. Can the Minister tell us what he is doing specifically to alleviate this very, very serious problem in our economy?

• (1440)

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, specifically, we recently launched a television campaign directed toward Canadians, encouraging them to vacation in Canada. I am sure many Members will have seen this campaign, and I think it will have a beneficial result.

In addition, we will be launching a major television campaign in April all across the northern tier of the United States that is within a one day's drive to Canada. I am sure we will see a real turnaround in terms of the number of American visitors who will be coming to Canada.

Mr. Jelinek: I did not know the Minister was that naive. Surely he knows, as John Lawson of TIAC pointed out, that this increase in the advertising budget of $22 million does not get to the root of the problem but simply brings the advertising budget back to what it was a decade ago.

AWARDING OF ADVERTISING CONTRACTS

Mr. Otto Jelinek (Halton): Mr. Speaker, will the Minister explain to the House and to Canadians generally why his Government has awarded advertising contracts exclusively to Liberal advertising agencies, namely, agencies which are part of Red Leaf Communications, headed by recently appointed Liberal Senator Jerry Grafstein? Justify this further porkbarrelling by the Liberal Government.

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, the advertising firms that will be carrying out these specific campaigns are firms that have done work for Tourism Canada for some years. They have done an excellent job. They made excellent presentations. We do not switch firms when they do an excellent job, and that is exactly what they have done.

* * *

FISHERIES

SEAL HUNT—REQUEST FOR BAN ON CLUBBING WHITE COAT PUPS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Minister of Fisheries and Oceans. As the Minister is aware, the fishing industry on the East and West Coasts, as well as in central Canada, is facing very serious marketing problems in the United Kingdom and the United States because of the seal issue. In view of the fact that the Newfoundland sealers decided last year not to hunt seal pups, and the sealers have again taken the same stand this year, backed up by the Newfoundland Government, will the federal Government, in the interest of protecting the over-all Canadian fishing industry, put a complete ban on the clubbing of white coat seal pups anywhere in Canada?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I would like to remind the Hon. Member that the House of Commons has, in several instances, unanimously passed resolutions defending our sealers in Arctic Canada, Labrador, northern Quebec, and the Magdalen Islands. They were passed unanimously by the House. I assume that this is still the position of his Party.

Second, I would like to remind the Hon. Member that we are not dealing with rational people on this issue. We are dealing with fanatics who have been spreading lies about our fishermen and our sealers. I would ask the Hon. Member to reflect on what would be the reaction of those fanatical people if you give in on something which they have already destroyed themselves and if we should go to the point of declaring something illegal that, at this moment, is not happening in Canada because they have destroyed the market for our fishermen.

Mr. Crouse: I would remind the Hon. Minister that this is the second year in which the Newfoundland fishermen have voluntarily withdrawn from the clubbing of white coats, and that we did support the position put forth a moment ago, as he stated. But times change. They will change after the next election. We are changing with the times.

REQUEST THAT MINISTER LAUNCH PUBLICITY CAMPAIGN

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, will the Minister, in conjunction with the External Affairs Department, establish a publicity campaign to inform the world that Canadians no longer engage in the clubbing of white coats, or seal pups, and will he inform the United Kingdom, and all the Europeans, at the same time that their fish quotas in Canadian waters will have to be reconsidered since each seal eats approximately a tonne and a half of fish per year?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I will certainly give serious consideration to all of the valuable suggestions of my hon. friend. On the other hand, I am happy to report to him that as of 2.45 p.m. today, the report that I have from my Department, which got in touch with every single important buyer of Canadian fish, is that not one of them will give into that blackmail because they realize that, if they give in on this issue, tomorrow there will be blackmail on the fur industry and other single issue causes, by people who are determined to blackmail. Last year they tried to destroy the market for the sealers and they did not succeed. This year they are trying to blackmail the fishermen. The buyers realize that if they give in to this group this year, next year it will be on another issue. It is in their own interest to resist any blackmail.

* * *

[*Translation*]

NATIONAL REVENUE

DECLARATION OF TIPS AS INCOME

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister of National Revenue. April 30 is fast approaching and workers getting tips are still facing the inequity of having to pay taxes on their total income while the Unemployment Insurance Commission is not collecting contributions accordingly. I know that the Minister had advised me to direct this question to the Minister of Finance, but in his absence, will the Minister of National Revenue tell us whether, in view of the date set for the filing of income tax returns, he has made any recommendations to correct this injustice, which he recognizes himself, and whether the Minister of Finance has responded favourably to suggestions for correcting it?

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Minister of Finance has not provided me with any answer because I did not ask him the question. However, I must remind the Hon. Member that, as far as the Department of National Revenue is concerned, the declaration of tips is the responsibility of the workers themselves. This means that, before their tax returns have been filed, we do not know in advance the amount of tips they will declare.

The Hon. Member is certainly referring to the proposal made by the Quebec Government and he knows how strongly this proposal is still being challenged.

REQUEST FOR EXPLANATION

Hon. Roch La Salle (Joliette): The Minister of National Revenue is aware that the Unemployment Insurance Commission regulations as applied by the Department of Employment are obviously being unfair considering the fact that the Department of Employment and Immigration is assessing the contributions of the worker who receives tips on the basis of his wages without his tips being taken into account.

The Minister is also aware that he is responsible for collecting the contributions and that many Canadians pay income tax without ever being entitled to the corresponding social benefit provided under the Unemployment Insurance Plan. The Minister is aware of all this and I would like him to explain why, since he is aware of this injustice, he has not already recommended and requested quite legitimately from his colleague that the situation be straightened out so that all these Canadians who pay taxes without being entitled to the corresponding benefit under this social program will be treated fairly.

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I do not see why the Hon. Member is asking me this question. The Minister of State for Finance, who represents the Minister of Finance, is in the House, as is the Minister of Manpower and Immigration, who is responsible for the administration of the Unemployment Insurance Act.

The Minister of Revenue has some responsibility in the administration of the Acts which, as the Hon. Member is well aware, deal with the Department of Finance and certain other departments. However, it is not up to the Minister of Revenue to propose changes to the legislation referred to by the Hon. Member.

* * *

[*English*]

FISHERIES

GREAT LAKES SPORTS FISHING—IMPORTANCE TO TOURIST INDUSTRY

Mr. Girve Fretz (Erie): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. It concerns the tourist industry and sports fishing. Has the Minister identified any new programs for the Great Lakes which would enhance sports fishing on the Great Lakes and thus assist the tourist industry?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, as the Hon. Member knows, the Department of Fisheries and Oceans works very closely with the provincial Government. Every time that we receive a request for co-operation with the provincial Government, we have a very close relationship. I will be very happy to entertain any suggestion from the Hon. Member.

● (1450)

MINISTER'S POSITION

Mr. Girve Fretz (Erie): Mr. Speaker, I would take it that the Minister's response is no. He has received a submission. Has he considered that submission? Can he identify any new programs that would enhance sports fishing on the Great Lakes?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I will take the question of the Hon. Member as notice.

* * *

NATIONAL REVENUE

RESPONSIBILITY FOR ISSUING THIRD PARTY DEMANDS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is for the Minister of National Revenue. Where is the final authority for third party demands when a person arrives at a bank with a briefcase full of blank third party demands, with the signature stamped on a third party demand, a fact which can be documented? Who ultimately is responsible for closing out these peoples' accounts when staff from Revenue Canada come and simply hand out stamped third party demands?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I find the Hon. Member's remarks rather blunt. I suggest that he should follow the advice I gave him recently. When he called my attention to a situation which is specific to his riding, I told him to contact his district officer, discuss the matter with him and obtain first-hand information.

On the other hand, if he is aware of some definite cases, it is his basic responsibility as a Member of Parliament to discuss the matter with the district officer who is responsible for administering the act and would remedy the situation.

If he is aware of definite cases and can refrain from making blunt statements, I would be willing to receive his representations and investigate the matter.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

AUTOMOBILE EMISSION HEARINGS—NON-APPEARANCE OF DEPARTMENTAL OFFICIALS

Hon. John A. Fraser (Vancouver South): Mr. Speaker, my question is for the Minister of Transport. Last week the acid rain subcommittee of this House met in Toronto to hear briefs concerning automobile emissions. Representatives of the Minister's Department were asked to appear and give their position with respect to present standards and possible changes. Nobody from the Department turned up. Nobody offered any apologies. The Committee of Members of the House of Com-

mons was treated with absolute contempt by the Minister's Department. Would the Minister like to explain why?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I would first like to clarify the remarks made by the Hon. Member. In fact there was a member of the Department of Transport at the hearings, as an observer. Second, I had communicated with the Chairman of the Committee at an earlier date indicating that we would not be in a position to appear before the committee until such time as we had an opportunity to examine the studies that were under preparation. These studies were tabled just last week. We will now undertake careful consideration of them and consult with the appropriate bodies, as both my colleague, the Minister of the Environment, and I indicated publicly. Certainly there was no intention to have any disrespect for the committee. I will be very happy to appear before the committee. We will when we have something to say and a position to put forward.

MINISTER'S ROLE

Hon. John A. Fraser (Vancouver South): Mr. Speaker, the Minister's servant who appeared was far too frightened to say a word.

Was it the Minister's direct instructions that kept anybody from his Department from coming before a parliamentary sub-committee of Members of the House of Commons? Most certainly we did not have any information that the Minister had declined to come or declined to have any of his people there, nor was any reason given. Why did the Minister allow a situation to exist where a House of Commons committee of Members of Parliament that asked for representatives of the Department to come before it was absolutely refused? Such conduct is absolutely contemptible.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I want to say to the Hon. Member for Vancouver South that I think he is jumping to conclusions. It may be the practice in his Party to let prejudice interfere with the facts. I prefer to make decisions based upon a proper examination of the studies that are available.

Mr. McDermid: It means you are running for the leadership.

Mr. Axworthy: It was certainly our intention, and it would be my intention very happily so, to appear before the Committee when we are in a position to do so. That means having the opportunity to see what the studies say and determine what kind of standards would be appropriate to alleviate the situation. That kind of message was communicated to the Chairman of the Committee.

NATIONAL DEFENCE

FRIGATE CONSTRUCTION PROGRAM CONTRACTS

Mr. John Gamble (York North): Mr. Speaker, my question is for the Minister of National Defence. When the Minister served in his former position with respect to the Canadian frigate program, he made a statement. It was contained in an announcement he made in June, 1983. He said that two-thirds of the contract, referring to the total frigate contract, would be supplied by Canadian firms. Now as the Minister for National Defence can he assure this House that of those contracts that have been let for the patrol frigate program fully two-thirds have been awarded to Canadian firms?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I can advise the hon. gentleman that, yes, we are meeting the target that had been set at the time the contract was signed. I might point out to the hon. gentleman that I was before the Standing Committee on External Affairs and National Defence this morning defending my Estimates. I would have liked to have discussed that issue with the hon. gentleman in the Committee. I do not have all the details, but I will be pleased to provide him with as many details as I possibly can, in another forum.

REQUEST THAT MINISTER TABLE LIST OF CONTRACTS

Mr. John Gamble (York North): Mr. Speaker, the Minister will know that the major contractor for this project is Saint John Shipbuilding which has as its U.S. partner Sperry Inc. It in turn has established a Canadian subsidiary by the name of Paramax Electronics Ltd., and in large measure it is responsible for determining the sub-contractors under the frigate program.

In the event the Minister is as sure as he has indicated here today that fully two-thirds of this contract will be awarded to Canadian firms, would he be prepared to table in the House a list of the contracts that have so far been awarded, along with the monetary value of the same?

Hon. J.-J. Blais (Minister of National Defence): Mr. Speaker, I would be pleased to look into that matter in order to respond positively to the hon. gentleman's representations. I might point out to him, though, that Paramax will have its sub-contractors and Saint John Shipbuilding will have its own sub-contractors, relating to their own specific areas of responsibility. Saint John Shipbuilding is the master of the total contract, but it deals basically with the ships and ship engineering, whereas Paramax deals with the weapons system and the integration thereof.

I will be pleased to provide the Hon. Member with as much information as can be made available, taking into account some commercial confidentialities that have to be maintained.

EMPLOYMENT

STATEMENT ATTRIBUTED TO MINISTER OF STATE FOR ECONOMIC AND REGIONAL DEVELOPMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of State for Economic and Regional Development. On the evening the Minister declared his Liberal leadership aspirations on *The Journal*, in answer to a question on a comparison between his views on the economy and the views of the Hon. Leader of the Conservative Party, he told Barbara Frum:

I suspect that on some of those questions there might be a coincidence of issues and values.

Does the Minister stand by that statement? Is that government policy? If he does stand by that, and we continue to have the situation where, by the Minister's own admission, the private sector is not creating the jobs, then how does he propose to create jobs for our unemployed youth today?

Mr. Malone: A paid political announcement.

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I would be happy to outline how I would propose to create jobs for the unemployed youth today. But as to the specific question with respect to the Leader of the Opposition, the difficulty I have, and the difficulty I had with Mrs. Frum's question, is that I really do not know what are the policies of the Leader of the Opposition. Hence, it made it somewhat difficult for me to determine whether or not there really was a coincidence of values, but I also added that perhaps he had read some of the speeches—mine and perhaps those of others—made on this side of the House, and was trying to develop some ideas based on them.

* * *

● (1500)

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF BRITISH PARLIAMENTARY DELEGATION

Mr. Speaker: May I draw the attention of the House to the presence in our gallery of four members of a British parliamentary delegation.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

REQUEST FOR COMMITMENT TO FULL EMPLOYMENT

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I do not want to let the Minister off the hook so easily. In my own province there is a 25 per cent unemployed rate among young people who have a feeling of hopelessness about the situation. Will the Minister commit himself and the Government to a program of full employment by 1989 for people in Canada? John F. Kennedy did it in 1960 when he said that the Americans would put a man on the moon by 1969. They did it. Is the Minister prepared to rise in his place and say to the young people of Canada: "We will give you hope and we will give you a commitment to full employment by 1989"?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I love targets; I believe in targets. I am also concerned, as has been demonstrated many times on this side of the House, about the plight of young people who are unemployed. Our answer to that is a strong, vigorous economy, with sustained growth for long-term, meaningful, permanent jobs—that is the way that problem is to be addressed—and also to ensure that people coming out of our educational system have sufficient skills and sufficient flexibility to be able to seize the opportunities which we see developing day after day. I know the Hon. Member for Vancouver-Kingsway has often mentioned the potential of those jobs, particularly in areas of advanced technologies, not only at the high-tech end but as applied to the traditional sectors. Let us put our shoulders to the wheel and ensure that those jobs are there and that people have the skills to fill those jobs.

* * *

[*Translation*]

HOUSE OF COMMONS

MOTION TO DESIGNATE MR. KNOWLES HONORARY OFFICER OF HOUSE

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, today, I am in the very fortunate position of having to move in this House a motion that has the unanimous support of all three Party Leaders, and it will come as no surprise to the House that this unanimity was easily achieved, since the motion concerns the future of the Hon. Member for Winnipeg North Centre (Mr. Knowles).

[*English*]

It is nearly 60 years since September, 1924 when Stanley Knowles, as he was then known, as a little boy came to visit Parliament for the first time. We now learn with regret, and at the same time relief, that he will not be running again. I say relief because I believe when the Hon. Member the other day referred to me he indicated that my own past and future were the subject of some apprehension. Nonetheless, we are learning with sadness that he will not be running again. We sought together for a way in which we might recognize not only his outstanding service but associate him in some way with the future workings and operation of this Chamber.

Therefore, after consultation with the Leader of the Opposition (Mr. Mulroney) and the Leader of the New Democratic Party (Mr. Broadbent), we agree that we should propose a motion which I will now move with their support. I am happy to see the Hon. Member wearing a rose.

Some Hon. Members: Hear, hear!

Mr. Trudeau: He indicated the other day when he was speaking to the announcement of my retiring that he remembered the past when I had shown some interest in his Party. I see a hopeful symbol from our side that in the future he may see an interest in our Party.

It gives me great pleasure to move, seconded by the Leader of the Opposition and by the Leader of the New Democratic Party:

That this House, desiring to record its deep appreciation of the distinguished and faithful service to Parliament and to Canada of the Honourable Stanley Knowles, P.C., B.A., B.D., LL.D., designate him, effective upon his retirement from his membership in the House, an honorary officer of the House of Commons with an entrée to the Chamber and a seat at the Table.

Some Hon. Members: Hear, hear!

Hon. Erik Nielsen (Yukon): Mr. Speaker, Winnipeg North Centre has gained lustre from the attainments of its extraordinary Member. It goes down with such ridings as Prince Albert, Mount Royal and Algoma East, which became household words because of the stature of those who represented them. If this were hockey, we would retire his riding—

Mr. Broadbent: Wishful thinking!

Mr. Nielsen: —like one retires the sweater of a Richard or a Gordie Howe. But in the hard arena of political life, one cannot retire a riding simply to honour a Member.

We have done the next best thing and, in an extraordinary parliamentary gesture—never before to my recollection has a sitting Member been distinguished by this sort of honour—expressing our rare affection for a man embodying the best qualities of parliamentary life, we are offering him a life membership in the institution which he has graced by his presence. Some time in the future, whenever he shall choose to avail himself of the privilege, the Table of this House shall become, for a time at least, a small corner of Winnipeg North Centre. We look forward to that experience, as I am sure does the Hon. Member whom we so justifiably honour in this fashion today.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it is with immense pleasure that I rise to second the motion moved by the Prime Minister (Mr. Trudeau) just a moment ago. The House is in the process of uniquely honouring a unique Canadian. Throughout his 38 years the Hon. Member for Winnipeg North Centre (Mr. Knowles) has graced the political process in our country, I think for two reasons. One is that he has been a man passionately committed in his political life, not simply to the abstract principles of social democracy, but to the details of reform for pensioners, to the details of reform for the poor, to the details of achieving equality for women. He has been a man who has seen that the parliamentary process is used, and passionately used, to bring about concrete change and improvement in the living conditions of ordinary people.

• (1510)

Second, and perhaps of greater importance in terms of the reason all Parties in the House are honouring him today, Stanley Knowles has seen the importance of the civilizing process of Parliament itself and has accepted this, I think more deeply than any other Member of Parliament during his time. He has well understood the unwritten rule of parliamentary democracy, which is that the deeply felt divisions that exist in society would be expressed violently ultimately if it were not for the civilizing process of parliamentary, democratic change. Throughout his life, Stanley Knowles has well understood that and has had that important lesson to teach the rest of us. His passionate commitment to the rules of this House has not been a fetish concern with irrelevant tradition. It has been a concern with the fundamentals of democratic change. That is what Stanley Knowles is all about.

On behalf of my colleagues, I thank the Prime Minister most directly for this initiative on his part. I was not able to be here about a week ago when other things were said about the Prime Minister's retirement. If I had been here, I would have made some deeply-felt, positive remarks about the Prime Minister. I would have been more sparing on those matters on which I disagree. I want to stress that this is an act of unqualified generosity on the part of the Prime Minister which has received the support which it ought to have from all Members of the House. For that I thank him on behalf of my colleagues.

I also want to refer to his observation that the man we are honouring today is wearing a rose. The Prime Minister suggested that, just as Stanley Knowles referred to the early days when the Prime Minister truly was a wise person, perhaps in his latter years Mr. Knowles had changed his political views. I simply want to say to the Prime Minister that Stanley is elderly, but he is not senile!

I conclude more graciously by once again saying thank you to Members of all other Parties in this House who have joined with us in honouring this truly distinguished Canadian.

Some Hon. Members: Hear, hear!

Hon. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I first wish to express pleasure in joining with the Prime Minister (Mr. Trudeau) in wearing a beautiful rose today. I may even take the opportunity to say that the rose I wear today was presented to me by a person who no doubt presents one to the Prime Minister from time to time, namely our very good friend Joyce Fairbairn.

Some Hon. Members: Hear, hear!

Mr. Knowles: I am happy to be associated with what was said about the Prime Minister on March 5. Of course, I am extremely grateful for the proposal he is making to the House at this time. I have to be careful not to make the kind of long speech we used to be able to make. However, let me say that it means a great deal to me that so many people are making kind

remarks about the job I am trying to do as a Member of Parliament.

Many people have written to me. What they have written has been very helpful. I am particularly grateful for the book about my life prepared by my good friend, Dr. Susan Mann Trofimenkoff. In addition, a very interesting book was prepared a few weeks ago by Dr. Gerry Harrop, formerly of Saskatchewan and now in Nova Scotia. In his book he describes my work with the phrase that I have been "an advocate of compassion". To have that suggested as a description of my work as a Member of Parliament means a great deal to me. Perhaps I should go on to say that if that is true, that there are some of us who work hard with compassion for the people of this country, I recommend that form of activity to another 50, 100 or more Members of Parliament. It is good for us as Members of Parliament to work for a better life for the people we represent.

Some Hon. Members: Hear, hear!

Mr. Knowles: I am, of course, extremely grateful for the suggestion made by the Prime Minister and others to try to give me a chance to live again. Members know of my difficulty after my years of hard work. I have damage to my brain because of a stroke I suffered, and the last two and a half years have been difficult for me. For the first year and a half I dared to hope that I could run again. However, when one tries to work with brain damage like this, one realizes there are some things one cannot do. Perhaps my troubles are more difficult than I realize with the speech I am making now!

Let me say that it helps a great deal when people are kind to me. I appreciate it. I thank the Prime Minister for the suggestion he has now made, namely that I have the opportunity after the next election to return here to the Table and be here from time to time. It will give me the feeling that I am still alive. I am still interested in the job I have done in past years. It means a great deal to me if I can report to my doctors that I am feeling a little better. Maybe I can say it is partly as a result of the proposal that has now been made by the Prime Minister.

Those must be my words. Perhaps I might say a word or two not normally permissible under the rules pertaining to speaking. I would like to conclude in this way: Pierre, I want to thank you so much for what you have done for me. You have given me a chance to live. I deeply appreciate it. I will try to do my best. Thank you ever so much.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Agreed.

Mr. Speaker: The motion is carried unanimously.

Motion (Mr. Trudeau) agreed to.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS—PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Doug Lewis (Simcoe North): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Public Accounts to which, pursuant to Standing Order 69(13), the committee requests a comprehensive response.

[*Translation*]

AGRICULTURE—PRESENTATION OF THIRD REPORT OF STANDING COMMITTEE

Mr. Claude Tessier (Mégantic-Compton-Stanstead): Mr. Speaker, I have the honour of tabling, in both official languages, the Third Report of the Standing Committee on Agriculture, on which I am once again privileged to serve as Chairman.

* * *

PUBLIC ACCOUNTS

TABLING OF DOCUMENT RESPECTING CANADAIR

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, under the provisions of Standing Order 46, I wish to table a document bearing the title: "Response of the Government to the Standing Committee on Public Accounts Report of November 17, 1983 with respect to Canadair Ltd."

* * *

● (1520)

[*English*]

CITIZENSHIP ACT

MEASURE TO AMEND

Mr. Donald W. Munro (Esquimalt-Saanich) moved for leave to introduce Bill C-227, an Act to amend the Citizenship Act.

He said: Mr. Speaker, the purpose of this amendment is to protect foreign-born Canadian citizens from the politically motivated administrative acts of some Iron Curtain countries, such as Czechoslovakia, whereby, before being granted a visa to visit their country of birth and their relatives still living there, these new Canadians are being required under duress to take an oath or some other declaration of allegiance to their native land. With the protection which this amendment offers, Iron Curtain countries will no longer be able to blackmail their erstwhile nationals into renewing their allegiance.

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

Order Paper Questions

[*Translation*]

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FIRST REPORT OF STANDING JOINT COMMITTEE

Mr. David Kilgour (Edmonton-Strathcona) moved:

That the first report of the Standing Joint Committee on Regulations and Other Statutory Instruments be now concurred in.

He said: I have had discussions with the other House leaders, Mr. Speaker, and I think I can say that we all support this motion. Even the Hon. Member for Edmonton East (Mr. Yurko) supports it.

Accordingly, would you kindly ask the House to put this motion to the vote?

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

Some Hon. Members: Agreed.

(Motion agreed to.)

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 321, 443, 444, 450, 487, 488, 557 and 577.

[*Text*]

ANSWER TO QUESTION NO. 234

Question No. 321—**Mrs. Cossitt:**

1. To the knowledge of the Government, what was the longest period that a question remained on the Order Paper unanswered after having been repeatedly asked in each new session of Parliament and in each new Parliament?

2. (a) Has question No. 234, on the subject of Air Canada passes and the Canadian Transport Commission, been on successive Order Papers for approximately seven and one-half years (b) to the knowledge of the Government, was it one of the longest-standing questions left unanswered to date and, if so, for what reasons?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): The information requested, if existing, might be available in the Index and Reference Branch of the House of Commons. See also Beauchesne's Parliamentary Rules and Forms, Fifth Edition, Citations 357 and 363.

MARITIMES FOREST RESEARCH CENTRE, FREDERICTON, N.B.

Question No. 443—**Mr. Howie:**

Is there a contemplated date for completion of the Maritimes Forest Research Centre at Fredericton, New Brunswick and, if so, what is it and what is the current estimated cost of the project?

Hon. Roméo LeBlanc (Minister of Public Works): The Maritimes Forest Research Centre is part of a program involving shared common facilities with three other establishments. The research facility portion of the complex is scheduled for completion in February, 1986, at a cost of $22.5 million.

CUTTING WOOD ON CROWN LANDS

Question No. 444—**Mr. Howie:**

Since January 1, 1983 were any new rules for cutting wood on Crown lands at the Acadia Forestry Station and Canadian Forces Base Gagetown implemented and, is allocation of such rights now made by tender?

Hon. Chas. L. Caccia (Minister of the Environment): Since April 1, 1983 all cutting of wood on Acadia Forestry Station has been done by timber sales agreements which are issued after tender. Prior to that time, cutting was done by timber permits which were issued following an application from an individual. Since April 1, 1983, all new cutting and clearing on the military manœuvre area of Canadian Forces Base Gagetown has been done by timber sales agreements issued after tender. On the remainder of the base, timber permits are still used for the sale of timber and are issued to traditional operators for cutting on their traditional cutting areas.

CANADA TOMORROW CONFERENCE

Question No. 450—**Mr. Howie:**

To date what was the total cost of the Canada Tomorrow Conference and what were its purposes and objectives and did it achieve them?

Mr. Rolland Dion (Parliamentary Secretary to Minister of State for Economic and Regional Development and Minister of State for Science and Technology): The Government of Canada sponsored the "Canada Tomorrow" Conference to begin a process of consultation among Canadians who are developing, implementing and being affected by technological change.

The total cost of expenditures and commitments related to the "Canada Tomorrow" Conference was $651,000. Included in the figure are preparation for the Conference, the commissioning of research papers, administration for the conference and the production of the Conference follow-up materials: a summary, to be made available to the general public; and, a record of proceedings, collection of commissioned papers and hour-long videotape summary, to be sold to interested parties.

The Conference was successful in defining the critical issues of technological change. It was the first Conference to feature such extensive participation from the different sectors and was the beginning of an ongoing process of exchange.

PURCHASE OF MINGAN ISLANDS, P.Q.

Question No. 487—**Mr. Howie:**

Did the Department of the Environment agree to purchase Mignon Island in the Province of Quebec and, if so (a) at what cost (b) for what purpose (c) on what date was the transaction completed?

Hon. Chas L. Caccia (Minister of the Environment): No. However, the Department of the Environment agreed to purchase the Mingan Islands in the Province of Quebec. (a) The cost was $5,000,000. (b) The purpose was to establish a national park. (c) The transaction was completed on July 8, 1983.

BANFF WATER SUPPLY SYSTEM

Question No. 488—**Mr. Howie:**

Did the Department of the Environment agree to assist the Banff water supply system and, if so, what was the cost of the assistance?

Hon. Chas. L. Caccia (Minister of the Environment): As owner of the Banff water supply system, the Department of the Environment is responsible for its funding. The current estimated cost of the funding is $3,800,000.

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 557—**Mr. Ogle:**

1. With reference to the annual report of the Canadian International Development Agency under "Special Contributions" did the Agency make such contributions to the International Atomic Energy Agency and, if so, did such contributions rise from nil three years ago to $400,000 in 1980-81 and to $520,000 in 1981-82?

2. For what purposes are these contributions used?

3. Are these contributions consistent with the Agency's mandate?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): 1. Canada along with other donor countries has been a member of the Technial Assistance and Co-operation Fund of the International Atomic Energy Agency (IAEA) since 1962. The Fund's mandate is to promote the transfer of theoretical and practical knowledge on the utilization of atomic energy for peaceful purposes and to assist developing countries in improving the efficiency and security of their activities in the atomic energy field. Particular fields of activity covered by projects administered by the Fund are general atomic energy development, nuclear physics, nuclear chemistry, prospecting, mining and processing of nuclear materials, nuclear engineering and technology, the application of isotopes and radiation in agriculture, medicine, biology, industry and hydrology and safety in nuclear energy.

In the statistical annex of CIDA's Annual Review 1981-82 the line "special contribution" is a mistake. Special contributions to the Technical Assistance and Co-operation Fund have not been made since 1978. However, a Canadian "special contribution" for technical assistance was given to the International Atomic Energy Agency (IAEA), an independent intergovernmental organization under the aegis of the United Nations, in the total amount of Canadian $300,000 payable in three equal installments, one in 1977 and two in 1978.

2. This "special contribution" was used to support several projects in developing countries in the fields of agriculture and medicine, these projects having been approved by the IAEA but for which no funds were available under the Agency's (i.e. IAEA) technical assistance program.

The amount of $ .32 million for 1979-80 shown in the Annual Review represents Canada's regular annual contribution to the Technical Assistance and Co-operation Fund of the IAEA. This figure should show on the above line "International Atomic Energy Agency" and in line with $ .40 million for 1980-81 and $ .52 million for 1981-82.

3. Membership in the Technical Assistance and Co-operation Fund of the International Atomic Energy Agency falls within CIDA's mandate to support multilateral technical co-operation efforts.

CANADA COUNCIL

Question No. 577—**Mr. Howie:**

1. In (a) the current fiscal year (b) each of the two preceding fiscal years, with respect to the Canada Council (i) what total amount was expended by the Council (ii) how many persons were employed by the Council (iii) what amount was expended for staff remuneration?

Hon. Francis Fox (Minister of Communications): I am informed by the Canada Council as follows:

	1983-84*	1982-83	1981-82
(i) Total expenditures	$77,405,000	$72,005,329	$62,828,982
(ii) Total person years	235	230	224
(iii) Staff remuneration:			
Salaries and wages	$ 7,171,000	$ 6,469,720	$ 6,009,387
Employee benefits	831,600	806,101	666,443
	$ 8,002,600	$ 7,275,821	$ 6,675,830

* Projected figures for current fiscal year

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: The Hon. Member for Crowfoot (Mr. Malone).

Mr. McRae: Mr. Speaker, I rise on a point of order. Just before the House adjourned at one o'clock, I had risen at the end of the speech made by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) to ask a question. I understand that he will accept questions and we have not had a 10-minute question period after his speech. I wonder if we could have that period before you recognize the next Hon. Member, Mr. Speaker.

Mr. Speaker: A 10-minute question and commentary period is allowed after the speech made by the Hon. Member for Kootenay East-Revelstoke (Mr. Parker). Does the Hon. Member for Crowfoot (Mr. Malone) agree to this provision?

Mr. Malone: Yes, Mr. Speaker.

Mr. McRae: Mr. Speaker, I was very interested in a number of points which the Hon. Member for Kootenay East-Revelstoke (Mr. Parker) made, but I am particularly interested in what he has said on other occasions as well dealing with moving coal that has very low sulphur content from the Kootenays, British Columbia and presumably Alberta to markets in eastern Canada for hydro purposes and the like. I am interested in those remarks for three reasons. The first reason I am interested in is that if we are to do something serious about acid rain, we will have to use the kind of coal to which the Hon. Member refers rather than the coal with high sulphur content which we are buying from the United States.

Second, I agree with the Hon. Member that the coal to which he refers is a Canadian product. If there is no great difference in cost, particularly when adding in the cost of reducing the sulphur content of the American coal to prevent acid rain, I would be very interested in seeing his coal brought to market in the east.

The third reason I am interested, and I must say this very strongly, is that we in Thunder Bay have developed a major coal terminal. If we were to move coal through that terminal the way I think we would, that coal terminal would become almost as large as the one in Vancouver. Certainly jobs on the railways in Atikokan, Thunder Bay and throughout the country would be created if this happened.

I think we on this side of the House are very interested in the kind of proposition made by the Hon. Member. I would ask him if he can give us a little more detail than he has furnished up to now regarding the expected costs of this operation, bearing in mind that some very large savings can be made, particularly in terms of environmental savings and savings through the creation of jobs. If those jobs are not created, we will have to use the UIC and other forms of federal assistance to support the people who will not have those jobs. If we can create more jobs, it will be a great advantage. I would ask the Hon. Member to give us a little more detail on this subject.

Mr. Parker: Mr. Speaker, I welcome the opportunity to answer the question put to me by the Hon. Member for Thunder Bay-Atikokan (Mr. McRae). There has been an extensive study done on this matter by the United Mine Workers of America, District No. 18, being the Submission on Canadian Use of Western Canada Coal of June 15, 1983. That study was presented to the Ministry of Transport which has been looking at it. From the information which was supplied to us through a conference of coal producers and others, that Department is looking at the possibility of a requirement for a subsidy in the neighbourhood of about $23 a tonne.

At the present time about three million or four million tonnes of western Canada coal is coming from Byron Creek and Alberta and going to Ontario. That coal is mainly being shipped to eastern Canada for blending in order to stop the kinds of things we are talking about with regard to acid rain. As the Hon. Member knows, we are shipping some coal from the west at the present time but another 16 million tonnes of coal with tremendously high sulphur content is coming in from the United States.

As the Hon. Member has stated, this scheme would do away with a large amount of unemployment. We would also have the opportunity of blending coal to meet the needs of Ontario Hydro and steel mills in Ontario. As well, we know at this time that some contracts contain minimum and maximum clauses, and even if we were dealing with the minimum clauses in those contracts, we could immediately begin, to ship in the neighbourhood of another five million tonnes of coal from western Canada, whether it be from British Columbia, Alberta or Saskatchewan.

Dealing with the specific questions asked with regard to acid rain, those answers are not available to us. We do know that it makes sense to deal with the cause rather than the effect of using dirty coal. As I suggested, the coal we are using produces sulphur emissions of 800 per cent whereas the coal in western Canada has a sulphur content of .05 per cent. The coal that is coming in from the Appalachians has a sulphur content of anywhere between 4 per cent and 5 per cent. The ramifications and opportunities are tremendous.

• (1530)

In the communities of the Kootenays and in Alberta resolutions were put before the committees requesting that a study be done on the cost of transporting this coal, and that the study look at the possibility of the cost being shared equally. If we are talking about a $23 subsidy on the transportation of coal, $7.50 would be charged to the consuming province, $7.50 would be charged to the producing province, and the third $7.50 would be charged to the federal Government, which would help to solve the acid rain problem. That is the kind of study we would like to see put forward. I hope I was able to answer the Hon. Member's question.

Mr. Deputy Speaker: Order, please. May I appeal to Hon. Members that they keep both their questions and their responses brief and to the point in keeping with the guidelines.

Mr. McRae: Mr. Speaker, I ask the Hon. Member if he could supply a copy to our office of that particular study which he appears to have in his hand. I would be very interested in receiving it. That is the United Mine Workers' study.

Mr. Parker: I would be very happy to do so.

Mr. Deputy Speaker: If there are no further questions, we will now proceed with debate. The Hon. Member for Dollard (Mr. Desmarais).

Mr. Malone: Mr. Speaker, I was recognized.

Mr. Deputy Speaker: Yes, the Chair realizes that Mr. Speaker did recognize the Hon. Member for Crowfoot (Mr. Malone). I had forgotten that. I do now recognize the Hon. Member for Crowfoot.

Mr. Arnold Malone (Crowfoot): Thank you, Mr. Speaker. The job of French translation and interpretation will be made much easier now if I can say something.

I would like to address the question of the borrowing in which our country has become involved by starting out with the perspective that this country is unique in the world. It ought not to have the economic problems it does. This is a resource-rich nation, one which has been blessed with virtually every resource one could possibly imagine. We are wanting in almost nothing. We have an educated population, we have standards of health, transportation and communication which should advance this nation very much into the forefront of the industrialized nations of the world. Yet, Sir, it is against this background that we recognize that Canada, with all of this enormous natural wealth, is borrowing at a rate parallel to that of Brazil, Mexico and other Latin American countries. Our debt, Sir, is one of the highest of the industrialized nations. We are a country which borrows, borrows and borrows.

In this particular Parliament, we have had presented to us Bill C-30 for $12 billion; Bill C-59 for $14 billion; Bill C-111 for $6.6 billion; Bill C-125 for $7 billion; Bill C-128 for $4 billion; Bill C-143 for $19 billion; Bill C-151 for $10.71 billion, and now we are debating Bill C-21 for the highest amount, that is, $29.55 billion. That is a total of $102 billion of borrowing in one Parliament. While I recognize that that amount is to be spread over a four-year period, the truth of the matter is that we are borrowing more in this particular Bill than the sum that made up the total budget of the Government when the present Prime Minister (Mr. Trudeau) came to power. We are borrowing more than double that amount.

Most people in the private sector of Canada are intuitively aware that borrowing is not automatically wrong. However, when we borrow for the purposes of making money it has much more credence than borrowing just for our common pleasure. It makes sense for a farmer to borrow to expand his land base or to buy machinery and for a store owner to borrow to expand his operation because they are borrowing on an economic principle, which is to make their equity grow.

This Government is now, Sir, borrowing to pay for the debt of its past borrowings. One-third of the tax dollars collected are used to pay the service of our national debt. Every time a taxpayer anywhere in Canada pays $3 to the Government of Canada, one of those dollars is used to pay interest on that accumulated borrowing. We have become a part of a treadmill of debt from which this Government has found no way to remove itself.

We are now some $180 billion in total debt as a nation. One of the difficulties, which I find, Sir, is that while the notion of democracy is something which is near and dear to the hearts of most Canadians, and while the concept of democracy implies that the people govern themselves, we are now dealing with numbers so large that on these issues the people, in essence, simply give up. They do not know what a billion dollars is and they do not know the implication of the increase from $15 billion of borrowing to $29.2 billion of borrowing. Therefore, in some attempt to simplify it, or at least to make it understandable, let me underline just how much a billion dollars is. A billion dollars means that if you spent $100 a minute for every minute of every hour for 24 hours a day for seven days a week, it would take you 19 years to spend a billion dollars. That, Sir, is the magnitude of that number.

Yet, Sir, Canada is locked in in an undisciplined way to the American economy following the difficulties here, which are also present in that nation. That nation has a debt which will approach $1.8 trillion by March of 1985. The amount is so staggering that people cannot use the latex of their minds to stretch around its circumference. But that debt, Sir, means that if $1,000 bills were stacked one on top of the other, it would make a column going up into the sky that is 120 miles high. As a Member of Parliament from Alberta, every time I fly between my constituency and Ottawa, I am flying at a height of approximately 40,000 feet. That seems to me like a long way up. Yet, that distance is just a little more than seven miles. If we ran into that column of the debt of the United States there would be still 117 miles of debt above us. All I can say is that we are dealing with numbers that are enormous in scope.

North America must get off the treadmill of borrowing, at least borrowing to the extent we are now. Generally speaking, we have taken the perspective that we can borrow in a healthy economy up to about 2 per cent of our Gross National Product. Canada today is borrowing between 5 per cent and 8 per cent of our Gross National Product. The ratio of debt to the strength of our economy is such that we are certainly extending ourselves beyond the capacity of our GNP to grow. That is the important fact to bear in mind, because when we borrow to improve our standard of living today, we are mortgaging the future of tomorrow's generation. If we borrow beyond the capacity of the Gross National Product to grow, future generations will be born with a debt. A new citizen born today inherits a debt of about $1,700 at the moment of birth. This treadmill must be broken, because this borrowing of $29 billion is such that it creates a real hardship for our citizens today and for those to come tomorrow.

• (1540)

A speaker from the Government side projected earlier today the view that the purpose of the borrowing was, to a large extent, to provide make-work projects through Canada Works,

New Horizons projects and community development programs, and is therefore justified. I suggest to him—I believe it was the Hon. Member for Lachine (Mr. Blaker)—that he read the latest issue of *Time Magazine*, that of March 5, 1984, which talks about the deficit and borrowing in the U.S. The simple conclusion one can draw from that article is that there are three specific areas in which borrowing does significant damage to a free enterprise economy: the effect on interest rates, employment and inflation.

We have to recognize that it is not only governments that borrow money. The private sector, farmers, fishermen, businessmen and manufacturers, all seek ways to increase their capital. However, when the Government goes to the market and asks for $29.2 billion, it has the effect of driving up interest rates for everyone else. That is precisely the situation we are in today. Interest rates, while lower than a year ago, are still artificially high, certainly when compared to the average over the past decade. The real creators of wealth, the private sector, are attempting to build their businesses and create jobs, but they cannot do that efficiently because the Government has taken all the cheap money for Government services, which is the least efficient use of capital. Because interest rates are up there has been a decrease, as the statistics show, in the establishment of new businesses, with a resulting negative impact on employment in Canada.

As I said earlier, Mr. Speaker, the Hon. Member across the way took the position that when the Government borrows money, we are able to supply make-work projects. I, like other Members, will apply for the money for make-work projects in my constituency when it is there, but I hope the day will soon arrive when we no longer have make-work projects, because it does not do us any good to pay a student to paint a hall somewhere after which he is out of work again. What we need to do is to build permanent factories, create permanent jobs, which in turn creates the wealth from which the Government collects tax dollars. That is the way you pay for the social needs of this country. We have to build a bigger pie.

I do not understand for a single moment how the little island of Japan, with a few resources such as fish, tin and nothing else except an educated people, has the second largest economy in the world. Sir, I started that sentence wrong. I said I do not know how. Well, I do know how. They do it through productivity; their people work. But what do we do here? We create every stumbling block you can imagine to discourage people from working. We put interest rates up so high that no one is going to borrow money to develop his business. We have Revenue Canada which acts as though it were the Gestapo, chasing people to try to gather the money for the Government of Canada to spend. When you see the frustration of constituents in trying to deal with the Government, trying to get through the red tape and inefficiencies, knowing that when they pay their taxes $1 in every $3 goes to pay for past borrowings, it is no wonder the economy is grinding down.

It makes you wonder what the Japanese would do if they ever got hold of this country. Here we are, Sir, blessed with an educated people, one third of the world's fresh water, tremendous natural resources, and we cannot put our act together. It seems to me the message is clear: there is something wrong with the Government because the management of this country is obviously faltering.

It would be interesting, Mr. Speaker, if we could get more Liberals to speak on this issue. We have $29 billion in borrowing authority being sought, and hardly any of them stand up to comment. To repeat, economists generally agree that we can safely borrow up to about 2 per cent of our Gross National Product. We can borrow more when we have an expanding GNP. But here we are hovering around 5 per cent to 8 per cent of the GNP and the money is not being used for productive purposes.

It behooves me to say we are on the Turner turnpike. It was the former Minister of Finance, John Turner, who started us on this road. He introduced the greatest spending of any Minister of Finance to that date in history. It was John Turner who gave us the largest debt we had until that time. It was his Budget which compelled succeeding Ministers of Finance to take the same road. Therefore, while there are those who would appreciate not having a Liberal leadership convention, who believe that John Turner should simply be anointed leader, the truth is that this country is in this desperate economic position because of John Turner. He started us down that road, and the Government has been going in that direction ever since. We have failed to pay our debts. As a nation, we believe falsely that the next generation could pick up this debt. Some day the pillars will crumble, the economy will collapse, and the future generation will have to pay the debt. People in private life recognize that.

● (1550)

Governments have two hopes. The first hope they have is that there will be a period of extended inflation. That is one way to cure a debt. Certainly it is an unsatisfactory hope to have. The other hope is that there will be a total collapse of the economy. I should add that there is a third hope, which is that the bills will be paid. In 16 years there has been no effort made by the Government to take the position of paying its bills. The debts continue to grow, and today we are just short of $200 billion in total accumulated debt.

I see you are giving me a high sign, Mr. Speaker. It would be most unfortunate if I were cut off now as I am not yet through the first two pages of my comments. I am just warming up to what the Government is doing to us. We must bear in mind that Canada is now one of the world's most indebted nations. We rank with Brazil and Mexico. We are indebted on a larger percentage of our total wealth than are most other nations in the world.

Earlier in my speech I said that by March of 1985 it is projected that the United States will have a debt of $1.8 trillion. That is a column of $1,000 bills 120 miles high. Members on the Government side may shrug and suggest that that is not the debt in Canada. There are well over 200 million people in the United States and only about 24 million in Canada. Canada's per capita debt is 50 per cent higher than

that in the United States. Based on a per citizen average, our debt is much higher than theirs.

I have caught sight of your signal, Mr. Speaker, and I will sit down soon. It is interesting that for four years the United States has made every effort possible to turn around its debt situation. That is largely a measure of the campaign which is going on now. My final comment is that Canada must get control of its debt. It must decrease the amount that it is borrowing, or an unnecessary peril will befall all of tomorrow's children of this great and blessed land. They should not have to bear that burden.

Mr. Ferguson: Mr. Speaker, I was very impressed with the opening comments of the Hon. Member for Crowfoot (Mr. Malone) when he stated that we are wanting in almost nothing. Those were his actual words. I agree that this is a great nation with a tremendous future, tremendous human and natural resources, good government, good social programs and a safety net put in place by a Liberal Government. We have a safety net for society for the difficult times brought on by a world recession, one which served us well prior to the recovery. To date it has produced something like 424,000 jobs in Canada.

Could the Member explain why, during the two years prior to the Diefenbaker years, the percentage of debt compared to the GNP was 2 per cent lower than in the Tory years and then dropped off dramatically in the later sixties? Even this year it is only 1 per cent above those Tory years of the late fifties and early sixties.

Mr. Malone: Mr. Speaker, neither the past nor past administrations are important. The economy is important and so is how wisely we steward that economy and how well we create jobs. Whatever the Hon. Member might be attempting to project, save the extreme world-wide recession of the 1930s, we have never had an unemployment situation in the country which matches the one we have now. Employment opportunities will be redressed when the private sector of the nation begins to put in place permanent, long-term jobs. That will only take place when we back away from government involvement in the private sector, when there is trust in Revenue Canada, and when the borrowing on the international markets is not competing to such a significant extent to drive interest rates up as to curtail the investments of the private sector and to hold down the opportunities of employment in the country.

I know the Hon. Member from his good constituency of Lambton-Middlesex (Mr. Ferguson). I believe he would be one of the first to recognize and admit outside the House that it is time we began to encourage efficiency and permanent employment by a stimulus of the private sector. That will come about, irrespective of what the past may have been, by Canada's addressing itself to a policy which recognizes that to be the engine of our economy and by attaching ourselves to a policy which makes us stronger and more economically independent of any one nation. Until that is done we will not be a leader as Japan and others have been able to be.

Mr. Taylor: Mr. Speaker, I would like to make a comment and then ask a question of my hon. friend and colleague. The Hon. Member mentioned that to repay the billions of dollars we are borrowing we are taking $1 out of every $3 collected. That is an excellent way to put it. Because of this we are unable to carry out some programs. We are unable to give women between 50 and 65 a decent living and we are allowing them to exist on welfare. This not only prevents us from doing certain things, but it requires the Government to do certain things.

I refer particularly to that excellent railway line between Dinosaur and Stettler which serves scores of farmers in a wonderful grain growing and cattle raising country. There is now talk of closing that railway and leaving those farmers with the enormous expense of having to travel extra miles. This will ruin the lives they have planned for themselves.

If we are to get rid of this borrowing and live within our means does the Hon. Member think we would have to close excellent railway lines such as the one from Dinosaur to Stettler?

Mr. Malone: Mr. Speaker, I will go even further than my good friend and neighbour, the Hon. Member for Bow River (Mr. Taylor). I will say that the railway line ought to remain open from Dinosaur to Fertile junction. It serves 108 miles of line through 10 very vibrant communities. Should that railway line be abandoned, it will decrease the net income of more than 1,000 permit holders along that line. As their net income is decreased, so is their capacity to pay tax. It will add to their expense because they will then have to make long hauls. Some of those hauls will be in the neighbourhood of 50 to 55 miles from the more central points. When net incomes are decreased and less revenue comes to the Government of Canada the instinct of the Government is to borrow more money. This becomes a perpetual treadmill.

Obviously any railway has to stand on its own merit. There has been a rationalization across the Prairies of many of the old railway lines. I do not argue with that. In my riding there has been abandonment of more lines and miles of railway than in any other riding on the Prairies. In all probability it is a railway line that will become profitable by 1985 on the basis of the new rates, coupled with the new production of grain, which has been increasing at a rate of 40 per cent in the last five years. That amount will double in the next five years largely because of the new development with solonetzic soils in that area. I can document the fact on the basis of information from resource people in the area that, without equivocation, it will be a paying railway line that ought to stay in place. I say that it will make money for Canada, which will decrease our need to borrow. It is an excellent idea that the Hon. Member for Bow River but forward, and I appreciate it.

• (1600)

Mr. Parent: Mr. Speaker, perhaps I misunderstood what the Hon. Member said. We are dealing here with a principle. I believe he said that the Government should get out of the lives of businesses and let them do their work, which is creating jobs

and so on. What would the Hon. Member do about tax credits which are given to small and large businesses with regard to their capital costs? Would he also eliminate that type of subsidy, if you will, granted by the Government to business?

Mr. Malone: Mr. Speaker, the Hon. Member commenced by asking me the question on the basis of principle. I will first answer it on the basis of principle because it will be necessary to separate what I say from any specific case he may raise. The answer, purely on principle, would be yes. It would be necessary to get away from subsidies because, by their very nature, they create inefficiency. If he wants to extract that statement and use it against me in some future election, he can do so at the risk of breaching his own principle.

Let me go further and say that we all recognize that since certain regions of the country are more disadvantaged than others, there are systems which are put in place from the municipal to the federal level that do not simply take the bottom line into account. This is done because we care about people. Therefore, there are railway lines that extend to places that are not efficient. There are mines operating in places that are not efficient. However, when the question is asked purely on the basis of an economic principle, the answer is yes, let us not provide subsidies but, rather, let us make businesses stand on their own feet.

Mr. Deputy Speaker: Order. The time for questions and comments has expired.

Mr. Louis R. Desmarais (Dollard): Mr. Speaker, I would like to make one point with respect to Bill C-21, which deals with the borrowing authority of the Government. This entire debate relating to our borrowing authority boils down to one question: is the Government's approach to encouraging economic recovery the proper approach? In other words, from a global point of view, will the expenditures of the Government as provided for in the current Budget encourage the recovery of our economy? I believe that our Budget will lead to economic recovery.

There are various ways in which we can look at this problem. I find it far too easy to single out certain items in the Budget and indicate that they are not sufficient or wrong. It is far too easy for us to ignore the medium or long-term effects of the benefits of a Budget, particularly the one we are studying today.

Naturally, we are looking toward a reduction in our deficit, as is any Member of the Opposition. We would like to see the deficit eradicated as soon as possible. There is more than one way to approach this problem. One approach is to slash expenditures and cut various programs, with the eventual hope of arriving at a balanced set of books. We do not believe in that approach. We believe that the only way to balance our Budget is by improving the productivity of the country to the point where revenues will increase in an amount sufficient to meet our expenditures. Increased productivity is also necessary in order to improve our competitive position in the world. We face problems if we cannot sell our products around the world.

The main purpose of our Budget is to increase productivity. We intend to do this by proposing several measures. First, we will attempt to simplify the tax system. As Hon. members are aware, that system has become so complicated that even our expert tax lawyers will no longer give an opinion on it. Second, we will attempt to initiate steps that will increase confidence in the country, including that of the private sector and of investors whom we will try to entice to Canada. At the same time we want to establish some confidence in the workers of the country. In that respect we will improve our pension system.

One of my objectives when I came here five years ago was to examine the possibility of improving the lot of Canadians over the long term. I recognized full well that we had become far too dependent on the state and that this could not continue over the long term.

I am very proud to have served as vice-chairman on the task force on pension reform, and am deeply grateful to the Government for accepting our recommendations, which will help Canadians to help themselves. They provide the means and the mechanism by which Canadians can look after their own problems in old age. In the next ten or twenty years I think the items contained in the Budget with respect to pension reform will be of great, great benefit to this country.

By encouraging our youth, which we are doing through measures in the Budget, I think we are at the same time improving productivity. By increasing the security we are offering to home owners through an insurance scheme which will guarantee interest rates that home owners will be paying we are increasing confidence and productivity.

• (1610)

Some of our sales tax changes will improve the climate for business. We are proposing some tax assistance for employee profit participation plans, which is another way of improving productivity. We are proposing tax assistance for employee stock option plans, which is yet another improvement to productivity.

In short, the fact that the debate has come this far is testimony that Members opposite, to my mind, have either not read the Budget or, if they have, have not understood it. I think that because we are asking for borrowing authority based on a Budget which is reasonable and predicated on arriving at the same end as that proposed by Members opposite, it is a waste of time to discuss the amounts involved in it, because these have nothing to do with what will be spent. That will come through in the Estimates. I rest my case, Mr. Speaker.

Mr. Malone: Mr. Speaker, I have only one question for the Hon. Member for Dollard (Mr. Desmarais). I noted with some interest, a reference he made, I presume, to himself and to his Party. This is as close to a direct quote. I believe he said "We, just as much as anybody in the Opposition, want the deficit decreased."

In light of that statement, why is it that during every fiscal year borrowing has increased save in 1979 when the Conserva-

tive Party was in power? Why is it that each year the amount has increased, if we are to believe that Members opposite as much as anyone else want the debt to decrease?

Mr. Desmarais: Mr. Speaker, I think the question put by the Hon. Member for Crowfoot (Mr. Malone) has to be taken in relative terms. When he says that the deficit has increased every year, I do not think he is correct. In some years, for instance in 1979, 1980 or 1981, it decreased as a percentage of the Gross National Product. I think the deficit has been increasing since then because of the recession we have been through. There is nothing wrong with that. Governments are there for that purpose. I do not think the Hon. Member is correct in saying that the deficit has increased year by year without fail.

Mr. Ferguson: Mr. Speaker, the Hon. Member spoke about increased productivity. We have had an excellent record of job creation since the recovery began. Has this job creation reflected on export surpluses? Is there any trend toward increased exports in 1984, bearing in mind that there has been a dramatic increase in permanent job creation and in increased productivity?

Mr. Desmarais: Mr. Speaker, unless I am mistaken I believe the December figures show that our trade surplus was of the order of $2 billion, which is the highest figure in history for any given month. That very clearly equates to jobs and it is an achievement we have to keep up. That is really what I think our Budget is doing. It is essential and very important that we continue to create jobs. I see the Hon. Member for Crowfoot has another question.

Mr. Shields: Mr. Speaker, I have a question for the Hon. Member for Dollard (Mr. Desmarais). He just indicated that the surplus was $2 billion for exports. Does he have any idea how much of that is attributed to the export of heavy oil to the United States because Canada does not have the refining capacity for heavy oil?

Possibly while the Hon. Member is on his feet, could he also indicate to us why it is that in Canada there has not been the up-turn with regard to the creation of jobs that there has been in the United States and that Canada's unemployment figures are still rising? We have still not replaced the jobs we lost in the early part of the depression that we have just experienced.

Mr. Desmarais: Mr. Speaker, I do not have the answer to the first part of the Hon. Member's question. I do not know how much heavy oil was included in export sales to the United States.

As to the second part of his question, my information is that we have created some 440,000 jobs in the last year. However, our work force is increasing at a faster rate than we are creating jobs. But we are proposing to create 1.5 million jobs within the next six or seven years. Hopefully, that will bring unemployment down to a level which is more respectable.

Mr. Shields: Mr. Speaker, If there are 1.5 million people unemployed today, and taking into account the number of young people entering the labour force each year, amounting to close to 300,000 to 400,000, if we are going to create 1.5 million jobs in the next six or seven years, that would indicate, would it not, that we will have higher unemployment at the end of seven years than we have today?

Mr. Desmarais: Mr. Speaker, my recollection is that the percentage of unemployment in the year 1987 will be something like 8 per cent, compared with 11 per cent or 12 per cent today. I am not sure that the figure of 400,000 youth, which the Hon. Member says is entering the labour force each year, is correct. If it is, it means we will be creating more than that many jobs each year.

Mr. Malone: Mr. Speaker, I am tempted to say that I have just one more question, but I have already said that and then changed my mind.

I have a question for the Hon. Member, who is attempting to defend the Government's borrowing, and I give him credit for that attempt. How does he justify or what does he presume is the reason that the per capita debt in Canada in 50 per cent larger than that in the United States?

Mr. Desmarais: Mr. Speaker, I am not sure that we are not comparing apples with oranges. The manner in which they calculate the debt in the United States may not be at all the way in which we calculate it here in Canada. I would like to get a little more advice on that subject before I answer the Hon. Member's question.

• (1620)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen)—Emergency Measures—Ministerial power to establish civilian internment camps. (b) Position of Minister of Justice; the Hon. Member for Vancouver East (Ms. Mitchell)—Immigration—Head tax imposed on Chinese immigrants. (b) Request that Government pay compensation; the Hon. Member for Kootenay East-Revelstoke (Mr. Parker)—Canadian Pacific Railway—Working conditions of employees at Cranbrook, B.C.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, here we go again! For the eighth time since the last election the Government is before Parliament asking for more borrowing authority. This time the borrowing Bill is the largest in Canadian history. Just a moment ago the Hon. Member opposite asked if they were not doing something right. They are doing everything wrong.

In the first session of this Parliament the Government came to us seven times for additional borrowing authority. That is truly a remarkable record of fiscal management, accountability and responsibility.

On May 10, 1983, during debate on the last borrowing Bill I noted that the Government had approached the House only three weeks after bringing in a Budget which added $31 billion to our existing gross national debt of a staggering, and I say staggering, $134 billion. With this Bill it wants to increase that burden by an additional $14.7 billion. As I said, here we go again! Three weeks after the Budget, the Government is seeking to borrow an amount which is almost equal to the entire gross debt of $31 billion when the present Prime Minister (Mr. Trudeau) took office. Now the Government wants $29.55 billion.

This borrowing should be exactly halved to make any sense whatsoever. It should be no more than $15 billion. Right now there is $5 billion in their till. It is more than enough to take these wastrels to November 1 at least. What an accomplishment this Government has! What a legacy the Prime Minister leaves to his successor, to all Canadians and to our future generations! Our children are buried in debt, inundated. That is what it is all about.

As I said, the Government does not really need the money because a new Government Leader, unfortunately a Liberal, will take office shortly after June 17, and this Government's Budget will no longer be the Budget of the Government. Leadership candidates in Liberal ranks are already making statements about government waste and profligacy. The two of them walked right into that trap the other morning. We heard the Hon. Member for St. John's West (Mr. Crosbie) take them apart inch by inch and piece by piece. The Minister of Justice (Mr. MacGuigan), of all people, said that the Government's response to problems was to throw money at them. The Minister of State for Economic and Regional Development (Mr. Johnston) questioned universal programs. It was not us, it was the Government. We are the Party of free enterprise with a social conscience.

What could happen to the country? The new leader could go to the people in August, which of course would mean the election of a new Progressive Conservative Government. Or he could wait, prevaricate and finally go in 1985, and obviously the new Leader would not need money then because he would have to bring in a new budget anyway. The most we on this side of the House could countenance is $15 billion.

Bill C-21 provides the authority to borrow up to an additional $29.55 billion. Of the $29.6 billion projected deficit, only $25.55 billion must be borrowed, after taking into account non-budgetary sources of $4.05 billion. It was not long ago that C. D. Howe said, "What is a million?" The new C. D. Howe of this era is P. E. "What's a Billion" Prime Minister. What is a billion? the Hon. Member for Crowfoot (Mr. Malone) gave his definition of it. I should like to give a few examples to Canadians as well in terms that even a Prime Minister with no interest in economics whatsoever could understand.

A billion minutes ago Christ was walking on earth. A billion hours ago our ancestors lived in caves. A billion dollars ago was last week in terms of the way the Government sees things. What about $31.5 billion? Laid end to end in a line, that many dollar bills would stretch for three billion miles, or the equivalent of 304 round trips on the Trans-Canada Highway, or six round trips to the moon. On the other hand, 31.5 billion one dollar bills, stacked one on top of the other, would reach a height of 108 miles. Stacked separately, the Government could put 317 piles of dollar bills as high as the CN Tower in various cities and towns across Canada. Simcoe South could use one of those piles because it did not receive a cent from the Special Employment Initiatives Program, the slush fund of the Liberal Party. This is probably why the Government wants those extra $15 billion to $19 billion. All these towers could stand as monuments to Liberal fiscal irresponsibility. The House does not have to take my word for it. Hon. Members just have to read the reports of the Auditor General over the years of uncontrolled, runaway, profligate spending by the people across the aisle.

Bill C-21 is just another indication that the Government has given up on the concept of accountability. It needs no more than $15 billion, and it throws a red herring at us of $29.55 billion, part of a so-called $4 billion contingency fund. We are not told how this money will be spent. Will it be for one of those job-creation programs, which in reality is a job-replacement program? Will it be for another local initiatives program where every Liberal riding gets another poke at $500,000? The cracks are widening across the way. The Government would like to show us as being opposed to social programs when in reality we are the champions of them.

We are considering the largest borrowing Bill in the history of the country. The requirements in the Bill are equal to 91 per cent of forecast personal savings this year. The cupboards will be bare when the private sector comes looking for funds to expand, invest and create new jobs. We will be so poor if we let them go at it one more time that we will not be able to raise

umbrellas. One more go with this outfit, and I just do not know what will happen to our wonderful country of Canada.

Even this is not the total picture. The phalanx of Crown corporations do not require special authority from Parliament to raise funds in financial markets, nor must they tell Parliament what their financial requirements will be. Deficit financing is the legacy of the present Prime Minister's Government.

The Hon. Member for Ottawa Centre (Mr. Evans) stated the Liberal position quite clearly on February 22, 1983, long before we were thinking about this debate, when he told the House that "a deficit is no more and no less than an increase in future tax liabilities". He went on to say:

> The present economic situation being as it is, I believe that the best way to stimulate the economy and maintain the income support programs that are necessary in our economy is to use the deficit.

That is the philosophy of the Government. The Liberals have certainly used the deficit; however, the only thing that has been stimulated has been the deficit itself. By their policies our dollar is softer than pita bread dough.

As Hon. Members are aware, interest rates are now rising rapidly. Last week one-year Treasury bills moved from 10.44 per cent to 10.95 per cent, an increase of over 50 bases points or about one-half of one per cent. The present net federal debt matures within about 2.5 years and its essential following interest rate debt. The effect of last week's increase alone increased the cost of carrying the $150 billion net debt by $750 million. This "little" increase totally shattered the Budget of the Minister of Finance (Mr. Lalonde), in my opinion.

On a national accounts basis, spending has climbed from $12.6 billion in 1968, a year that I would like to forget, to an estimated $107.5 billion this year. That is an increase of 773 per cent. Most of that increase has occurred since the Liberals were re-elected in February 1980, believe it or not. Relative to fiscal 1979-80, spending has risen by 97 per cent on a national accounts basis. There has been 97 per cent increase in spending since that day in 1980 when the Prime Minister stated, "We will not allow the deficit to rise any higher from any new program we announce". Let us keep that high-sounding promise in mind as we review the situation today.

● (1630)

By the end of this fiscal year the gross debt will be $190 billion. It was $31 billion when the present Prime Minister took office. The net debt this year will be $150.7 billion compared with $17.7 billion in 1968. The Budget of three weeks ago will add $110.8 billion to the net debt over the next four years. Remember, we have an increase in excise tax coming in October. The net national debt will have quadrupled to $261.5 billion in only eight years. Is it any wonder they have no qualms about walking in here and asking for an extra measly $29.5 billion? Government spending is now 26 per cent of GNP. How silly can we get? The cost of servicing this shameful debt in fiscal 1983-84 is $18.1 billion, rising to $24.7 billion by 1988, an increase of 17 times the cost at the time when the Prime Minister took office.

In 1984-85, service costs will reach $20.4 billion, or $800 per capita, or $1,900 per taxpayer. As has been pointed out, this is double that in the United States. Is it any wonder that Revenue Canada must stoop to such depths to wring every dollar from Canadians and then some? The cases on my desk alone are horrifying.

The only difference between this Government and Jesse James is that the latter used a gun. People knew exactly what he wanted and how he planned to get it. With this Government, most Canadians do not have a clue where we are going or how we are going to pay the cost of getting there. As I said, this Bill does not tell us one thing about how the money will be spent.

The enormous cost of servicing the debt interferes with private sector borrowing. In the 1983 calendar year, federal Government borrowing accounted for 58 per cent of the net new security issues placed in Canada. This forces interest rates up for the private sector borrowers who must compete for what little is left after the Government gets its share. As long as this continues, there is no way that the private sector can bring about an enduring economic recovery. It is obvious that the Government cannot do it. The result is the economic quagmire in which we find ourselves.

In its submission to the Macdonald Commission on the economy, the Bank of Montreal points out the danger to private sector-lead growth stemming from the Government's deficit financing policy. It says that the most likely way to achieve higher rates of business investment over the medium term is to foster a decline in real rates of interest, a task that will be difficult to realize without a reduction in the federal Government's ever increasing claim on a limited pool of savings. It says also that without a reduction of the structural deficit, the resultant higher real rates could negate many of the tax incentives aimed at promoting business investment. John Bulloch of the CFIB pointed out another aspect of the problem in a speech last year when he said:

> We still have to face the fundamental fact that we are looking at core deficits in our society that cannot be financed unless we curb its costs. To try to tax people for that amount would blow us out of the water as an economic power in terms of competing with the United States.

Note the references to core and structural deficits. The huge debt has become a fact of economic life in Canada. It seems that these ever-increasing borrowing Bills are here to stay, at least until the next election. That is what 16 years of this Prime Minister's style of socialism has done for us, started by the man who has the desire to replace him. It is too late for a new Liberal leader to make any difference. What is needed is a new Progressive Conservative Government committed to reducing the deficit, getting spending under control and restoring confidence—a word that Members opposite do not know the meaning of—among the business community. In its 1983 year-end economic assessment, the Canadian Chamber of Commerce noted:

> In order to undertake long-term investment, business must be convinced that inflation and interest rates will not surge again. A clearly defined Government commitment to spending restraint and deficit reduction would go a long way

toward providing an economic environment conducive to long-term business investment.

What is happening? We are standing here criticizing $29.55 billion more, directly the opposite. This Government policy will heap abuse on our future generations. Business would be hard pressed to get a commitment from a Government that comes to Parliament seven times in one session looking for more and more money.

What are those programs doing? They are a disaster for the country. Nor does the investment community have much faith in a government that continues to live so far beyond its means. Everyone knows what happens to the neighbour down the street who does that. It does not take very long. We are lucky that it is not a lot worse. They do not want to hold the currency that continues to be debased by excessive government borrowing. Interest rates remain high as the Government attempts to support the dollar, driving job-creating capital investment elsewhere. If you do not believe me, look at some of the big corporations of Canada to see where they are putting the money. Where are the oil rigs, et cetera? This is the situation today because the Government has not balanced its books since fiscal 1969-70, and it shows no sign of doing so in the future.

In the past 20 years, as was pointed out by one of my colleagues, only the Crosbie Budget contained measures to reduce the deficit in a significant way. The Liberals, by contrast, cast money at every problem they encounter. What happened to the promise of no gasoline tax over 18 cents a gallon, and I say gallon? Canadair and de Havilland for example, have cost Canadian taxpayers $2.6 billion to date. That sum of money would have bailed out every small business that declared bankruptcy in 1982. It has been proven beyond doubt that in the past two years, only the small business sector has created jobs. They do not understand that because they have never been there.

Today the federal Government spends money at the rate of $274 million per day, $11 million per hour or $190,000 per minute. Just think of how much was spent during the time that the Prime Minister was walking through the snow last week. It is a safe bet that he was not contemplating the economic mess that he is leaving to his successor. If his successor is the one I am thinking about, he is the father of deficit financing in the Liberal Party. Woe to Canada if that should ever happen.

Perhaps he was thinking about Petro-Canada, which is yours, mine and ours, or about the National Energy Program, which western Canadians do not think of as theirs. Perhaps he was thinking of the state of affairs in the fisheries, now state-controlled, the seal hunt, or the forestry sector of the economy working at a little better than half speed.

Maybe he was wondering how he could throw more money at these problems since they do not want to go away on their own. Crown corporations are a crock of that well known stuff that you and I know all about. There is no cost control, no firings for inconsistency or incompetence. Never. Who in CIDA got fired over the project in Haiti with the $25 million waste? Was the Prime Minister considering his successes with VIA Rail, Canadair, de Havilland, Challenger, Maislin and Dome? How much does Dome Petroleum owe in back income taxes? What about the state of our Armed Forces and the reduction of our commitment to NATO? I will bet that no part of that $29.55 billion even crossed his mind in those years. I doubt he gave these problems much thought. They have never been a priority of this Government in the past. From 1980 until today, a period in which the Canadian economy has experienced the worst depression since the 1930s, the Prime Minister has been out of the country a total of 187 days. His salary and expenses are somewhere around $130,700 per annum. The cost to the Canadian taxpayer in salary alone is $66,946 for his absence, not to mention private jets, gifts, meals and so on. In the same time period, the President of the United States had been out of his country a total of 36 days. He is looking after the shop.

Mr. Tobin: He is on vacation in Florida.

Mr. Stewart: You had your chance yesterday. If you would stand sideways, I could see the people between your ears. Today the United States is showing a strong recovery while Canada lags far behind. Perhaps if the Prime Minister had given more of his time to pressing domestic matters and less to globe trotting, we would not be in the shape that we are in today. Perhaps the Government would not be before us seeking almost $30 billion to pay for the misguided policies of the past. I would like to equate them to that slippery slide to socialism. Those policies have resulted in Canada having one of the largest deficits in the western industrialized world, and only Italy will have a proportionately larger deficit than Canada in 1984.

● (1640)

I have a great deal more to say about the OECD and where we stand in the western world, Mr. Speaker, but I see that you are indicating that my time is up. All I can say is that I do not intend to support any action that will make more money available to Liberal slush funds, and I urge all Hon. Members with any backbone at all to stop this crazy deficit spending and send this Bill back to its creators with a hearty amen. Canadians expect more.

Mr. Tobin: Mr. Speaker, I have both a comment to make and a question to ask. While I have not been sitting in my place in the House for the whole of the Hon. Member's speech, I listened very carefully to the last part of his speech while watching the television in the lobby. I would like to make the comment that it is with a great deal of sadness that we listened to a Member opposite making a speech about the Budget and, in an apparent fishing expedition in his own mind, trying to find any and all ways of levelling criticism at the Government and the Prime Minister (Mr. Trudeau). It is sad that the Hon. Member should foolishly, I think, choose to describe as a waste of time and money the activities and the peace initiatives undertaken by the Prime Minister all around the world on behalf of all Canadians.

I might mention, Mr. Speaker, that the Prime Minister's peace initiative is one which has enjoyed the non-partisan support of the House. It is a peace initiative endorsed not only by Members on this side of the House unanimously but one which has been endorsed by Members of the NDP and endorsed quite strongly by the Hon. Member's own Leader, the Hon. Member for Central Nova (Mr. Mulroney). It is an initiative which has received the very strongest of all possible support from the former Prime Minister and former Leader of the Opposition, the Right Hon. Member for Yellowhead (Mr. Clark), who has said repeatedly these last few months that the initiative is one that he believes has been undertaken by the Prime Minister in the most sincere way possible, that it is an initiative of Canada and of all Canadians and is one which he says deserves the support of all Canadians. I was pleased to hear the new Leader of the Opposition, the Hon. Member for Central Nova, echo in the House and elsewhere in Canada those sentiments. My comment, Mr. Speaker—

Mr. Deputy Speaker: Order. I must—

Mr. Tobin: My question, Mr. Speaker, is—

Mr. Deputy Speaker: Order. The Hon. Member has made a comment. Again, I appeal to all Hon. Members in the House to make their questions or comments brief and to the point. The Hon. Member is going a little bit overboard in this case. Perhaps we should allow the Hon. Member for Simcoe South (Mr. Stewart) to respond, and if there is time, we will then return to the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Stewart: Thank you, Mr. Speaker. I will be very brief. Of all people, I do not think that the Hon. Member across the way should talk about a fishing expedition when he knows what has happened to the fishing industry in his province, when he knows how many unemployed there are in his province and when he knows that the only relief for those unemployed is the porkbarreling under the Local Employment Initiatives Program and a few other programs which have been implemented there for re-election purposes.

As far as the Prime Minister's peace initiative is concerned, I did not say one word against that and never would. I applaud the peace initiative taken by the Prime Minister. That has nothing to do with 187 days of travel. That peace initiative consisted of a few goods days well spent, and we still applaud it. I would like to say one thing to my hon. friend. If that initiative was so successful, why did the Prime Minister tender his resignation?

Mr. Tobin: Mr. Speaker, I was about to question the Hon. Member's integrity regarding this debate, but nothing I could say could more vividly exemplify his narrow partisanship than the kind of deficient answer he has given. I knew that the vision was narrow but I did not know that it could be focused on a pinpoint. Thank you, Mr. Speaker, for allowing me this chance to comment on that spurious attack on a great peace initiative.

The Acting Speaker (Mr. Herbert): I recognize the Hon. Member for Mississauga North (Mr. Fisher) on debate. Speeches are now to be 10 minutes long.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, it is a pleasure to rise today. Before I begin, I wish to say that my father, Clancy Fisher, is currently a guest of the Canadian people and is enjoying a little stay at the University Hospital in London. I cannot think of very many better ways to see the Government spend its money than by making him comfortable in that marvellous institution. If we are going to talk about government spending today, I would like to dedicate my remarks to that great Canadian, my father, and wish him all the best on behalf of all of us.

Some Hon. Members: Hear, hear!

Mr. Fisher: I see that it is a non-partisan sentiment. I know that my father is watching today and that he will thank the Tory and NDP Members for the kind words they have just passed along.

Today, Mr. Speaker, we are debating a borrowing authority Bill. We are talking about government spending, and that takes us right to the heart of the political viewpoints and philosophies of each of the Parties in the Chamber. I think that in this pre-election period, it is important for us to note the general direction in which the given Parties would take the country. We do not have to turn to campaign rhetoric, to third-Party endorsements, or to some special economic analysis. We may turn right to the statements made by the individuals themselves in the Chamber. That is where we see how each Party would guide Canada if elected in the next general election. That is an analysis that I would like to undertake in the next few minutes.

Based upon its track record, I think it is clear that the Liberal Party believes in a partnership with the Canadian people. Members of the Liberal Party believe in a balance between what is needed and what is affordable. We believe that we should stimulate the economy in tough times, we should reach out to people who are in the greatest need, and we should use the country's resources as a blessing to cushion us when the rest of the world is having difficulty. That is the position taken by the Liberal Party.

The position taken by the Conservative Party is somewhat different. That position was revealed clearly by the remarks made by the last speaker. As we analyse those remarks, I think we will notice that Conservative Members love to wallow around in their love of money. It has gone beyond a desire for frugality and has become an obsession with Members on the other side. They love to pick out areas in which they think the Government can cut back and then to trumpet these from coast to coast. Again, we are in an analytical mood today. Let us note that Members of the Conservative Party cannot wait to hack and tear at the basic fibre of this marvellous country.

Let us look at what the Hon. Member for St. John's West (Mr. Crosbie) said as quoted in *The Toronto Star* of February 21, 1984:

Crosbie told reporters that in order to get deficits down: "You have to be tough, mean and nasty and do all kinds of unpleasant things. That's why I'm not going to outline what they would be now. That's for a government to do."

What a marvellous position to be taken by a man who is a former Minister of Finance and who claims that he will be the next Minister of Finance!

Let us move one step further to another voice in the Tory Party, that of my neighbour, the Hon. Member for Etobicoke Centre (Mr. Wilson). He said, as reported in *Hansard* on March 6, at page 1828—and you do not have to take my word for it, you can look it up—the following:

● (1650)
—there must be broad spending cuts—
—spending must be reduced in the broadest possible way—
—by cutting right across the board so that everybody would feel they had some involvement in the reductions that were being applied through an over all discipline.

Then he went on to say in that same speech that that is the way you do it in business. Yes, Mr. Speaker, that is the way you do it in business. I once worked in a business where they did it that way. The place went under within months. It is the dumbest possible approach to say that you can take that kind of meat axe and cut right across the board. The Hon. Member for Mississauga South (Mr. Blenkarn), another neighbour of mine, attacked the very heart of our support for the business and cultural communities in his speech on the Budget. He went after the CBC, VIA Rail, the post office, the energy grants, Canadair and de Havilland, and the Atomic Energy of Canada. He stopped only because his time ran out, and in each case it was attack-slash, attack-slash, attack-slash.

There was yet another example of what the Hon. Member for St. John's West was going to do in an article in *The Toronto Star* two weeks ago. The headlines were massive and shocking. He said at that time that he would introduce a means test to make sure that seniors and families did not get access to every government program that they have a right to enjoy.

All of this Tory attack is creating a clear image for the rest of the country. Again, do not take my word for it. Read what the observers themselves have to say. *The Toronto Star* on February 18 had this to say about the Hon. Member for St. John's West:

No wonder he isn't willing to tell Canadians before the next election how his Party would reduce the deficit.

So where is Crosbie going to cut? Is he going to cut the $10.4 billion going for pensions for the elderly, the $2.3 billion of family allowances, the $3.4 billion spent on welfare payments to the poor? Or will he cut into the $5.8 billion going to provincial governments for equalization. Or will he slash Ottawa's $7.7 billion share of the country's medicare and post-secondary education costs?

Within days the answer came from the Hon. Member for St. John's West. The answer to those questions was, yes, he would do that, and at least every Canadian in Toronto read the quote in the newspaper. They know where the Hon. Member for St. John's West and the frontbench Members opposite would take this country. Jamie Lamb of the Vanvouver *Sun* had the same kind of denunciation. He said on February 20:

As a result of Mr. Mulroney's activities last week, the public may begin to turn away from him. They may even choose the . . . policies of a party that at least plays at statesmanship, in preference to the trite trumpetings of rank opportunists.

That is what he said about the Leader of the Opposition (Mr. Mulroney), and he is perfectly correct. Contrast that, Mr. Speaker, with what we heard from the Hon. Member for Winnipeg North Centre (Mr. Knowles) today when he summarized his career as politics of compassion. Do we want to be ranked with the opportunists or do we want to be with those who have compassion? I say that compassion wins in that argument. Look at this Government's record. Over the past recession, this Government, along with Sweden, has preserved the social network in this country. We are one of the two countries in this world to preserve and expand the social network. We did not abandon it in the Tory slashing kind of way. We built it up when it was needed. We added to the guaranteed income supplement for seniors. We increased job-creation funds. We extended special help to businesses in trouble. We expanded resources for the Farm Credit Corporation. We renewed the Small Business Bond Program. We introduced a Canada Mortgage Renewal Plan for home owners. That, in the eyes of the Tories, is the wrong course. In the eyes of the Canadian people it is the right course.

It is the right course to offer people help when they need it with the rich, prosperous, productive land we live in. It is the right course to give our communities resources to those most in need. That is the Liberal approach and that is the approach I agree with. That is the approach of the politics of compassion about which we heard today. I say, begone to the rank amateurs, begone to the opportunists, begone to the people who want to slash and hack at the fibre of our country. Let us in the course of the next election turn again to those people, the Liberal Party, the people who want to build, preserve and add to our productivity and to the social network we have for the needy people in this country. I am proud to stand on that analysis and I believe it is an analysis that will drag down that bunch across the floor.

The Acting Speaker (Mr. Herbert): Questions, comments? Debate.

Mr. Joe Reid (St. Catharines): Mr. Speaker, what we have before us this afternoon for consideration and debate is a simply shocking one-page piece of legislation. We in the law always used to say that when you have a bad case you just shout harder and you pound the table more than ever before.

Bill C-21 is a simple, unabashed, straightforward case. It is a straightforward request by the Government for parliamentary authority to go out and borrow $29.55 billion. I noticed that my hon. friend, who is just now leaving this House, did not once refer to the amount of $29.55 billion. It is more than the Minister of Finance (Mr. Lalonde) had included in his total Budget. I wonder if any person in the House can envisage just what the amount, the extent, the equivalent of $29.55 billion really is. That amount includes a $4 billion contingency fund. It is not earmarked to any source of production or social legislation. It is $4 billion by way of contingency which, by the

record of this Government, will undoubtedly be spent and this Parliament will never know on what.

I am sure all Canadians have difficulty envisaging an amount of $29.55 billion. It was the amount of $4 billion which triggered the ringing of bells not so long ago which almost brought this Parliament to a halt. This borrowing is in an amount which each of us is trying to depict to our listening and reading audience. It is an amount which represents over 90 per cent of what all Canadians together, all across this land, will put away in savings in any single year. It is an amount, Mr. Speaker, approaching $3,000 for each Canadian taxpayer. It is, in short, Mr. Speaker, a staggering sum of money which simply cannot be justified. Cut it in half! Deficits were once the domain of accountants and economists. The ordinary Canadian paid little or no attention to what deficit financing was, until John Turner came along. In fiscal year 1971-1972, the deficit of this nation stood at $702 million. Four years later, just four years, that deficit was approaching $5.5 billion. Canada has not looked back since, except once. The sole exception was the fiscal year 1979-1980 when the Progressive Conservative Government addressed the problem of our national deficit and trimmed it by almost $800 million.

I call it five o'clock, Mr. Speaker.

The Acting Speaker (Mr. Herbert): The House will now proceed to Private Members' Business.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Herbert): Shall all orders and items preceding Order No. 8 be allowed to stand?

Some Hon. Members: Stand.

The Acting Speaker (Mr. Herbert): Stand.

* * *

• (1700)

CRIMINAL CODE

AMENDMENT RESPECTING GREYHOUND RACES

Mr. Raymond Dupont (Chambly) moved that Bill C-210, an Act to Amend the Criminal Code (greyhound races), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I am pleased with this opportunity to speak to Bill C-210, which I tabled in the House on December 20, 1983. The aim of this Bill is to amend Section 188 of the Criminal Code, and its title is: An Act to amend the Criminal Code concerning greyhound races.

First of all, Mr. Speaker, we do not often see private businesses prepared to invest $12 million without asking the Government for financial assistance. As far as job creation is concerned, 600 new jobs could be created in a project of this kind, which would promote the dog breeding industry in Quebec and several other Canadian provinces.

In terms of economic potential, Mr. Speaker, establishing the first greyhound track in Quebec on the South Shore, less than an hour's drive from a major urban centre with a population of three million, would have an impact, and people are inclined to forget this, on the use of public transportation on the South Shore. Second, Mr. Speaker, it would also have considerable bearing on the development of tourism and the necessary infrastructure, such as hotels, restaurants and all the accommodation, goods and services required within the immediate vicinity of a greyhound track.

Another important point, Mr. Speaker, would be the tax revenue this would generate. An undertaking of this size would generate tax revenue in the form of amusement tax and business tax in connection with race track operations. This would make it possible to generate greater regional activity in other areas. For instance, the town of St. Hubert alone could collect between $600,000 and $1 million in taxes. With one race track, the Provincial Government could collect over $20 million in taxes the first year.

On December 22, 1978, the Government of Quebec passed a Bill regulating lotteries, races, advertising contests and amusement parks, which, in addition to horse racing, allows all other kinds of racing, including greyhound races.

Mr. Speaker, the reason we must act quickly is that the United States might get ahead of us in this field. Only last weekend, Mr. Speaker, I read in the weekend press that a greyhound track was scheduled to open in the Vermont region at any time. As far as support for the plan in my region is concerned, it is coming from the Société pour le progrès de la rive sud, the town council of St. Hubert—a large town in my riding which 63,000 inhabitants—where the first greyhound race track could be located. There are also the Association touristique régionale du Richelieu, local business councils and so forth. It is unjustifiable that only men on horseback be given a monopoly over the racing industry in Canada. Greyhound races are not a new phenomenon in sports and leisure, Mr. Speaker. England is known as the world capital of horse racing and has over 150 greyhound tracks. Japan, France and Australia have some as well. As a matter of fact, Mr. Speaker, on the continent in which we live, only our country, Canada, has a limited number of such tracks. That is most unfortunate because Canadian Racing Association surveys indicate quite clearly that the demand for this type of entertainment is very strong.

Mr. Speaker, it seems obvious to me that we cannot accept horse racing and bar greyhound racing without being openly unfair to greyhound racing enthusiasts, for reasons which are not immediately apparent, not to mention the fact that many Canadians take holidays to go and spend a lot of money in the United States, either in Florida or in New England. To those

who might be tempted to say that this would be direct competition against existing race tracks, Mr. Speaker, I would suggest that those two sports attract a very different clientele. I might mention one track at Wonderland Park, Revere, where horse racing revenues were considerably higher in 1979 than in 1978, although the two tracks are only 4,000 feet apart. In addition, Mr. Speaker, I would like to refer to statistics concerning pari-mutuel betting in Canadian race track operations in 1980. The gross amount of bets increased by more than 11.73 per cent over 1979. The total amount was $1.583 billion in 1980 against $1.724 billion in 1982, the latest year for which figures are available. Attendance has gone up by more than 4.73 per cent. The gross amount of prizes won increased by more than 12.36 per cent, provincial taxes by more than 15.03 per cent. There were 3.16 per cent more racing days and the average bet in each race also went up by 7.67 per cent in 1980, all that over 1979. Besides, Montreal's Blue Bonnets race track has opted for five racing days a week, with the result that the number of bets will go up, not down, which is exactly what is expected.

Mr. Speaker, I conclude my remarks by relating a significant fact concerning greyhound training with live animals. I am referring to the 1976 State Racing Rules of Greyhound Racing, page 16, paragraph E: "Live animals for training strictly prohibited and subject to permit cancellation". Here is an article written by Mr. Laurendeau in *La Presse*:

> Greyhound training has been updated in the past ten years and they now use an artificial lure—Jack-a-Lure—which has gained widespread acceptance. The greyhound's reaction is natural: as a born runner, it will go after any moving object. The State of Massachusetts has been supervising greyhound racing since the beginning in 1935 and the use of live lures is strictly prohibited. Penalties are provided, including suspension of the operator's permit. The United States National Greyhound Association management, made responsible for greyhound registration by the central Government, say that they have never heard of live lures being used to train greyhounds in the industry within the northern states. Only very isolated cases have been reported, mostly in Texas. As a matter of fact, according to the National Greyhound Association, the trend has been reversed over the past ten years (especially in the last four or five years) in favour of artificial lures. The situation is similar among Canadian breeders (mainly in Ontario and Quebec). The Greyhound Owner and Breeder Association claims that its 300-odd members use only artificial lures for training purposes. The Quebec Society for the Protection of Animals is to be commended for campaigning against animal cruelty. However, you somewhat hastily conclude that such treatment would be meted out by those who want to start greyhound races in Quebec.

For all those reasons, Mr. Speaker, I hope to have the unanimous consent of the House to amend Section 188 of the Criminal Code and make it possible to hold greyhound races in Canada.

● (1710)

[*English*]

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I am glad some of us were awake in the House today when this Bill was brought forward. A few months ago we were caught napping in here and the Bill of the Member for Chambly (Mr. Dupont) was referred to committee without anyone making any speeches on it.

When I first heard about this Bill relating to greyhound racing, Mr. Speaker, I viewed it with a bit of alarm. I just could not imagine greyhounds racing down the highway. I thought this would pose a threat to the other traffic. Then I thought perhaps they would put in an oval track. However, it would be a little difficult if a couple of them went into the corner at the same time. Then I thought perhaps they would do this greyhound racing on a drag strip. It occurred to me that a vehicle as large as a greyhound would have great difficulty attaining any kind of speed in only one quarter of a mile. Then someone told me this greyhound racing referred to dogs and not to busses.

Being a prairie boy I am not terribly familiar with this type of dog. Out there we do not go in for strange looking long, tall, skinny dogs. We like real dogs such as huskies, shepherds or labradors. We do have dog racing out on the Prairies but we attach a whole bunch of them, usually huskies, to a sleigh and then someone chases them across 20 miles of snow-covered forest track in weather that is usually 20, 30 or 40 degrees below Celsius. I never found any attraction in watching an anorexic-looking dog chase a mechanical rabbit around a track for about 30 seconds.

I have been to Florida on one occasion a number of years ago but I was much more interested in spending time on the beach soaking up sun than going to dog racing. On another occasion a number of years ago, on a visit to Melbourne, Australia I saw people walking the streets with funny looking dogs with muzzles on. I was told they were racing dogs, but again it was something which did not offer any great attraction to me.

I must admit I find it difficult to be terribly serious about this bill. I know the Hon. Member has put a lot of thought into it. I listened to his comments. However, I really could not support a Bill of this nature. I think it is obvious from my comments so far that I find it difficult to get terribly serious about the introduction of dog racing into the country. I oppose it simply because we have enough gambling in the country. Within the last year or so we passed a Bill in the House, which was objected to by both Opposition Parties, which instituted a new form of gambling, which we are hearing about in the news in the last few days. That is just beginning to be set up. I am referring to the sports pool through which people will bet on hockey games on weekends.

To begin with, there is enough gambling in the country. People go to the racetrack and buy all of these silly lotteries. Some people are fortunate enough to win, but an awful lot more spend far too much on it. About a month or two ago when Lotto 6/49 was at its peak and everyone was going crazy over it, I was driving down the highway listening to CBC radio from Montreal. They were interviewing people who were lined up to buy these tickets. I heard a woman say she had already spend $240 that week on Lotto 6/49 tickets. One should not judge by the sound of a voice on the radiio, but I had the uneasy feeling that this woman could not afford to spend $240

on Lotto 6/49 tickets, or any other lottery tickets for that matter.

I believe the people who are setting up the sports pools are going to find that the lotteries market in Canada is saturated. I spoke a number of times with the former Minister who put the lottery Bill through Parliament. He assured me that the Department has done market surveys and feels it is going to bring about $80 million a year. To use an old line, "I am from Missouri and I am waiting to be shown". I really doubt the Government will make any money on that sports pool. Aside from the fact that there is too much gambling in the country, I do not think another form of gambling will succeed.

Another thing that concerns me about legalizing dog racing in Canada is the threat it offers to horse racing. In introducing the Bill, the Hon. Member for Chambly tried to offer a counterpoint to that. Horse racing is a fairly large industry in much of the country. In my home Province of Manitoba and in my constituency there are a number of people involved in horse racing. In the City of Winnipeg, the Assiniboine Downs racetrack has been in place for over 25 years. It is one of the more successful racetracks in the country. Even so, it has great difficulty staying alive, Mr. Speaker. In the Province of Manitoba horse racing is one, if not the largest, tourist attraction. Adding something which might threaten an already precarious industry is not in the best interest of what is already in place.

In the last year I met with a couple of people from my constituency who are active in the horse racing industry. They breed and train horses for the track. They told me they are finding it very difficult to stay alive. This is common to horse breeders throughout the province. If anything, they need help. They certainly do not need more competition for the entertainment dollar or the parimutuel betting dollar.

I do not have much more to say on this matter, Mr. Speaker. I will simply restate my position that we in this corner of the House oppose this piece of legislation for the two main reasons which I have pointed out. There is enough gambling in the country already, and we must be concerned about the existing horse racing industry in Canada.

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, I do not know how much I can add to this debate that has not been said by the last speaker with regard to the benefits and costs of adding more racing in Canada. Anyone who has attended racetracks in Canada has experienced the enjoyment, pleasure and thrill of watching a finely tuned and well developed animal charging around the track. You can go out for supper, watch the ponies, as they say, with the wife and kids, and really enjoy an evening out. You can put down a few dollars and maybe even make enough to pay for supper and an evening of fun and entertainment.

In addition to the enjoyment of horse racing in the country of the public in general, there is the support which horse racing gives to the agricultural base which it sustains in part. Direct or indirect employment is enjoyed by 50,000 people as a consequence of harness and thoroughbred racing in Canada. We should keep that very clearly in mind at a time when the agricultural community is being beset by many problems. At least this is one community to which we do not want to cause further distress.

• (1720)

That brings me to the point of dog racing. While dog racing may be a very enjoyable pastime for those who go to Florida where it has great acceptance, it is not the kind of sporting activity that we need in Canada because of the dilution factor it will cause the horse racing business here. Currently, Canada is beset with too many betting opportunities. There are too many lotteries and too many people putting down their diminishing supply of disposable income to buy tickets that have less chance of winning than being struck by lightning. It is tragic to see what people are spending their money on in lotteries today.

The Government of Canada has reneged on its past offers to get out of that business and leave it to the provinces, to help instead of hinder the lottery business and its effect on legitimate racing. It has got back into that business. There are more opportunities to bet and fewer people being sustained by these lotteries. There are people selling tickets and contributing absolutely nothing else to the economy of the provinces or the federal Government. The effect of this proposal for dog racing is diluting it even further.

Statistically, dog racing supports about one-tenth of a person for every dog that races, whereas in the horse business there are five people supported by every horse that is registered in racing. There is a far greater economic benefit to sustaining our harness and thoroughbred racing industry than there could ever be in adding dog tracks. Specifically, as far as the taxes are concerned, which was the point raised by the Hon. Member for Chambly (Mr. Dupont), the horse racing business in Ontario paid $62 million in direct taxes in 1982, taxes taken right off the handle that is bet at the tracks. In Quebec the taxes paid in 1982 were $31 million. That is a lot of money coming into provincial coffers.

What is not disclosed in those figures is the fact that that industry is in difficulty. The handle is dropping and the attendance at the track is dropping because of the economic downturn. This is no time to be adding more competition to that industry. In New Jersey and New York, where there has been a proliferation of race tracks, such as Meadowlands and other well known tracks, an examination would show that tracks are now closing. They are being turned into shopping plazas and other commercial developments. This is a tremendous loss of jobs to the community. There are far more jobs at the track than can be provided at a shopping centre.

I suggest that the Hon. Member for Chambly is doing his constituency and the area a great disservice at a time when Blue Bonnets needs less competition in the Montreal area. After all, Quebec is now down to four race tracks in total, and all of them are struggling. Blue Bonnets does not need further competition.

The greedy provincial governments should get their hands a little less in the pockets of the racetrack business and turn back a little more to the track so as to keep them healthy at a time of economic downturn. These 50,000 people who are supported by the industry need all the help they can get. I am talking about farmers who grow the hay and straw needed by the horses, about the farriers who shoe the horses and, I suppose, even the people who make the horseshoes. I am talking about the vets who look after these horses and who sustain their living that way and about the people who work in the restaurants and in the administration and operational facilities at the tracks. I am talking about such part-time workers as parking lot attendants. I suggest there are 50,000 jobs which will be seriously and adversely affected by the introduction of a new and a very much less productive form of racing.

I believe the House should pay due recognition to the contribution that the horseracing business provides to the country in the form of jobs and tax benefits to the governments. We should be sustaining and supporting that industry rather than introducing more lotteries, dog racing and other types of racing.

There is also the thought that using greyhounds in this way, having them run around the track frantically trying to grab an elusive fur-covered electrical rabbit, is not the proper way to treat animals. I do not think that I would want to run around and grab one of those in my mouth only to discover suddenly that it was not what I thought.

I believe this is an unwise move for the area in question. It is very unwise for the Blue Bonnets race track, for harness racing and for thoroughbred racing in Quebec, Ontario and throughout the country. If I can speak for myself and this Party, we oppose such legislation.

Mr. Paul E. McRae (Thunder Bay-Atikokan): Mr. Speaker, I have the same views in mind as those of the last two speakers. However, I am concerned about some of the statements made by the Hon. Member for Scarborough East (Mr. Gilchrist).

I have two good reasons why I do not support this Bill. The first reason is that I believe we have reached the saturation point in gambling in this country. Perhaps it is time to step back, even from a moral point of view, since the state is encouraging too much gambling and causing abuse to some people in this country. We should not be a party to that kind of abuse. Personally, I do not believe that the state should prevent individuals from doing certain things, because they must decide for themselves what to do. But in this case, we have come to a point of saturation where perhaps we are causing some of this abuse. While it is a fine line to draw, I believe we have reached the saturation point in this particular area.

At this point I have some difficulty with the question of the sports lottery. In my opinion it was a relatively necessary way to raise money for sports in this country. I was in the House, as were a number of us here today, when the Government of the former Leader of the Opposition made an arrangement with the provinces to transfer the Canadian lottery to them. We were told that transferring that particular property to the provinces would be for an amount of approximately $75 million a year.

The former Minister of Sports is not present in the House to verify this, but it was assumed that the Tory Government of the time would try to collect approximately $70 million a year for this purpose. I am told that when the conference of provincial Sports Ministers and the federal Minister of Sports was in session, an edict came from the Prime Minister at the time that $25 million plus some indexing at that stage was adequate. Of course, we were quite shocked at this. It was another attempt by that Government to give more to the provinces and take more from the national scene. I think the federal Government has a responsibility to raise money, and I can justify raising it in national sports, which is what we are doing at this point in the sports lottery. However, I can see other evidence of a deteriorating situation having to do with lotteries of one kind. Bingo, which I think is a pastime for a lot of Canadians and has also been a way for churches and other charitable organizations to raise funds, is an activity that is being undermined. Small groups and churches are being affected by super bingo, and bingo is being commercialized to the point where there is a threat to many people and small groups who are, for charitable purposes, running bingo. I believe we have reached the saturation point. I would not want to see this extended any further.

• (1730)

The way I see it, this Bill is not acceptable for another reason. We have one industry that has developed a tradition over the years where many Canadians, I am told in the order of 40,000, are involved in horse racing and the businesses associated therewith. We have developed a lot of good Canadian breeding stock. There is a very solid and well-grounded fear that were we to introduce greyhound racing at this time, we would not do it as an extra industry but at the expense of an industry that is well established and part of our agricultural and national economy. As I said before, apparently some 40,000 jobs are at stake. I do not think this would happen if the state of that industry were satisfactory. But I am told the industry last year had a net decline in its revenues. For instance, the amount of betting went down, and so on. Therefore, one could assume that if one introduced another racing sport, such as greyhound racing, one could expect there to be a considerable decline in horseracing.

It seems to me this kind of development is fine when you have a very large market, as there is in the United States, where it would not make that much difference if greyhound racing were added to other industries, such as trotting and horseracing, etc. But in Canada, when you have an industry that is not in good shape, that is having difficulty—and I can show figures where this is the case—the effect would be to undermine an industry which is rather important to our economy.

I realize the Hon. Member for Chambly (Mr. Dupont) who introduced the motion is thinking of an industry where the type of dog used is very graceful and is lovely to watch. But basically this would not be, certainly for a long time, an industry that would be indigenous to this country. We do not have very large stocks of greyhounds bred and raised in this country. It is not a dog that is common to Canada. In order to move into this field in a large way—which I think is what the Hon. Member would expect to happen—we would have to import stock. Again, we would be importing stock at the expense of an industry which is indigenous and which has a large capacity for breeding fine animals for racing of one kind or another, whether that be horse racing, trotting or whatever other form that may take. At this point it would be a mistake to pass a Bill which would tend to raise the level of betting. The promotion that would go along with it would do that. The saturation point has arrived. I believe many Canadians are wondering whether gambling is becoming too important and whether some families are not suffering from the excesses in this activity. At the same time greyhound racing would undermine a well-established, long-term, developed industry which is not at its peak and which is not in a very healthy situation at this point.

I suggest, Mr. Speaker, that we do not pass the Bill at this time.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I am happy to speak on Bill C-10 introduced by the Hon. Member for Chambly (Mr. Dupont). I note he has already left the House.

An Hon. Member: He has gone to the dog races.

Mr. Nickerson: He has gone to the dogs, like the Liberals.

Mr. Friesen: I guess he is not too encouraged at the prospects of this Bill passing today. I am glad to note there is not any great wave of enthusiasm for the legislation.

When I see legislation like this, one of the first questions that comes to my mind is, what is the motive behind it? Is it a Bill that is being sponsored by dog lovers of Canada? Is it because of this incredible love for dogs that we have legislation like this? I can hardly imagine that the most avid dog lovers across Canada would be euphoric about this piece of legislation. It cannot be because dog lovers want this Bill. Is it because people interested in dog racing are trying to help the employment picture? We have heard figures mentioned today of the number of people who would be employed if we introduced dog racing into Canada. I cannot be that optimistic that the people interested in introducing dog racing are really thinking of the unemployed when they talk about this new industry for out country. We have to get to the bottom of it. We are really not talking here about dog racing and the prospect of providing another form of wholesome entertainment for Canadians. What we are really talking about is broadening another industry, namely the gambling industry. That is what is at the heart of it.

Some time ago a fellow told me that a gentleman in Canada has the franchise for jai alai. I said to myself, why would anyone be interested in a franchise to introduce jai alai into Canada. Is it because Canadians would flock to arenas to watch jai alai? Again, the answer is no. It is because it opens up another avenue for gambling? This is the point on which I disagree with my colleague from Selkirk-Interlake and my colleague from Ontario who spoke previously. Both gentlemen mentioned that gambling, lotteries or other forms of gambling have reached the saturation point. I do not think that is ever the case. I do not think those people who have a proclivity to gambling ever reach a saturation point or that the market ever reaches a saturation point. There is always another way to diversify investment in gambling. If caught by the gambling fever, one never restricts oneself to only one form of gambling. If it is cards or any other kind of gambling, one looks for another avenue, because that is what the game of chance is all about. If one only plays cards or the horses, one has restricted oneself to a single form of chance. People tied to the whole business of getting rich by chance always look for another chance, so the industry never reaches a saturation point. All we have to do is to go to Third World countries to see the multiplicity of gambling opportunities and to realize that there is never an end to the opportunities for gambling.

● (1740)

What I see so wrong about gambling, particularly when the Government is involved as it is in the lottery business, is that for it to be successful it has to create as many losers as possible. Most people have to lose in the gambling operation. That is true whether it is horse racing, dog racing or the lotteries. The Government is supposed to be supporting people, making them winners and making them feel successful, and it is getting them to lose money. We have had the Super Loto, the $14 million one and the Great Grand Chance where there were close to 70 million buyers of tickets. Most of those people lost; all but one lost. I cannot understand why a Government, which is supposed to have a wholesome outlook toward its citizens, would want to make people lose as much as possible and still promote the idea of winning. There is something immoral about that. It is robbery of a kind.

Finally, I want to say that gambling never restricts itself to the gambling industry. My friend from Scarborough mentioned that the race-tracks in New Jersey were in very difficult economic condition and faced ultimate shutdown. I said to myself, "Why are the race-tracks in New Jersey in that tough shape? Could it be that Atlantic City has opened up and people have unlimited opportunity for gambling there, which is siphoning off the business from race-tracks in New Jersey?" Mr. Speaker, you know as well as I that the people in Atlantic City who are gambling are not there with a pure sense of purpose, necessarily, that it is not simply a nice, clean, economic investment. It never fails where gambling becomes an industry—and I emphasize that—that the mob is somewhere involved sooner or later and sooner or later there has to be police control.

If this is such a harmless, innocent pastime, the greyhound racing about which we are talking today, where people spend an evening watching dogs racing, that is one thing. However, if it becomes the threshold or the door for introducing gambling, which then becomes the threshold or the door for the gangster mob, that is another level of crime for our country.

The innocuous way in which the legislation comes to us looks innocent enough, but the multiplier effect of the harm it does to our country and its citizens, we really do not know. Once people become infected, we really do not know what will be the end result.

As I said at the outset, I am glad there is no swelling tide of enthusiasm for this particular Bill. Obviously Hon. Members are committed to making certain that it does not pass. I suppose the Hon. Member for Chambly feels that he has done his duty to whoever approached him to present this legislation as he has already left the House and knows that it will not pass. The very fact that we entertain this kind of legislation is a sign of the time that we look for easy solutions to our economic needs. Instead of being creative and working, we want fancy, new and immediate solutions to our money problems. It does not work. Even if we win, we tend to lose. If we follow the record of those who won grand prizes, we tend to lose even if we win, and therefore I am glad this legislation will not pass.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, this afternoon I will go against what is apparently the grain and support this Bill. I think it is a great Bill. I congratulate the Hon. Member for Chambly (Mr. Dupont) for bringing it to the attention of the House of Commons.

I am particularly disappointed in the attitude of mind which has been displayed by certain members of the horse-racing fraternity here this afternoon. It would appear to me that they are trying to protect their area of privilege. They do not want any competition. I wish we could bring suit against them under the Combines Investigation Act because these are the types of practices in which they are engaging. They are going around telling everyone what a great thing horse racing is, how it contributes to the national wellbeing and how many jobs it creates. However, they do not want anyone else to start up in a related business or to give opportunity to people who might be unable to go to a horse race track to engage in the same type of activity.

My personal opinion, having been to dog tracks in Europe and in the United States, is that dog racing does not necessarily detract from horse racing. I feel their arguments are invalid on that score. It seems to me that in states like Arizona dog racing and horse racing exist side by side. They are not a threat one to the other. In fact, if anything were to be the case, people very often start off being active in the sport of greyhound racing and graduate to horse racing. I do not buy the arguments of the horsy set at all.

I would like to refer to the moral argument which has been argued very capably by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen). I do not want to get into the moral argument of whether we should be for or against gambling this afternoon. However, I would point out that if gambling on greyhound races is immoral, then gambling on horse racing is equally immoral. If we buy that argument—and I personally do not—and think that gambling on animal racing is immoral, the course of action we should therefore take as a consequence would be to ban horse racing.

I would not want to see that happen, we cannot use the moral argument to say that we should not engage in greyhound racing when we have horse racing all over the country. It would appear that horse racing is very much the sport of the rich man or the rich woman. Of course, it is known as the sport of kings and that if one is to engage in it, one certainly requires a kingly income. It costs a lot of money if one is to be the owner of racehorses. However, if one is interested in that type of activity and does not have a kingly income, then of course, were dog racing to be allowed, one could get into it much more easily and cheaply. I have known quite a few greyhound owners. Very often the greyhound in question is the household pet. It costs very little to maintain greyhounds. You can do it with only a few dollars a week. If you are prepared to engage in the training yourself, you can have an awful lot of fun with the animals.

• (1750)

If you want to get into the business of operating a track, if it is a horse racing track it will require an investment of hundreds of thousands if not millions of dollars. These facilities can only be built in major population centres. Dog tracks, on the other hand, can be established for only a few thousand dollars. They can be built in localities where there is no way you could operate a horse racing track. In the Northwest Territories, for example, it would be crazy to have a horse racing track. However, I am sure that certain towns there could have a greyhound track operating for part of the year. It would not cost that much and could probably operate quite successfully.

I do not like the idea put forward this afternoon by people who believe solely in horse racing. They are trying to keep to themselves a good thing that they have going, not wanting to let the guy who is not as wealthy have access to the same type of enjoyment.

My final argument this afternoon in support of the exciting sport of greyhound racing is that it is a lot of fun. It is not only fun for the spectators and fun for the owners of the greyhounds, most of all, it is fun for the dogs which go around the track and chase the hare.

[*Translation*]

Mr. André Bachand (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to add a few words to everything that has been said in the House concerning this Bill. Horse racing in Canada is a very large and important operation which is now much too vulnerable from an economic standpoint for the House to authorize pari-mutuel betting on dog races.

If I may, I should like to set the issue in its proper context. As a sport, horse racing has been the biggest attraction in Canada for more than a quarter of a century. It has been estimated that, in 1983, 13 million people went to the races, and many more millions of Canadians attended horse shows, rodeos and other such events. Toronto's Royal Winter Fair is the world's largest indoor agricultural exhibition. Its horse show attracts more competitors than the National Horse Show of New York and more prizes are handed out.

Horse shows are still an integral part of all sorts of fairs, whether they are small community fairs or major exhibitions, and many young people are handling animals for the first time when they come to show a pony or a horse. In fact, horse and pony 4-H Clubs are growing in popularity. Many people seem to think that only the wealthy can own horses. However, this is not true. Farm people have always been as interested in horses as the aristocrats. In years past, farmers used to have at least one work horse or one riding horse on their farms and many of them still do.

Races were often arranged on the spot during small fairs. Local people raced the horses that they were using every day. Nowadays, many city people own horses. Even if they see them as show animals or as pets rather than as work horses, they board them with farmers, and then those horses owned by city people are an integral part of Canadian farm life.

There are well over 750,000 horses in Canada today. Horse raising is an important industry. It is estimated that Canadians have over $2.5 billion invested in horses, $2.5 billion invested in land, buildings and equipment used for their upkeep.

Canadians also spend about $2 billion a year for feed, transportation and other services needed by horses owners. As already mentioned, horse racing accounts for about 40,000 jobs. This industry represents $1.6 million in bets every year in Canada.

The sector is now faced with major financial problems. According to the latest figures, the daily betting average is decreasing on many race tracks. To this date, compared with the same period in 1983, betting has decreased by 17 per cent in Barrie, 3 per cent in Dundas, 8 per cent in London, 8 per cent in Windsor, 3 per cent in Winnipeg, 20 per cent in Orangeville, 5 per cent in Saint John and 3 per cent at the Blue Bonnets track in Montreal.

If we add the rate of inflation to these percentages, we can understand why race tracks are really having problems.

I mentioned the Blue Bonnets race track because Montreal used to have another major race track some years ago, namely the Richelieu Park which no longer exists. Last year, Blue Bonnets recorded a 4 per cent decrease in betting after registering a 14 per cent decrease in 1982. Under these conditions, how long can this race track continue to operate?

The basic problem is that the industry is saturated. If we now allowed the practice of pari mutuel in dog racing, we would be signing the death warrant of many local race tracks and eliminating the livelihood of a whole network of people who are now earning a living in the horse racing industry.

Still, this can be prevented simply by rejecting this Bill, or at least by waiting for economic conditions to improve before approving it.

Until now, we have focussed on the economic aspects of the Bill, but other elements must be taken into consideration. For instance, we have to remember that, in Florida, most greyhounds are trained with live rabbits. They set the dogs loose to chase rabbits in the fields, or they tie up the rabbits and use them as baits to make the dogs run. Animal lovers both in Canada and the United States have already indicated their opposition to this practice. I should mention however that racing rabbits are in fact mechanical devices.

Although racing dogs are fairly well treated, many people object to their running in races. The reason is that dog racing is not part of our traditions. In Florida, certainly, but not here. And many of us object to dogs chasing a mechanical rabbit. We feel that dogs should have better to do than that. I fear even that if we allow dog racing to develop in Canada, our own and our children's perception of dogs would change for the worse.

There are countries where bullfighting is a well attended and respectable sport. There are countries where cockfighting is also popular. For a great many people, a trip to Florida would not be complete without a visit to the cynodrom.

Once again, that is a sport which is foreign to our traditions and is not very popular here. Of course, the public outlook may change. Our attitude may evolve in such a way that it will be possible to introduce betting on dogs, but for the time being, as our horce racing industry is facing a questionable future, I urge the House to defeat this bill.

[*English*]

Mr. Gordon Taylor (Bow River): Mr. Speaker, practically all of the discussion this afternoon dealt with racing. More than that is involved in this Bill. The Bill provides for horse racing, greyhound racing, fight, game or sport. We are opening the door to people with dogs to begin having dogfights. Dogfights can make a lot of money, but where do they lead?

When I was a boy, I had a dog called Jumbo. He was the best fighter in the whole Drumheller Valley. One coal miner, every time he got tight and wanted to make some money, borrowed Jumbo. Jumbo could beat any dog in the country. He made a lot of money on it. However, poor Jumbo came home, and my brothers and I were the ones who had to look after Jumbo's torn ears and bleeding mouth and legs.

• (1800)

I do not go in for dog fighting at all. I do not think it is very good. Since this Bill will provide for dog fights, I think we should throw it out.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

EMERGENCY MEASURES—MINISTERIAL POWER TO ESTABLISH CIVILIAN INTERNMENT CAMPS. (B) POSITION OF MINISTER OF JUSTICE

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, about a week ago, I rose in the House to ask a question of the Minister of Justice (Mr. MacGuigan) regarding the famous Gazetted Order in Council that deals with emergency planning orders. That Order in Council is entitled 1981, 1305 and was passed in June, 1981. It empowers the Solicitor General (Mr. Kaplan) to establish civilian internment camps; in effect to systematically depopulate federal penitentiaries in order to use them as civilian internment camps.

The President of the Privy Council (Mr. Pinard) rose to answer my question, rather than the Minister of Justice. That in itself offended me because the question was put to the Minister of Justice in his role as the protector of our civil rights. My question to him dealt with his role as protector of those civil rights. However, the President of the Privy Council rose to say: "He will," referring to me, "realize that, with a minimum of understanding, he cannot come to that conclusion". The conclusion to which he refers is that the Order in Council had the effect of freeing people who had been convicted of a criminal offences in order to make room for people who had not been convicted of a criminal offences. That is a very simple conclusion.

The President of the Privy Council wishes to infer that I was misreading the particular Order in Council. For the benefit of the record, I will read it verbatim from *The Canada Gazette* of June 10, 1981. The Order in Council in question states in column 1, "The Solicitor General and His Powers"; in column 2, "Powers, Duties and Functions"; No. 6, "Establish, administer and operate civilian internment camps"; and No. 7, "Facilitate the selective reduction and transfer of prison populations to provide for the establishment of civilian internment camps". I think that is quite clear, Mr. Speaker, and I have not distorted the quotation. That is exactly how it is stated in that Gazetted Order in Council.

I again turn to the Minister of Justice, the protector of our civil rights, to get an assurance from him that he will give us his opinion on that particular Order in Council. He had the effrontery to stand in his place and say to me: "Every proposal put forward by the Government in statutory form or for regulation is vetted by officials of the Department of Justice precisely for that kind of criteria".

First of all, Mr. Speaker, I would point out that the heading on this particular Order in Council is not listed as being statutory but as being under other than statutory authority. If one checks with the law officers of the Crown, the Library of Parliament or any other authority, one finds that whenever an Order in Council is other than statutory, it refers to Crown prerogative. When Crown prerogative has been established by Order in Council, it entitles the Prime Minister (Mr. Trudeau) to do as he wishes under the powers described within that Order in Council. That in effect gives the Prime Minister dictatorial powers for the purposes of that Order in Council. I have not even raised the question of the powers assigned to the Prime Minister under this Order in Council.

I see that the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) is present. I want to know what the Minister of Justice means when he says that there are limitations under statutory provisions. The fact is that this Order in Council is not a statutory provision and the fact is that it has no limitations.

Second, the Minister of Justice said that officials have vetted the Order in Council. They may have vetted it but they have certainly not changed it. If I am wrong, I would like the Parliamentary Secretary to stand and say that that Order in Council as it was gazetted in 1981, because of the ease of its misinterpretation, has been vetted by the officials and therefore has been changed in order to preserve our civil rights. If the Parliamentary Secretary can give me that assurance, I will not raise this subject again. However, I am sure he will not do so because I am convinced that that Order has not been changed.

I am sure that the Hon. Member for Ottawa Centre has an understanding of what it means to feel that one's civil rights could be abused. I would like the Parliamentary Secretary to rise in his place and tell us that this Order in Council clearly does not mean what I have read into the record. If it does not mean that, I would like to know what it means.

• (1805)

I would like to have the assurance that if this Order is ever enacted in the administrative sense, that we as Canadian citizens, will be protected, because I assure him that there are over 400 people in the Province of Quebec who remember having been arrested in October of 1970. Without ever a writ having been issued and without ever having been charged, they were arrested and incarcerated. There is recent memory of what has happened with these kinds of powers and I want some assurance that we, as Canadian citizens, are going to be protected from an over powerful and overzealous government.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Hon. Member has been told on a number of occasions and must by now be fully aware that the emergency planning Order empowers no Minister to do anything other than to make plans. Yet he continues in his attempts to distort the truth by posing questions and making statements which are based on utterly false premises. It has been clearly stated in this House and elsewhere—and I repeat it again today—that separate and distinct statutory authority will be necessary before any of the plans made under the Planning Order can be implemented.

It must be further pointed out that any planning related to civilian internment camps is based on the assumption that the need would only arise in time of war, and that particular need has never been seriously questioned, even by the McDonald Commission, Mr. Speaker, which indicated, and I quote:

—in any emergency of the kind contemplated by the War Measures Act some potentially dangerous persons will have to be put under restraint.

That is from the McDonald Commission, Mr. Speaker.

The Hon. Member will also realize that safeguards against the abuse of emergency powers, exercised even in war time, will be covered by the Charter of Rights and Freedoms, which did not exist, I might add, Mr. Speaker, at the time of the Quebec crisis. This provides for injunctive or compensatory relief in respect of limitations to human rights which the courts decide have been unreasonable or not demonstrably justifiable in a free and democratic society.

Finally, if the Hon. Member has to query the advisability of releasing convicted persons to accommodate detainees, he must be fully aware that no internment camps exist now, nor are any being established, otherwise the measures he questions would not be necessary. He really should make up his mind. Does he want us to build internment camps now so as to have them ready if and when required? Does he want us to plan to use the prisons as provided in the Planning Order? Or does he want us to allow potential enemies of the state to roam at will among us during times of war or armed conflict?

I add again, Mr. Speaker, that at the time of the FLQ crisis in 1970, the Charter of Rights and Freedoms did not exist. It was this Government which pushed for and brought forward those important changes to our constitutional law. This Government certainly is not, in light of that, a government which would set up secret internment camps to intern Canadians in any but the most extreme conditions of war, and I believe the Hon. Member clearly knows that by now.

● (1810)

IMMIGRATION—HEAD TAX IMPOSED ON CHINESE IMMIGRANTS. (B) REQUEST THAT GOVERNMENT PAY COMPENSATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, on Chinese New Year I presented the case of two elderly constituents of mine who had paid a head tax to come to Canada. I asked the Canadian Government, as a symbolic gesture, to undo past wrongs and compensate Chinese immigrants who were forced to pay a head tax because they were Chinese. We cannot change past laws but we can recognize unjust discrimination and apologize as a nation.

On February 24, I asked the Acting Prime Minister and the Minister of Justice (Mr. MacGuigan) to consider an official Government apology to Chinese immigrants who were forced to pay the discriminatory head tax between 1885 and 1923. I aslo asked if the Government would compensate the survivors of those who paid the head tax. The Minister of Justice acknowledged that we cannot change history but he would look into this matter. I presented this request as a moral, not a legal case.

The Chinese Immigration Act was racist because it discriminated against people of Chinese origin. It applied to no other immigrants and was followed up in 1923 by the Chinese Exclusion Act which effectively stopped all Chinese immigration until 1947. That was contrary to the spirit of our new Charter of Rights.

Canada's immigration policy was only one of the injustices that these early pioneers suffered. They were exploited, poorly paid and restricted in where they could live and work. They lived very lonely lives, separated from their families. It was not until 1947 that they were given the right to vote. The CCF, later the NDP, was the only Party to protest these injustices over the years and to insist that Asian immigrants must have full voting rights. The Liberal Party in B.C. took the opposite position.

Since I spoke in the House there has been a great swell of interest in this issue across Canada. I have received copies of over 600 head tax receipts and heard case histories which must be recorded in the Canadian Archives. Chinese organizations have joined in the request for an official apology and some form of recognition, whether symbolic or financial.

I want to read into the record an excerpt from a letter from the president of the Chinese Canadian National Council to the Minister of Justice. He said:

We are writing to express our joy at the announcement you made in the House of Commons on February 23, 1984 that the Government will consider apologizing to Chinese Canadians and compensating those who were forced to pay a head tax between 1885 and 1923 to immigrate to Canada.

This is a dark page in Canadian history the injustice and horror of which still live vividly among many Chinese Canadians, especially the older generation who personally experienced the harsh measures.

As such, your announcement in the House the other day must be welcomed and congratulated. It is our opinion that the courageous and insightful step as suggested by the honourable member from Vancouver East, that which you are contemplating, not only puts a dark page in our nation's history in the proper perspective, it also reflects genuinely the spirit of equality before the law as stipulated in the Charter of Rights and Freedoms.

The proposed compensation and apology, besides other viable and reasonable measures, will remove once and for all the stigma attributed to Chinese Canadians due to the harsh measures in the past. It will bring new pride to—and is the best assurance for—Chinese Canadians that they are full and equal members in this great nation of ours.

I again ask for a positive response from the Government, Mr. Speaker, to present an apology with some form of compensation and recognition. We must be very sure that this kind of discrimination never again happens in Canada.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member has raised the matter of the head tax to which Chinese immigrants were subjected under federal legislation between the years 1885 and 1923. Even a cursory reading of Canadian legal history reveals the discrimination practised against Chinese immigrants and Chinese Canadians.

● (1815)

Chinese people, like so many others who arrived at that time, began immigrating to British Columbia about 1858 in search of gold. It was only some 20 years or so later that much

larger numbers arrived in response to the need for labour to build the Canadian railways. This Chinese presence, which only too clearly conferred significant benefits on the economies of British Columbia and Canada as a whole, met with hostility and fear among the general populace and discriminatory legislation was passed by both British Columbia and Canada. While a good deal of this provincial legislation was struck down by the courts, or disallowed by the Governor-in-Council under the Constitution Act, a good deal still remained. It denied to Chinese Canadians the vote, eligibility for elected office, jury service and eligibility for certain professions.

Federal legislation reflected equally hostile attitudes. Under an 1885 statute Chinese Canadians were not permitted to vote. In that same year the infamous Chinese Immigration Act was imposed which required a $50 head tax on Chinese immigrating to Canada. That was subsequently amended raising the tax to $100 in 1901 and to $500 in 1904. Although that tax was repealed in 1923, a new Chinese Immigration Act limited the categories of eligible Chinese immigrants to such an extent that few were able to enter Canada while that legislation remained on the books. Only in 1947 was that Act finally repealed.

These remarks, however brief and incomplete, I believe sufficiently paint a not particularly attractive side of Canadian history. In recent years we have all been made more fully aware that aboriginal peoples and Japanese Canadians in Canada have also suffered from past legislative and administrative acts of discrimination.

Therefore, Mr. Speaker, I am pleased to be able to report to the Hon. Member for Vancouver East (Ms. Mitchell) that the matters raised by the Hon. Member will be looked into as she has requested.

CANADIAN PACIFIC RAILWAY—WORKING CONDITIONS OF EMPLOYEES AT CRANBROOK, B.C.

Mr. Sid Parker (Kootenay East-Revelstoke): Mr. Speaker, on February 24 I directed a question to the President of the Treasury Board (Mr. Gray) regarding a change of working conditions for employees at Cranbrook, British Columbia with regard to the six and five program. CP Rail was included in the public service restraint program which enabled hundreds of millions of dollars to be saved in the rollback of contracts which were in place to come into the guidelines of the Public Service Restraint Program of 6 per cent in the first year and 5 per cent in the second year.

The President of the Treasury Board stated that he would be happy to look into the matter and, if it turned out it was not consistent with the law passed by Parliament, he would see that appropriate action was taken. In fact, CP Rail has asked for a material change in working conditions. I have a letter that was sent to the general Chairman of the workers. It states:

> We challenge C.P. Rails decision to reduce our earning power, to cancel one agreement under which we now work and alter another while the restraint program, Bill C-124, is in effect. It was C.P. Rail who said there could be no negotiation on rule changes this year because it would cost the company money in violation of Bill C-124.

CP Rail cannot have it both ways, Mr. Speaker. The fact is that they are going to reduce the earning power of these employees. Who in fact is governing the country? Is it CP Rail or is it the Government of Canada?

On Friday, March 9, an arbitrator heard this proposal and is going to make a final and binding decision on whether CP Rail has these entitlements. I urge the President of the Treasury Board to bring down a report on this. When an arbitrator is involved to this degree we must remember the decision which the arbitrator has already made with regard to legislation, something that CP Rail may be in violation of.

● (1820)

The blue ribbon committee was guided by the chief executive officer of CP Rail. As a result of his involvement in that, not only did his company save hundreds of millions of dollars, he was awarded a position in the Senate. Now John Turner is coming forward, with the possibility of becoming the new leader of the Liberal Party and perhaps the next Prime Minister. He was another director of CP Rail.

When will the Government begin to govern and tell this company that it has a responsibility to its workers and to this country? For it to materially change the working conditions of these workers at Cranbrook, British Columbia, at a time when this additional burden is not placed on other workers is wrong. I urge the President of the Treasury Board to come forward now and to put a stay on this until such time as he can come in with a report.

I think it is wrong that a Member of Parliament who travels to Montreal as an observer to attend that meeting is denied by CP Rail the right to listen. Is it that worried about what it is doing and what is taking place that it would deny a Member of Parliament the right to be an observer at a hearing that involves workers in his riding who come under the restraint program, and which may have serious ramifications with respect to the working conditions there?

Before I went there I obtained a legal interpretation. Let me quote it as it is important to note. It states:

> The decision of the Ontario High Court of Justice in *Re Toronto Star Ltd. and Toronto Newpaper Guild* ((1976) 73 D.L.R. (3d) 370, enclosed) decided under the *Ontario Labour Relations Act* (R.S.O. 1970, c. 232) establishes the principle that where parties are compelled by law to submit to arbitration, it is not merely a private proceeding. The public has an interest in its functioning. Therefore, it is within the discretion of the arbitrator to decide whether proceedings will be public or not. Although the legal framework for a railway arbitration is not identical, it is submitted that the *Toronto Star* case provides a basis to argue that it is up to the arbitrator to decide whether the public may attend, and there should be good reasons for closing the hearing. The court notes that the request of one party without supporting argument is not sufficient.

I suggest that is a blatant abuse of the Canada Labour Code. It is a blatant abuse by CP Rail of its employees. I urge the President of the Treasury Board to come forward immediately and either put a stay on what is happening and come down with a decision, or reverse the decision and tell the company that it must wait until the six and five guidelines are lifted.

Mr. Maurice Foster (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in response to the matter raised in the House by the Member from Kootenay East-Revelstoke (Mr. Parker) during the Question Period on February 24, 1984, to the effect that CP Rail in Cranbrook, British Columbia, had invoked a material change in working conditions to reduce the wages of employees, I am pleased to inform the House that Treasury Board Secretariat officials have been in touch with CP Rail officials on this matter.

The member rightly pointed out that CP Rail is under the restraint program and as such the compensation plan of the employees cannot be modified other than by a wage increase of 6 per cent in the first year and 5 per cent in the second year.

I am informed that operating considerations have necessitated a change in the manner in which trains transporting coal within the Province of British Columbia operate. As a result, approximately 30 persons have been declared surplus and are entitled to exercise seniority and other rights under the terms of their collective agreements.

There are two employee groups affected by the changes, the trainmen and the locomotive engineers. The changes in Sparwood are affecting employees living in Cranbrook, but it should be noted that these changes are being handled in accordance with the provisions of the collective agreements in question.

Pursuant to the provisions of the groups' collective agreements—Article 47 of the United Transportation Union covering trainment working in the Prairie and Pacific regions and Article 30 of the Brotherhood of Locomotive Engineers, which are entitled "Material Changes in Working Conditions", the employer is required to give advance notice of the operational change he wishes to introduce in accordance with its provisions. The article stipulates that the company may not initiate any material change in working conditions without giving as much advance notice as possible to the general chairman concerned, along with a full description thereof and with appropriate details as to the contemplated affects upon employees concerned.

Furthermore, I am advised that no material change can be made by CP Rail until such time as an agreement is reached between the company and the bargaining agents involved or a decision has been rendered by an arbitration board.

In order to minimize the effects of the material change on the employees in question, the parties have held six meetings since October of last year and have agreed upon all but four items with respect to changes in employees' working conditions. I would like to add that the parties have agreed to refer the four outstanding items to binding arbitration. An arbitration board heard these four matters on Friday last, March 9, and a decision is expected shortly. None of the four matters in question deal with rates of pay.

Based on the information provided to Treasury Board Secretariat staff by CP Rail officials, the reported change in operations has been dealt with in accordance with the provisions of the collective agreements in question, and CP Rail's operational change does not appear to contravene the Public Sector Compensation Restraint Act.

Since the member has also written to the President of the Treasury Board (Mr. Gray) concerning this matter, a reply in greater detail will be forwarded to the member shortly when additional information is provided to the President of the Treasury Board.

[*Translation*]

The Acting Speaker (Mr. Herbert): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 6.26 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 14, 1983

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADA POST CORPORATION

AGENCY AGREEMENT WITH CONSUMERS DISTRIBUTING COMPANY

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I, along with many thousands of Canadian business people, was deeply disturbed by the news reports that Canada Post is entering into an agreement to work hand in hand with Consumers Distributing to act as an active agent for that company. This is indeed unprecedented, unwarranted, and unfair competition for the private sector which has enough problems as it is trying to keep afloat in these difficult times.

If this scheme is allowed to proceed, Canada Post in almost every community in Canada would give Consumers Distributing an unfair advantage and unfair access to all the retail markets without significant community investment and contribution in terms of taxes and employment. Canada Post has all it can do to improve the postal service, and should leave the distribution of consumer goods to those who can do it best, the private sector. Therefore, Mr. Speaker, I call upon the Government to take the necessary steps immediately to direct Canada Post to countermand such an agreement with Consumers Distributing and other similar hare-brained schemes which may surface in the future.

* * *

[*Translation*]

OLYMPIC GAMES

TRIBUTE TO GAÉTAN BOUCHER

Mr. Raymond Savard (Verdun-Saint Paul): Mr. Speaker, on behalf of all Canadians and especially on behalf of Quebecers, I want to take this opportunity to pay tribute to our compatriot, Gaétan Boucher. At the Winter Games, Gaétan managed to win three Olympic medals, including one bronze medal for the 500 metres and two gold medals. There has never been any doubt as to Gaétan Boucher's athletic skills since he has been able to compete with athletes of his stature.

Mr. Speaker, I also would like to take this opportunity to praise the efforts of Sport Canada which for a number of years has been helping young Canadian athletes across the country.

Finally, Mr. Speaker, I would like to say that Gaétan Boucher is an inspiration to young Canadians who would all like their country to be proud of them some day. Three cheers for Gaétan Boucher, the world champion!

* * *

[*English*]

VETERANS AFFAIRS

DELAY IN PROCESSING PENSION APPLICATIONS

Mr. Gordon Towers (Red Deer): Mr. Speaker, I understand that it takes an average of 10 months for a veteran to get a ruling from the Canada Pension Commission upon applying for veterans' benefits. This is not acceptable. It is too long for a veteran in distress to have to wait. Add to that the length of time for the Pension Review Board to make a decision and you have a total of 19 months. That is an average amount of time. Many wait much longer. That is more than one and one-half years. I am told that the Bureau of Pensions Advocates takes five and one-half months. Add to this the more than two months that the War Veterans Allowance Board makes them wait, and I maintain that it is unconscionable to make our veterans wait that long for a decision.

I also think, Mr. Speaker, that a more compassionate attitude should be extended to our aging veterans, and much more consideration should be given to their health problems, many of which are due to their being burnt out from direct results of war experiences.

* * *

CROWN CORPORATIONS

CANADAIR—DEMAND FOR PARLIAMENTARY INVESTIGATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my statement is with respect to Canadair. The Canadian Government is picking up a $3.5 billion debt on behalf of that Crown corporation. That is enough money to double the income supplements of every poor pensioner in the country and have $1 billion left over. This is a staggering sum, Mr. Speaker. Canadair has been staggeringly mismanaged. The new company could also lose money since it has orders for jet engines which it must continue to buy.

The Liberal Government has given Crown corporations a bad name in spite of the fact that there have been successes in

Canada with Crown corporations at both federal and provincial levels. We have a mixed economy in Canada. The future role of the Crown corporation is indeed a challenge to the left, as well as being open to obvious criticism from the right.

I advocate three things. The first is that this mismanagement not go unpunished. The second is that Crown corporations be open to public scrutiny. Messrs. Strong, Bell, and Austin are strong individuals but are not really accountable to anyone. There should be a special parliamentary committee for Crown corporations which would have the powers of an American congressional committee. Finally, we should integrate Crown corporation strategies into a national industrial game plan. Then we will not have $3.5 billion spent to produce an executive jet. I find that a strange priority. It is a real blight on Crown corporations in Canada.

* * *

[*Translation*]

THE ECONOMY

ALL-PARTY SUPPORT REQUESTED FOR IMPROVING THE ECONOMY

Mr. André Maltais (Manicouagan): Mr. Speaker, yesterday, I was very pleased when I found out that Quebec had finally decided to focus more attention on the North Shore, and I am referring to plans for establishing an aluminum refinery in Sept-Iles. Mr. Speaker, it is very important that Quebec and the federal Government co-operate on this project and ensure that it will come to fruition.

I know that the company concerned has already met federal officials and that the Canadian Government has confirmed and is prepared to take part in the project if it receives a request from the Kaiser Corporation.

Mr. Speaker, I hope that all parties in the House will be able to give their approval very shortly so that we can bring a new industry into the region, in order to put the economy back on the rails, and not only in Sept-Iles but in the entire region, which in addition to Sept-Iles includes Schefferville, Gagnon, Fermont, the people of Port Cartier, and the people on the lower North Shore, who all stand to benefit.

* * *

● (1410)

EMPLOYMENT

REQUEST FOR SUPPLEMENTARY FUNDS FOR YOUNG STUDENTS

Hon. Roch La Salle (Joliette): Mr. Speaker, I hope you will allow me to follow the example of my colleague from Verdun and welcome our famous guest. I want to congratulate him on his outstanding performance which has made all Canadians feel very proud. Mr. Speaker, this is the second time I mention this extraordinary performance.

Mr. Speaker, I would like to remind the Minister responsible for student employment that the Government recently appointed a Minister of Youth. However, to give young people hope for the future, we must have budgets that are commensurate with the number of young people who will be looking for work this summer. As far as the Summer Canada Program is concerned, Mr. Speaker—and I know my colleagues are already aware of this—the interest expressed in it by young people vastly exceeds proposed funding.

Today, I want to urge the Minister to make additional funding available so that these young students will not be disappointed when they start looking for jobs this summer. In the circumstances . . . I hear Hon. Members complaining, I am sure I do not know why, Mr. Speaker. On behalf of these young people, I would simply ask the Government to be responsible and compassionate, and to provide additional funding so that this summer, young students will be able to earn a few dollars to help them pay for their education. Mr. Speaker, that was the gist of what I wanted to say today, and I hope my colleagues were listening carefully.

* * *

[*English*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF OLYMPIC ICE SKATING CHAMPION, GAÉTAN BOUCHER

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I want to join with the Hon. Member for Verdum (Mr. Savard), and I am sure all members on all sides of the House will want to support me, when we recognize a great Canadian who has made us all very proud with his accomplishments at the Olympics. I am speaking of the two gold medal and bronze medal winner, Gaétan Boucher, who is here with his father and family today.

Some Hon. Members: Hear, hear!

* * *

SHIPBUILDING

PLACEMENT OF ORDERS ABROAD

Mr. Joe Reid (St. Catharines): Mr. Speaker, the Canadian Shipbuilding and Ship Repairing Association has recently reported that already in this year, 1984, four new foreign built supply ships have been registered for use in our East Coast offshore operations. Canadian shipyards could have built those vessels, and the benefit to Canada would have been in the order of $55 million. They were not built in Canada because of the availability of cheaper financing abroad, and muddled federal policies here.

Consider the obstacles facing the Canadian shipbuilder. Not only must the builder contend with direct and indirect subsidies offered by foreign competitors, the builder must also face

the fact that the Canadian Government, the Government to which he pays taxes, will rebate up to 80 per cent of the importer's leasing costs or customs duty. A shipowner sourcing in Canada is not eligible for any rebate whatsoever. The result in 1983 was a record importation of foreign built vessels to Canada.

If the Government is serious about job creation and the preservation of a viable Canadian shipbuilding industry, let it act now to encourage sourcing in Canada. No industry should have to fight its own Government in the international marketplace.

* * *

FORESTRY

CALL FOR ESTABLISHMENT OF SEPARATE MINISTRY

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, Canada's No. 1 industry continues to decline and the Liberal Government continues to ignore the problem. Yesterday the Minister of the Environment (Mr. Caccia), the Government's excuse for a Minister of Forestry, said that he was too busy to attend the inaugural luncheon for the Canadian Forest Industries Council.

Much of our traditional forest resource has been depleted. Twenty-five million hectares of logged-over lands have not been adequately restocked. Some of our traditional markets are drying up. Logging and sawmill communities suffer from widespread unemployment and economic insecurity. But the Minister does not have enough time to meet with industry representatives.

Long term forestry agreements have not been signed with the major forestry provinces. In 1984-85 British Columbia has to make do with an $11 million extension of an agreement, instead of a new agreement which would have seen over $100 million provided in federal-provincial funds.

This neglect of our basic industry must stop. As a start, the Government should establish a separate ministry of forestry with a full time minister, not a part time person who is out to lunch whenever forest industry representatives come to call.

* * *

● (1415)

LOUIS RIEL

GOVERNMENT URGED TO GRANT POSTHUMOUS PARDON

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I, like so many other Canadians, am disappointed at the lack of agreement between the First Ministers and native leaders at the constitutional conference on March 8 and 9. One would suppose that after all the negotiations and study, some agreement could have been reached on the four agenda items under discussion at the conference, namely, equality rights, aboriginal title and rights including treaty rights, land and resources, and self-government. Because of the failure, the federal Government should initiate action on its own to spur the provinces into addressing aboriginal issues in a more substantive way.

The federal Government deserves support for its March 9 announcement on removal of sexual discrimination from the Indian Act.

It is hoped and anticipated that provincial Governments during their annual premiers' conference will place native issues at the top of their agenda.

In addition, it would be appropriate for the federal Government to move to correct an historic injustice by granting a posthumous pardon to Louis Riel. The Government could proceed on this matter through a Bill I introduced in the last session, and which I will be reintroducing again, I hope today.

ORAL QUESTION PERIOD

[*English*]

CROWN CORPORATIONS

CANADAIR—GOVERNMENT'S PARTICIPATION IN CHALLENGER AIRCRAFT CONSTRUCTION PROGRAM

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the President of the Treasury Board. He will know from his experience in this House that Members of this Party have questioned the Government's decision to be involved in the Challenger program, since 1976. In the 1982 Shielding Report, which the Government commissioned, we find:

—the business of selling executive aircraft is undisciplined, ruthless, and checkered by practices which any government should abhor.

Why does the Government continue to damage the job opportunities and the future of those working for Canadair by insisting on carrying on in a business checkered by practices that any Government should abhor?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member ought to check those allegations and make the most of his opportunity to listen to the Minister responsible for Canadair and affiliated companies who is appearing before the *ad hoc* Standing Committee to explain the situation of Canadair and of other companies controlled by the CDIC. He would find out for himself that concrete steps have been taken to ensure the profitability of Canadair and that the Challenger's development and sales outlook are very promising.

[*English*]

EXTENT OF GOVERNMENT FINANCING

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, if we cannot get the President of the Treasury Board to explain why

he allows appropriations to go through the way this Government directs, will the Minister advise us, if the business of Canadair is only 40 per cent involved in the Challenger and we have already spent $2.146 billion on the Challenger program, why, in the name of employment, would the Government continue to finance the aircraft? After all, most of the parts for the aircraft are made in the United States, the technology is American, the repair and marketing facilities are in the United States, and even the Shielding Report states that the aircraft has little significance to the repertoire of Canadian manufacturing or technology capabilities. Why the money? Why the estimate?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): In my opinion, Mr. Speaker, the Hon. Member does not understand what the Challenger program is all about. He is talking about jobs, which is a priority for this Government, although we know it is not one for the Official Opposition. Technological advance and the development of an aircraft such as the Challenger are important as well, not only for the Canadian industry but also for the future technology of our country. Again I would urge the Hon. Member, as I did a moment ago, to attend the Standing Committee which is now considering the Canadair file and looking into prospective markets for Canadair's Challenger aircraft. He will get answers to his questions and, in addition, have an opportunity to learn more about the positive aspects of the Challenger program.

• (1420)

[*English*]

REQUEST THAT CORPORATION BE DIVESTED OF PROGRAM

Mr. Don Blenkarn (Mississauga South): The Minister knows that Canadair has a good staff. It is excellent at building airframes, working on surveillance drones, and with its waterbomber program. However, the Challenger program is a loser, and has been a loser from its inception.

Why does the Government not insist that its friends, Bell and Austin, organize a proper sale of the Challenger program to some other company so that this company can continue to do its worth-while aircraft work and keep the jobs here in Canada?

Mr. Blais: Shame on you!

Mr. Blenkarn: Why does it want to destroy Canadair to build a fancy toy for those who can afford it?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Obviously, Mr. Speaker, the immediate reaction of the Opposition is to reject any initiative aimed at promoting job creation and furthering technological progress in Canada. The Hon. Member for Joliette denies this, so he is at odds with his colleagues from Mississauga South who has just spoken. Get your act together and come up with a policy. We know that your Leader is unable to spell out his policies, but if some Members of the Opposition do have policies and ideas, they ought to combine their efforts and suggest a few policies which their Leader might follow.

[*English*]

COST OF CHALLENGER PROGRAM

Mr. Scott Fennell (Ontario): Mr. Speaker, I want to impress upon this House that we are not criticizing Canadair.

Some Hon. Members: Oh, oh!

Mr. Fennell: My question is directed to the President of the Treasury Board, and I want an answer from him because he is responsible for Estimates. In the recent Estimates there is $310 million for the Challenger program. The truth of the matter, and the Minister knows it perfectly well, is that Canadian taxpayers have already invested $2 billion in the Challenger program. There is another $1.5 billion committed to that program. Will the President of the Treasury Board come clean and bring forth Estimates showing that the total cost of the Challenger program is $3.5 billion?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, the Estimates tabled in the House which are now being studied by the Standing Committee on Finance, Trade and Economic Affairs, involve a decision not only of myself but of Cabinet as a whole regarding financing for the coming period for Canadair and de Havilland. The Minister responsible for the Canada Development Investment Corporation has been before the Finance Committee providing all the information he can in response to the questions of my hon. friend and his colleagues.

I think my hon. friend should be telling us how he can say that he and his Party support Canadair and not the Challenger when, in the words of his colleague, the Challenger program is 40 per cent of Canadair's business and when, on other occasions his colleagues, like the Hon. Member for Etobicoke Centre and the Hon. Member for Joliette, have said that the Challenger is an excellent program technologically and that they are just upset about Canadair management. As my hon. friend, the Minister of National Revenue, said: "Get your music together because you are certainly not playing in tune today".

Some Hon. Members: Hear, hear!

Mr. Fennell: I am fully aware that the Minister is in front of the committee. We spent four hours with him yesterday. He did not deny the fact that the cost of this program exceeds $3 billion.

Mr. Roy: But how many jobs?

JUSTIFICATION FOR EXPENDITURE

Mr. Scott Fennell (Ontario): Mr. Speaker, how can the President of the Treasury Board justify to Canadian taxpayers the spending of $1 million a day to provide executive jets, toy jets for corporate executives, which the Government's experts state would not cause great disruption in Canada or in the world if they were not produced?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, I know my hon. friend would like us to follow the same procedure with Canadair as his Leader followed with Iron Ore in Schefferville.

Some Hon. Members: Oh, oh!

• (1425)

Mr. Gray: Mr. Speaker, I do not think that this is what the workers at Canadair want. I know it is not what Canadians want. If the Hon. Member wants to destroy not only the Challenger Program, but Canadair and the thousands of jobs there, as well as the thousands of jobs in the hands of sub-contractors, he can argue that, but he will be rejected on this by the Canadian people, as his Party was in the last election when it wanted to do something similar with Petro-Canada.

Some Hon. Members: Hear, hear!

VIABILITY OF CANADAIR

Hon. Edward Broadbent (Oshawa): Mr. Speaker, there are certain people in this House who want a Crown corporation to be running, but they want it to be running efficiently, in the interest of the workers directly affected, and in the interest of the taxpayers of Canada. The $2 billion plus bailout is ten times the amount of money the Government is prepared to allocate in new funds for youth employment this year. It is fully equivalent to all the money set aside for job training and job creation for the total number of unemployed, in the Budget this year. What conditions has the Government laid down in terms of the performance of Canadair to give the workers directly affected in Montreal, and the rest of the people in Canada, reason to believe that that company is now a viable entity?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I believe that the Hon. Member would find a very direct and explicit answer to his question in the report which was tabled by the Minister concerned in the Standing Committee yesterday. In this report, which is now being examined, the Canadair and CDIC authorities tell Members of Parliament and Canadians at large about the viability of the project and explain how the CDIC and Canadair plan to make the Challenger program a viable one.

Of course, we are most concerned with protecting employment, but we also insist on having a program with commercially viable elements and a marketing potential which will allow us not only to protect existing jobs, but also to use innovative technology so that these jobs will still be there in 10 years from now and will have expanded.

[*English*]

CORPORATION'S MANAGEMENT—ACCOUNTABILITY FOR EXPENDITURE OF PUBLIC MONEY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I asked the question I did because the only answer that was given in the committee yesterday by the Senator responsible was in terms of trying to convey the impression that we should have greater confidence because, by splitting the company and the people of Canada absorbing the debt at an atrociously high cost, potential customers for this airplane would know that the company is in a more financially viable position. Potential customers always knew that a Crown corporation backed by the taxpayers of Canada was in that position. Nothing has changed.

Given the past record of very incompetent management that misled the Government, telling it that the company had ten times the number of orders for the aircraft than it actually had at one time, will the Minister tell us why we should have a greater degree of confidence in the existing management of Canadair? Also, what procedures does the Government to implement to give a greater degree of ongoing accountability for this spending of public money?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): As concerns the first part of the Hon. Member's question, Mr. Speaker, I would like to remind him that the fact that the financial situation of Canadair, will improve with CDIC assuming part of the corporation's debt is extremely important from a business standpoint; I think that the Hon. Member does acknowledge this basic fact.

As for the second part of his question which deals with incompetent management, to use his own words, I would like to tell him that this is basically the reason why, a few months ago, the Government decided to create this new corporation to which it assigned explicit terms of reference for strengthening management practices in companies such as Canadair and de Havilland. The evidence given by the Minister concerned and the CDIC officers before the Standing Committee shows that the management methods of these companies have been strengthened and that their operations will be better managed in the future.

Concerning the last part of the question, which dealt with how these companies could be made more accountable to Parliament, I believe that the fact that the CDIC and Canadair, de Havilland, or other corporations regularly appear before Standing Committees as they are now doing, is an indication that there already is an appropriate mechanism to ensure that these companies are held accountable to Parlia-

ment for their management. Furthermore, a Bill is soon to be introduced in the House to authorize the changes made to CDIC and related corporations. This Bill will also introduce amendments which will enable the House to hold these corporations accountable to a greater extent for their management.

• (1430)

[*English*]

Mr. Broadbent: Mr. Speaker, the Minister knows that up to this point none of the procedures have been changed in terms of the accountability of this Crown corporation or of any other Crown corporation. The Minister knows that an annual appearance before a committee of the House is a totally inadequate way for Members of the House to assume their responsibility for the spending of public money. The Minister knows that this situation has not been changed when it is precisely what should be changed when dealing with this Crown corporation and with others.

ESTABLISHMENT OF NEW CORPORATION—GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Minister a final supplementary question dealing with the viability of the new entity which will now be financed with hundreds of millions of dollars by the people of Canada. Will he assure the House that if the new Canadair becomes financially viable, as we hope it will, the Government will not, having used taxpayers' money to fund it, turn it over at some point to the private sector which will reap long-run benefits if profits should start to come in?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would like to come back to the first or one of the first elements of the preamble of the question asked by the Hon. Member. While he said that appearing once a year before a Standing Committee of the House was not enough to make these corporations accountable for their management to Parliament, I would like to point out to him that, in the last few months, there have been opportunities of examining the accounts of these companies both before the Standing Committee where the Minister concerned is now appearing and before the Public Accounts Committee. Yesterday, I tabled in the House a reply given by the Minister before the Committee on Public Accounts which considered the situation at Canadair. I believe that in a year there are more than one opportunity of examining these issues and the Hon. Member should keep this in mind.

As far as the viability of Canadair is concerned, I can see that the Hon. Member is very optimistic and has already been convinced by the arguments put before the Special Committee by the Senator who is responsible, since he is already forecasting profits for Canadair. I congratulate him for being so confident in the new management mechanisms which the Government has introduced to ensure Canadair's viability.

[*English*]

INCOME TAX ACT

PART-TIME FARMERS' INCOME—MINISTER'S POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I shall make a point of order relating to Question Period at three o'clock.

Now that the Minister of Agriculture has finally entered the Chamber, I would like to ask him a question. The Minister has pointed out that all farm organizations, tax accountants, tax lawyers, and the Canadian Tax Foundation, have agreed that Section 31 of the Income Tax Act dealing with small and part-time farmers must be changed to be in tune with the times. As well, on July 18 and July 20 when the Minister talked with his provincial counterparts in Brudenell, he told them that they did not need to set up another task force but only needed to make representations to him which he would pass on. I wonder why the Minister of Agriculture has failed to convince the Minister of Finance of these things? The Minister of Finance has obviously not taken the Minister of Agriculture's advice, because the Minister of Finance has now set up another task force.

Hon. E. F. Whelan (Minister of Agriculture): Mr. Speaker, if the Hon. Member would like to check further, he would find that I told the provincial Ministers who attended the conference in Brudenell to go back to their Premiers and get government support for a change. I do not think that I heard one of those Ministers say that he had the support of his Government. I did hear from the Ministers individually, but I did not hear from the Government of Ontario, for instance. I did not hear Premier Davis say that he wanted that change made, and I did not hear any of the other provincial Premiers say that they wanted that legislation changed. The lawyers, accountants, and organizations mentioned by the Hon. Member, will have the opportunity to present their views to the committee which is being set up and which, I understand, will report back very quickly.

Mr. Dick: The Minister of Agriculture made some very interesting comments but, unfortunately, no reference whatsoever was made in the confidential minutes of that meeting indicating that the Ministers were to go and see their Premiers. They obviously thought that they represented the farming communities.

AMENDMENT OF SECTION 31—GOVERNMENT POSITION

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to ask a question of the Minister of Finance, but he is not present in the House. Perhaps the Minister of State for Finance might be able to comment on why the Department of Finance and the Minister of Finance did not take the advice of the Minister of Agriculture and all groups which have already made representations to have Section 31 of the Income Tax Act modified.

Hon. Roy MacLaren (Minister of State (Finance)): Mr. Speaker, the Hon. Member will know from the recent Budget that provision has been made to hear the opinions of different sectors of the economy, and particularly the agricultural sector, regarding the application of Section 31 of the Income Tax Act. We shall conduct those consultations over the months ahead. I should welcome the views of the Hon. Member as much as I should welcome those of all Canadians who have an interest in this subject.

* * *

VETERANS AFFAIRS

WAR VETERANS ALLOWANCE RECIPIENTS

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. Under the current provisions for war veterans allowance, single veterans over 65 years of age receive a war veterans allowance top-up of approximately $54 per month over and above their combined income from the OAS and GIS. Will the Minister assure the House that the budget announcement of an increase of $50 per month for single GIS recipients will be reflected in a $50 per month increase for war veterans allowance recipients? Will the Minister also increase the war veterans allowance top-up for married veterans to the same level as that for single veterans?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, I can assure the Hon. Member that the provisions which were included in the Budget to provide for a $25 increase in the GIS as of July 1, and a further $25 increase as of December 1, will be passed through to all veterans simply by increasing the ceiling. Thus, the full benefits of the budgetary provision which is extended to all Canadians will be applied to veterans as well.

PERMISSIBLE INTEREST INCOME LEVEL

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, the Minister said the provision would be applied to all veterans. Does he include those veterans who are not drawing a war veterans allowance and who are under the age of 65? Perhaps he could enlighten us by answering that question.

Veterans who are receiving war veterans allowance are only allowed $100 in the way of interest income per year before they start losing an equivalent amount from their war veterans allowance. In view of the current financial situation, would the Minister now make a commitment to raise this meagre amount of $100 to $1,000?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, perhaps I could clarify the matter. The $50 increase which is being provided to those who are over 65 years of age under the GIS will automatically be passed through to the recipients of war veterans allowance by increasing the ceiling by a similar amount. Of course, increasing that ceiling for single people who are over 65 years of age will also affect those who are under 65 years of age.

With respect to increasing the interest deduction, as I have indicated to the Hon. Member, I will be proposing a number of legislative amendments to the War Veterans Allowance Act as a follow-up to the study which was conducted over the past number of months, and a provision to increase the interest earnings deduction will be one of those proposals.

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[*Translation*]

AMATEUR SPORT

CONDITION OF SPORT INFRASTRUCTURES

Mr. Raymond Dupont (Chambly): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport.

We are all aware of the presence in the House today of a great Canadian whose extraordinary achievements have placed Canada and speed skating in the limelight of the whole world. To prepare himself for such performances, he has had to leave his own country to train and compete abroad. Could the Minister brief us on the setting up of permanent infrastructures for our athletes in Canada?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): On this Olympian day of rejoycing, Mr. Speaker, in the presence of the best Canadian athletes who represented us in Sarajevo, I should like to remind the House that the Government of Canada announced last week that our athletes would no longer have to leave Canada to train in foreign countries. Indeed, we have managed to sign an agreement with the University of Calgary for the construction with the cooperation of that university of an indoor speed skating oval on the campus at a cost of some $35 million, so that our athletes may train here in Canada.

Some Hon. Members: Hear, hear!

Mr. Olivier: Moreover, we are proud of Gaétan Boucher's and Brian Orser's outstanding achievements which have helped amateur sports as well as all Canadian athletes. I must say that Sport Canada, the government which I represent and all Canadians are delighted for this opportunity to help our athletes. Needless to say we will make sure that similar facilities are available in Eastern Canada, so that Canadians may win many more gold medals in the future.

● (1440)

[*English*]

EXTERNAL AFFAIRS

GUYANA—INCREASE IN RACIAL AND POLITICAL VIOLENCE

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister will recall that a year ago he rejected the recommendation of the Standing Committee on External Affairs and National Defence that Canada should publicly disapprove of the Guyana Government's human rights policies and practices and should reduce aid to Guyana.

In view of the growing numbers of Guyanese who are clamoring to enter Canada, and especially the rising number of arrivals claiming to be refugees, will the Minister condemn the growing racial and political violence of the Burnham Government of Guyana, and halt aid to Guyana until that Government agrees to end its oppressive policies?

Hon. Allan J. MacEachen (Deputy Prime Minister and Secretary of State for External Affairs): Mr. Speaker, I have no difficulty in espousing the cause of human rights in Guyana as has been done by the Hon. Member. We have drawn in the past and in the future we will continue to draw this matter to the attention of the authorities in Guyana. At the present time there has been no decision, nor is it my intention to terminate aid to that particular country—

Mr. Stevens: Shame!

Mr. MacEachen: —which is presently a member of the Commonwealth Caribbean to which we have directed special attention.

VISA REQUIREMENT FOR GUYANESE IMMIGRANTS

Mr. Dan Heap (Spadina): Mr. Speaker, my supplementary question on the same subject is directed to the Minister of Employment and Immigration. In view of the rapidly worsening state of human rights in Guyana and the great danger to legitimate refugee claimants who can now apply to Canada only from within Guyana, will the Minister undertake to reconsider the visa requirement imposed this week? Will he also institute a special program for Guyanese in Canada like the ones previously established for Poles and currently for Guatemalans, and will he also guarantee that for the time being no Guyanese will be involuntarily returned to Guyana?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the answer to the first part of the Hon. Member's question is no. Just having applied the visa requirement, I do not think we should immediately begin to reconsider it. I will consider fully the other representations made by the Hon. Member.

UNEMPLOYMENT INSURANCE COMMISSION

DISTRICT OFFICIALS' ACTIONS

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, the other day the Minister of Justice told me that he had not been told of any allegations of criminal offences committed by Unemployment Insurance Commission employees, so today I want to ask the Minister of Employment and Immigration if he has had any reports passed along to him by the Department or the Deputy Minister which indicate allegations of criminal offences by a number of Unemployment Insurance Commission employees in several district offices across the country?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I am sorry but I did not catch the first few words of the Hon. Member's question. In terms of the substance of the question as I heard it, the answer is no, at least so far, and I certainly have not received any verbal communication of the representations he has described.

POSSIBLE BREACHES OF LAW

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, because there seems to be a pervasive attitude that civil servants who abuse their positions of trust are dealt with quite differently than if they were ordinary citizens, could the Minister please report back to the House on the number of possible criminal breaches that have taken place by Unemployment Insurance Commission employees, and the number of criminal prosecutions that have taken place as a result?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I am not sure of the full extent of the Hon. Member's insinuation. In terms of specific information that we have available, of course I will make it available to him in the appropriate way.

* * *

REGIONAL DEVELOPMENT

EXPORTATION OF CAPE BRETON COAL

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is for the Minister of State for Economic and Regional Development. The Minister will be aware of the conclusion of recent negotiations by the Cape Breton Development Corporation with a Japanese steel company and Brazilian Steel for the sale of Canadian coal, not only far below the cost of producing and delivering that coal but also far below the current Canadian export price.

Because this is creating new pressures and difficulties for the rest of the Canadian coal industry, I should like to ask the Minister whether he is aware of this, and how much of the $134 million which has been passed on to that company from the taxpayers in the current year was used up to capture new markets at the expense of other coal companies.

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I am not familiar with the particular transaction. The Minister responsible might be in a better position to answer. The Minister responsible for Devco is in the House. It comes under the Department of Regional Industrial Expansion.

Mr. Oberle: Mr. Speaker, I noticed that the Minister was listening with keen interest so perhaps you could permit him to answer the question. I will put it to the Minister of Regional and Industrial Expansion.

I know the Minister is aware that the Cape Breton Development Corporation has recently completed negotiations for the sale of coal with Nippon Steel of Japan and Brazilian Steel at prices far below the cost of production at the plant, and delivery, and also far below current Canadian export prices. This creates all kinds of new pressures on the other coal companies in Canada. How much of the $134 million of taxpayers' money paid to this company in the current year has been used to subsidize Nippon Steel and Brazilian Steel?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I am not aware that the sale price of the coal to Japan was less than the cost of production. We do not get involved in the individual transactions undertaken by Devco. The Hon. Member, like all Hon. Members on his side of the House, is always after the Government to cut losses of Crown corporations. I think Devco should be congratulated for trying to be aggressive and open up new markets around the world. I will check and find out for the Hon. Member whether the sale price of the coal was less than the price of production.

I am sure the Hon. Member knows, from his days in business, that in many cases in order initially to penetrate a market, you sell at a different price than you would for a long-term contract.

DEVCO'S USE OF PUBLIC FUNDS

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, if the Minister is not aware that Devco is operating below the cost of production, why would it be that we paid $134 million a year to that company, if it were not operating below the cost of production? No one has anything against that if the cheaper coal is available to Nova Scotia for the production of power. When the company goes out on the export market and uses that money to plan the demise of the rest of the coal industry, we ought to be concerned.

In light of this latest development, would the Minister examine the criteria under which grants are made to Devco, to ensure that public money is not used in this way, and examine in light of his criteria the latest negotiations which led to the sale of Cape Breton coal to Brazil and Japan?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): Mr. Speaker, I will go back to the first part of the Hon. Member's question. First of all he asked about one specific contract to sell to Japan. The last time we had an inquiry from one of the members of the Opposition concerning a specific contract with Japan where the product was allegedly sold at a lower price than it was sold to the power company in Nova Scotia, the allegation was incorrect. As a matter of fact we made a substantial profit on the last sale from Devco to Japan.

A comprehensive review of Devco is about to be undertaken with respect to all aspects of it. We think that there are so many exciting prospects for some of the mining projets in Devco that we want to ensure it is going to bring the maximum return not only to the people of Cape Breton and Nova Scotia, but also to all the people of Canada.

* * *

• (1450)

UNEMPLOYMENT INSURANCE

LEVEL OF BENEFITS—CALCULATION OF TIPS AS INCOME

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Minister of Employment who will be aware of the concern expressed recently in Quebec, and elsewhere, by waiters and waitresses about the inconsistency between the policy of his Department and that of Revenue Canada regarding tips. Can the Minister indicate whether he intends to respond to that concern by making a commitment to change the Unemployment Insurance Act to provide that waiters and waitresses will receive UI benefits which take into account their tips in the same way they are now being regarded as revenue by Revenue Canada?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, this is a matter of course of great concern, and I am in the process of making arrangements to discuss with the appropriate Minister in Quebec the proposals or suggestions the Government of Quebec has to make in this regard. My concern would be that, whatever is done, if there is something to be done, it will be done in a way appropriate for the whole country. I would certainly not want to respond with any actions which could be interpreted or would in substance be anything that could seem to be an extension of snooping or untoward prying into the lives of waiters and others who receive tips as a substantial part of their income.

NATIONAL REVENUE—TREATMENT OF TIPS AS INCOME

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I was not just asking that something be done with regard to the request by the Government of Quebec. I am asking that something be done about this situation right across Canada. In the absence of a commitment from the Minister to do something about this, perhaps I could ask the Minister of National Revenue, until he and his colleague get their heads together and decide what they are going to do about this, would he kindly ask his Department to lay off waiters and waitresses and stop treating them one way in one Department and another way in a different Department.

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, the Hon. Member is confusing the isssue. He should take another look at the Income Tax Act and the provisions of the Act which oblige these people, like all Canadian citizens, to declare their full income, whatever that income may be. Since our basic system is a voluntary one, Canadians who receive income in the form of tips, as in the example given by the Hon. Member, are responsible for declaring and paying tax on such income.

The Hon. Member was asking whether these amounts should be recognized for the purposes of various social measures, but that is an entirely different matter which concerns other departments, and my responsibility is to administer . . . I see the Hon. Member is not really interested. I suppose he is merely interested in asking a question and not necessarily in the answer.

I suggest the Hon. Member take another look at the Income Tax Act. If he wants to blame me for enforcing the Act, that is his business. However, it is my responsibility to apply our voluntary system, and I ask everyone who receives income in this form to declare it on their returns.

* * *

[*English*]

EDUCATION

ENGINEERING AND BIOLOGY—DECLINE IN NUMBER OF GRADUATES

Mr. Jim Hawkes (Calgary West): Mr. Speaker, my question is for the Minister of State for Science and Technology who has read the Page Simons report on Canadian Studies and will know that in 1982 we were producing approximately half as many graduate Ph.D. engineers and biological scientists as we were in 1974. Can he tell the House why the Government is not treating that situation as a serious problem which deserves immediate redress? Why do we not see in the Budget, or in the Main Estimates, anything which would correct that problem for the future?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, as I understand the question, the Hon. Member is concerned about the lack of students in certain disciplines, which clearly is a matter of concern to all of us. I would like to assure him that the Government has gone a long way to increase funding for the Natural Sciences and Engineering Research Council which has those particular disciplines as one of its target areas. The funding for that Council in 1983-84 has been increased to approximately $282 million. This has been the focus of some very substantial government funding which represents the concern we all have that these particular disciplines be pursued because they are so fundamental to the future of our industrial economic development.

FUNDING OF UNIVERSITIES

Mr. Jim Hawkes (Calgary West): Mr. Speaker, in a pre-election year we can expect an expenditure blitz; the problem has been caused over a decade. This morning in *The Globe and Mail* we saw that major universities are intending to put quotas on enrollment for young people. They cannot get jobs, and now they will not be able to go to school.

Given the Minister's responsibility for science and technology, can he tell us why he has been part of a Cabinet which has cut money for universities and why he thinks that is a good public policy in the present climate?

An Hon. Member: That is wrong.

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): That is just rubbish, Mr. Speaker. There has been no cut in university spending. If anything, this Government is committed to the view that the future of this country rests with the people.

[*Translation*]

Brain power or "matière grise" as they say in Quebec.

An Hon. Member: He does not have much of that.

Mr. Johnston: That is where we are going to put additional funding. That is exactly the policy we have followed, and we will continue to follow. Mr. Speaker, I just mentioned that we increased our Council's budget by an amount that is exceptional compared to past funding. So when the Hon. Member says that we are not interested, that is just not true. In fact, this is probably our main concern: to increase human resources in Canada.

An Hon. Member: Hear, hear!

* * *

[*English*]

TOURISM

EFFECT OF GASOLINE PRICES

Hon. George Hees (Northumberland): Mr. Speaker, I have a question for the Prime Minister. A government bulletin issued by Tourism Canada, dated February 10, states that "in 1983 Canada had a record travel deficit that will easily top $2 billion", and it goes on to say "an important cause of this deficit is the much higher price of gasoline in Canada compared to the United States", that difference being 45 cents a gallon. In view of these facts, added to the ones I brought to his attention before, would the Government not now give serious consideration to cancelling the Canadian Ownership Tax of four cents a gallon on gas and oil at the pump, a completely unauthorized tax for the last ten months, and which has brought the total of federal taxes added to the price of gasoline since the last election to 50 cents a gallon?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know this is a serious and valid question. The Hon. Member

will join me in saying that both he and I give a good example to Canadians because we travel in Canada. I had the pleasure of seeing—

Some Hon. Members: Oh, oh!

Mr. McDermid: I knew you could not keep a straight face.

Mr. Trudeau: —the Hon. Member at Mont Tremblant last weekend, and he was travelling on good Canadian gasoline for which he had paid, no doubt, a larger amount than would be necessary and possible if only the Provinces, which take by far the largest amount of taxation, would begin by reducing some of the provincial taxes. After that we might consider what role we could play here.

REQUEST THAT PRIME MINISTER TAKE ACTION

Hon. George Hees (Northumberland): Mr. Speaker, the federal Government owes the country an example in this regard, and tourism is a primary responsibility of this Government. Tourism is suffering a deficit of over $2 billion a year and countless jobs could be provided if that deficit did not exist. I ask the Prime Minister if he would not now, as a way of winding down, give serious consideration to domestic issues such as this one, which are of tremendous importance to the average Canadian man and woman, and to the jobs additional tourism, if it were made available and possible by a lower gasoline price, would provide to Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I indicated my sympathy and understanding for the question, but it seems to me the Hon. Member has spoiled it by two false premises in his second question. The Hon. Member says it is primarily federal responsibility. Would he indicate in his supplementary question what section of the Constitution says that? The Hon. Member is quite mistaken in projecting his own future dispositions to mine when he says that I am winding down. He may be winding down. I do not plan to wind down.

• (1500)

Mr. Hees: I would like to assure the Prime Minister that I will not be winding down for many years to come.

* * *

PENITENTIARIES

CONJUGAL VISITING UNITS—USE BY COMMON LAW WIVES

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is for the Solicitor General of Canada. The conjugal units placed at federal institutions were originally intended for visits by wives of long term prisoners. Has this program now been extended to common law wives?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, from its original concept the program was meant to include visits by people in relationships which the Hon. Member describes as common law. That is not a change. That has been a permanent feature of the program.

ROUTINE PROCEEDINGS

[*English*]

POINT OF ORDER

MR. WADDELL—CDIC BILL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise on a point of order pertaining to a question to the President of the Privy Council and Government House Leader on government business. The issue of the CDIC Bill was brought up in Question Period. Is the Minister prepared to tell the House whether he is going to bring that Bill forward?

Mr. Speaker: This is not the time for that matter. Normally questions regarding government business are placed on Thursdays.

* * *

LOUIS DAVID RIEL ACT

MEASURE TO GRANT A PARDON

Mr. Speaker: It is my understanding the Hon. Member for Edmonton East (Mr. Yurko) wishes to move his Bill. The Chair would like to make some observations. Before putting the motion of the Hon. Member for leave to introduce a Bill intituled an Act to Grant a Pardon to Louis Riel, the Chair ought to bring to the attention of the Hon. Member that, although this Bill can be introduced and read for the first time, debate on second reading stage should not be entered upon until Royal consent is obtained, because the granting of a pardon is the prerogative of the Crown. I am quoting from May's Twentieth Edition and would like to insert the following passage into *Hansard* at this point. It reads:

—if the matters affecting the royal interests form the main or a very important part of a bill, it would be courting waste of time if the permission of the Crown to proceed with the Bill were not ascertained at the outset. In such cases, accordingly, the communication from the Queen is signified at the earliest stage of debate—usually the second reading.

Mr. Bill Yurko (Edmonton East) moved for leave to introduce Bill C-228, An Act to grant a pardon to Louis David Riel.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour of granting permission for the Hon. Member to have leave to introduce the Bill please say yea.

Some Hon. Members: Yea.

Mr. Nielsen: Mr. Speaker, I rise on a point of order. It is a matter of custom and practice that Private Members normally have leave to introduce a Bill so that we can see what it says. We are experiencing the beginning of a division on something which Members have not even seen. No matter what the subject matter of a Bill is, it has always been traditional in this place for Private Members to be granted consent at least to introduce their Bill so we can see it.

Mr. Speaker: The Chair is the servant of the House. The Chair very distinctly heard noes when the Chair asked if there was consent. In the circumstances, the Chair has to ascertain whether or not the House approves or disapproves.

Those in favour of granting consent to the Hon. Member for leave to introduce the Bill please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay. The Hon. Member for Edmonton East.

Mr. Yurko: Mr. Speaker, the Bill which I introduced today is intended to grant a posthumous pardon to Louis Riel. He is a hero of western Canada whose memory is revered from one end of the country to the other by the issuance of stamps, the building of statues, the naming of roads and institutions, and the designation of days of recognition. I ask the Government to make this a government Bill and then, accordingly, to request the Queen, through appropriate procedures, to grant such a pardon. Surely this is the least the Government can do after the abject failure of the First Minister's Conference on Aboriginal Rights.

Mr. Speaker: Order. The Hon. Member cannot debate the Bill at this point. A brief explanation of the Bill is all that is permitted.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 406, 413, 512, 543, 546 and 636.

[*Text*]

REVENUE CANADA—AUDITS OF FARMERS

Question No. 406—**Mr. Greenaway:**

As of December 31, 1983, by province, were any audits of farmers initiated by the Department of National Revenue in 1983 and, if so (a) how many (b) what total amount of unpaid tax was assessed to farmers (c) were any extra personnel hired to carry out the audits and, if so, how many?

Hon. Pierre Bussières (Minister of National Revenue): During the nine months ended December 31, 1983, the Department completed audits on (1) farmers, (2) farmers whose chief source of income is not farming, and (3) hobby farmers who have full-time occupations yet carry on farming activities. The following statistics include all three:

	(a) No. of Audits	(b) Estimated Additional Taxes
Newfoundland	5	$ 18,656
Prince Edward Island	61	397,957
Nova Scotia	75	222,225
New Brunswick	61	121,841
Quebec	646	2,539,879
Ontario	1,027	4,765,217
Manitoba	464	2,198,325
Saskatchewan	1,759	4,771,256
Alberta	814	5,248,208
British Columbia	292	1,980,881

(c) No additional personnel were specifically hired to carry out these audits; staff assigned farm audits are also assigned audits of taxpayers in other categories.

EMERGENCY MEASURES SHELTER, FREDERICTON, N.B.

Question No. 413—**Mr. Howie:**

1. Will tenders be called for the construction of the Emergency Measures Shelter in Fredericton, New Brunswick and, if so, on what date?

2. What is the present status of planning for the project?

3. Were outside consultants, architects, or planners engaged and, if so, what (a) are their names (b) amount was allocated for their services?

Hon. Roméo LeBlanc (Minister of Public Works): 1. Location and design/construction schedules for Regional Emergency Government Headquarters, New Brunswick not finalized.

2. Treasury Board has approved the project. Site location now under discussion with officials of the province.

3. No. (a) Not applicable, (b) not applicable.

WOMEN'S EMPLOYMENT COUNSELLING CENTRES

Question No. 512—**Mr. Howie:**

Did the Canada Employment and Immigration Commission establish Women's Employment Counselling Centres and, if so, how many and where were they located?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Seven Women's Employment Counselling Centres have been established since 1981 as part of a pilot project. The centres operate in Halifax, Chicoutimi, Toronto, Sudbury, Thunder Bay, Winnipeg and Calgary. Other similar centres, not part of the pilot, operate in Regina and Vancouver, making a total of nine WECCs across the country.

WOMEN EMPLOYED BY CORRECTION SERVICES OF CANADA

Question No. 543—**Mr. Howie:**

As of the last date for which information was available, what proportion of the employees of the Correctional Services were women?

Hon. Bob Kaplan (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned: As of December 31, 1983, 22.9 per cent of the total staff complement were women.

CEIC PROGRAM EVALUATION BRANCH

Question No. 546—**Mr. Howie:**

Are any persons employed by the Program Evaluation Branch of the Canada Employment and Immigration Commission and, if so, how many and what is the estimated salary expenditure in the current fiscal year and, in each of the two preceding fiscal years, what was the salary expenditure?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration):

Persons employed by the Program Evaluation Branch	— 46
Estimated salary expenditure in current fiscal year	— $1,814,517
Salary expenditure 1982-83	— $1,891,539
Salary expenditure 1981-82	— $1,380,196

WORK ADJUSTMENT TRAINING PROGRAM

Question No. 636—**Mr. Stewart:**

With reference to the answer to Question No. 126, in the fiscal year 1983-84, what amount was budgeted for the Work Adjustment Training Program?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): In the fiscal year 1983-84, the amount of $1,680,000 was budgeted for the Work Adjustment Training Program.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Tuesday, March 13, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Joe Reid (St. Catharines): Mr. Speaker, when I concluded my remarks yesterday I was pointing out that John Turner had set the course for the Government's continued deficit financing. Since then Canadians have learned that such deficits are not cure-alls. The Ontario Economic Council points out very forcibly that such huge deficits crowd out desirable investments. When the federal Government borrows 90 cents of every dollar put aside by Canadians, it starts a strong competition for the remaining 10 per cent. The higher interest rates, which automatically follow on supply and demand, lead to increased inflation. We as a people have gone through that cycle once before. We do not want to do it again, Mr. Speaker, nor can this economic recovery about which we are hearing stand a further round of high interest and inflation.

• (1510)

These high deficits are a reflection of over-spending. Federal government spending for the upcoming fiscal year will exceed $98 billion. This represents a year over year increase of 10.5 per cent. The Minister followed the six and five program of restraint, so he says, by promising to hold the line at 4 per cent in his February Budget. It takes a rather elastic line indeed, one that has lost all of its strength and control, to allow a stretch from 4 per cent to 10.5 per cent.

Bill C-21 is the inevitable result of a government's refusal to live within its means. Every home owner in this country knows how discouraging it is to pay on a mortgage year after year and not see any reduction on the principal of that mortgage. When individual citizens or organizations borrow money and go into debt, they must repay their loans as well as interest that has accumulated on it. Governments are really no different, except that some governments close their eyes and increase taxation. It is that simple for them. But tell that to the taxpayers of St. Catharines. They know what a thousand dollars is worth. They believe that their tax dollar is going into Public Works, National Defence, social programs and so on. But not any more. That $1,000 per taxpayer in St. Catharines is his annual contribution to the public debt service charges.

It takes no great intellectual wizard to understand that these service charges will crowd essential programs. We want the Government's spending madness to stop now.

To put it quite simply, I would be treating the taxpayers in my riding with contempt if I voted for this legislation. It is

irresponsible and we have had enough. Cut the request in half, I say.

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I am surprised—or not surprised, I suppose—that there is no one on the other side who is prepared to defend this fantastic attempt to have the House grant the Government unlimited power to borrow when it has once again just shown how incompetent and how consciousless it is when it comes to the spending of public money.

We were discussing Canadair during Question Period. For example, this Bill is not needed to permit the Government to issue guarantees to Crown corporations. Not is it needed to permit Crown corporations to borrow. We are only dealing with the Government borrowing for its own direct purposes. The Government is asking the House to give it the authority to borrow $29.5 billion, more than the Government's alleged deficit, which is supposed to be $29.6 billion in the year beginning April 1. It says that it will have to borrow $25.55 billion on the financial markets. It will borrow $25.55 billion on the financial markets. It will borrow $4.05 billion from the pension funds and the like of the Government. It wants to borrow more than it says its deficit will be. It behooves any Member of the House who believes in parliamentary control to oppose that attempt. Incidentally, I see that the President of the Treasury Board (Mr. Gray) is here today. I was dumbfounded to read in the newspapers yesterday that he had been having conversations with John Turner. Say it isn't so, Herb, say it isn't so. I have my money put on you to become leader of the Liberal Party of Canada and I do not want you chickening out in this shameful manner, particularly to a right wing extremist such as Mr. Turner. I hope there will be an announcement from the President of the Treasury Board. I hope that it is a leadership committee meeting that he is holding there, across the aisle. I suppose he was speaking to Mr. Turner about his experience with respect to bankruptcies so that he could apply the knowledge to Canadair.

Mr. Tobin: Oh, oh!

Mr. Crosbie: Never send a juvenile delinquent on a man's issue. Do you realize that the Government has thrown away $2 billion on Canadair?

Mr. Tobin: Tory nonsense.

Mr. Crosbie: Two billion dollars is the equivalent of the whole public debt of the Province of Nova Scotia. The hon. gentleman over there, from whatever riding he is—

Mr. Tobin: Humber-Port au Port-St. Barbe.

Mr. Crosbie: —should realize that he is better seen and not heard. It does him a lot of damage when he is heard. Two billion dollars was thrown away on Canadair.

The Acting Speaker (Mr. Guilbault): Order. May I request that we have some order in the House? The Hon. Member's remarks may not please everyone, but he has a right to say what he wants to say.

Mr. Crosbie: Mr. Speaker, let the record note that a Liberal boar from the porkbarrel is interrupting me with loud shouts.

The Ottawa *Citizen* today pointed out:

> But even if the 'new' company starts turning a profit, interest on the old debts will push the total taxpayers'—

Mr. Tobin: Are you enjoying yourself, John?

Mr. Crosbie: I am surprised you can get your snout out of the trough long enough to make a sound—other than the grunt that comes from them all. That is the quack quack government. The lame duck government.

Mr. Tobin: Mr. Speaker, I rise on a point of order.

Mr. Crosbie: They are quaking with their quacks.

Mr. Tobin: Mr. Speaker, I want to know if a press release has been issued by the office of the Leader of the Opposition (Mr. Mulroney) authorizing this speech in advance of its being delivered.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Guilbault): Order. I believe the House is quite raucous. We can have more order than this. That was not a point of order. Let us hear what the Hon. Member who has the floor has to say. On the other hand, I would remind the Hon. Member that he could make his remarks a bit less inflammatory, which could help him have more calm during his speech.

Mr. Crosbie: Mr. Speaker, I appreciate your fairmindedness and impartial advice. We are the Party of freedom fighters. We are not the Party that has to say yes every time our Leader says yes or no when he says no.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The hallmark of the brothel keeper is to be a Liberal. It is not the hallmark of our Party. Let me get back to my remarks. The Ottawa *Citizen* points out:

> But even if the 'new' company starts turning a profit, interest on the old debts will push the total taxpayers' tab to about $3.5 billion—roughly $160 for every man, woman and child in the country—

This is all in aid of 1,200 jobs to produce executive jets. There is something wrong when the Canadian taxpayer has to be asked to pay $3.5 billion in total, in advances of both principal and interest, to any company for that kind of purpose. The article points out that it involves enough public money to double the income supplements of every poor pensioner in the country and have $1 billion left over. If the same amount of money that is being spent on Canadair were spent to double the income supplement of every poor pensioner in this country, there would still be $1 billion left over. It is more than the Government budgeted this year for all the unemployment insurance contributions, direct job-creation schemes and training programs combined. That is how the Government spends public money. That is another reason for us to refuse to support this Bill.

Of course, there are many reasons for refusing to support the Bill. Let me point out another very likely inaccuracy in the figures that the Government is presenting to us. It wants us to believe that its deficit this year will be $29.6 billion. That is a huge amount, but it refuses to tell Members of the House what interest rate projections it is using for this and the coming years when it estimates what the interest payments will be on that debt. It says that it cannot tell the Members of the House what its forecasts of interest levels are because this would indicate to the market what it thinks and would therefore affect the market. It fails to explain why the United States gives these forecasts for nine years ahead without affecting the market. But we cannot do so in Canada.

Other economic forecasters will do that. Chase Econometrics, for example, give their projections of what interest rates will be for this year and for 1985. The Government fails to explain why it is that in the United States of America they can give forecasts for nine years ahead without affecting the market, but in Canada we cannot do so. Other economic forecasters do that. Chase Econometrics, for example, gave its projections on what interest rates will be for this year and for the next five. Its projection is 9.9 per cent on the average this year, then 11.3 per cent next year, and 11.2 per cent for the following year. The Conference Board of Canada gives projections. Data Resources does, and so does Informetrica Ltd. The University of Toronto gives projections but the Government of Canada does not. Why not, Mr. Speaker? Because the Government's forecasts would be a laughed out of the country if it did that.

• (1520)

My analysis is that the Government of Canada is forecasting that interest rates will decline to 7.5 per cent, in other words, 3 percentage points under the estimates of all the other forecasters. That is the interest rate level the Government is using in making its estimates of how much interest the Government will pay this year on the debt. If that is what the Government has done and if interest rates stay at present levels instead of declining 3 percentage points, as the Government appears to be indicating, the analysis in the April, 1983 Budget indicates that the deficit this year will be $5.2 billion larger and the non-Budget borrowing requirements $3 billion more. That is how important this issue is.

Until this Government is prepared to tell the Members of this House what interest rate forecast it is using in calculating the interest to be paid this year, which is in excess of $21 billion, and treats us the same way as all the other economic forecasters do—and they are all willing to make their forecasts for the next five years—we cannot believe what the Minister of State for Finance (Mr. MacLaren) says about what our interest costs are going to be and what the deficit is going to be this year, or whether or not the deficit will be anywhere near what the Government forecasts in the next four years. Come clean with us, Mr. Minister of State for Finance, and then we can consider what to do with this Bill.

I believe my time has expired, Mr. Speaker. I have a lot more to say. Perhaps I could get unanimous consent to continue.

The Acting Speaker (Mr. Guilbault): Yes, the Hon. Member's time has expired. Is there unanimous consent for the Hon. Member to continue?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Crosbie: There does not appear to be any objection, Mr. Speaker. I will not abuse—

The Acting Speaker (Mr. Guilbault): Order, please. The Hon. Member does not have unanimous consent.

Mr. Crosbie: But who objected, Mr. Speaker?

The Acting Speaker (Mr. Guilbault): Order, please. This is not a question for the Chair to determine. The Hon. Member for Restigouche (Mr. Harquail).

Mr. Maurice Harquail (Restigouche): Mr. Speaker, I am pleased to participate in this debate on Bill C-21, the Borrowing Authority Act. Before I begin my remarks to put our side of the argument forward, I want to make a reference to an attempt to describe the previous speaker as the bionic mouth. It has been drawn to my attention that the previous speaker has been very loose with his quips and has attacked the Minister of Finance (Mr. Lalonde) and others, as he is prone to do. I would like to remind him of some of his comments regarding his Party's previous election promises. I am speaking of the Member of Parliament for St. John's West (Mr. Crosbie). He said, "We are not going to do something just because it was promised during the campaign and we decide now that it is not the right thing to do". The Hon. Member for St. John's West went on to say, "I would conclude from these analyses that we have a free hand to do exactly what we think is best for the country".

Mr. Crosbie: That is certainly what you did.

Mr. Harquail: He went on to make a series of other comments, which really, upon reflection, are not worth repeating in this House.

Although we heard many indications from the Tories about wanting to take a new and fresh approach and about the Opposition Party wishing to make a sincere effort to bring forward a new look, a new approach and a new leader, when one reads and listens, as I have done in recent days, to speeches both on the Budget and on this Borrowing Authority Bill, one finds there is very little that is new. Indeed, it is the same old gang spewing gloom and doom and saying nothing is good in Canada. I disagree with that.

I want to say a few positive things this afternoon about the determination of this Government to do realistic and responsible planning with respect to contingency amounts for tradi-

tional borrowings that have gone on over the years and for this particular borrowing authority.

This contingency amount is to cover the impact of large and unpredictable foreign exchange operations on the financial requirements and to ensure that the Government will be able to continue its regular debt program in the event the House is not in session or has been dissolved. In essence, the contingency amount is designed to avoid any disruptions in the borrowing program which might lead to unnecessary disruptions in the exchange or capital markets which, in turn, might lead to upward pressure on interest rates. This is something which we on this side are determined to avoid. The Government will account for all the borrowing undertaken in a fiscal year. The Government will not borrow more than is necessary and it does not have to use up all the borrowing authority granted by Parliament. We know Government expenditures are controlled by Parliament and that the contingency does not permit spending beyond that reasonable amount. What we are looking at in this contingency amount is something that will give the Government flexibility in its financial operations. It will help to avoid unnecessary disruptions, as I have already mentioned.

Let me mention some of the initiatives from October, 1982. There was $500 million allocated for the NEED program, which was very successful in creating much needed jobs. Certainly in the Atlantic area this was a welcome thrust to the economy during that difficult winter period. In April, 1983 we saw $4.8 billion allocated over a four-year period under the Special Recovery Program. Indeed, every nook and cranny of the country has in one way or the other, directly or indirectly, benefited from this dynamic, positive thrust by the Government to protect those less fortunate and those unable to find work. There was $1 billion allocated in December, 1983 for youth initiatives which came under the Youth Opportunity Fund. There was an additional $400 million—

The Acting Speaker (Mr. Guilbault): Order, please. The Hon. Member for Timiskaming (Mr. MacDougall) is rising on a point of order.

Mr. MacDougall: Mr. Speaker, last week when I was making a speech during the debate on the Budget I was corrected by you in the chair for reading a speech. I was wondering whether you are prepared today to make a ruling concerning the Hon. Member who is now speaking.

The Acting Speaker (Mr. Guilbault): If the Hon. Member who has the floor is reading a prepared speech, he should abide by the rules of this House and speak without a prepared text.

Some Hon. Members: Hear, hear!

Mr. Harquail: Mr. Speaker, that was a very unnecessary interruption by the Hon. Member. I do not have a prepared text.

Some Hon. Members: Oh, oh!

Mr. Harquail: I am not reading from a prepared text. It is not my habit to read from a prepared text.

Mr. Crosbie: It would be of no help to you anyway.

Mr. Harquail: But I will tell you, Mr. Speaker, that when I am talking about important matters, such as fiscal matters, I have with me reference notes with respect to figures. As is expected of me, I want to be accurate in the figures I quote and not adopt the practice of some Members to your left who are, from time to time, reckless with figures. I do not wish to resort to that practice.

Mr. Taylor: That is what the Hon. Member had when he was called to order.

Mr. Harquail: We know from long accepted practice that one should speak without a prepared text, and I assure you that I do not have such a prepared text.

Mr. Friesen: Methinks he protests too much.

Mr. Harquail: What I am referring to are the figures which I am quoting from documents that I brought forward in the preparation of my presentation today.

I want to tell the Opposition that it should get away from trying to instil fear in the Canadian people. Why do Opposition members not talk about positive things, such as what we are doing—

Mr. Crosbie: Where are they?

• (1530)

Mr. Harquail: The Opposition should look at the reason for this borrowing authority. We want to carry out the important transportation programs which have been adopted by the Government to improve our highway networks, our ports, our airports and all such facilities. I would like to talk for a moment about the transportation need. If our economy is to suceed, we must continue moving forward and creating more jobs. It goes hand in glove that we must have a good transportation system—a good highway transportation system, good and efficient ports, efficient airports and the like, not to mention the need for good highways when we talk about tourism. If we talk about inviting people to come to Canada, we must provide them with good highways to travel about our beautiful country. This is just one element which allows me to rise and speak in a positive way about the reasons for the need for improvements to the transportation facilities in the country. Also I would like to mention the other important programs which my Party has brought forward and this Government has sustained over the years in the area of health and social programs. We are constantly bringing forward new initiatives to assist our youth, our seniors and women who want to develop and hone their abilities to participate in the Canadian workplace. This is the complete *raison d'être* behind bringing forward this Bill at this time.

As I started to say, the continual traditional, narrow-minded role played by opposition Members in constantly nitpicking everything that is brought before the House does not go unnoticed by taxpayers. Surely Canadian people are on to this type of tactic and strategy—nothing is ever good, nothing is

ever worthwhile. However, Canadians see the actual benefits which accrue to them in all regions of the country, certainly in the Atlantic region. That kind of thrust has resulted in new developments, such as new downtown projects which are under way. These projects create jobs for people who want to work. That is the position of the Government. That is what we are endeavouring to do. That is the reason we must get on with approving this Bill.

Naturally we, the majority Government in Parliament, have the support of the Canadian public. This is what Canadians expect us to do. They expect us to accept our responsibilities and to move forward boldly with our policies and programs. They do not want us only to talk about them. They want us to implement them. That is what we are all about.

In conclusion, I invite all Hon. Members, especially opposition Members, to make a sincere effort to look beyond their noses and a little deeper into the benefits accruing to Canadians. Indeed, Canadians are awaiting the approval of funds for projects in their constituencies. We have to allow for people living in those parts of Canada where, because of world economic difficulties they are suffering unemployment. We want to attempt under the new Ministry of Youth to put young people to work in the country.

Mr. Crosbie: You have $4 billion in cash.

Mr. Harquail: I am fed up with the opposition of such Members as the Hon. Member for St. John's West and some of his colleagues. They try continually to tear down some of the positive work we are attempting to do. Let us get on with the job and stop some of this rhetoric.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, Bill C-21, an Act to provide borrowing authority, asks Members of Parliament to give the federal Government approval to borrow $29.55 billion for fiscal year 1984-85. How can responsible Members of Parliament possibly give blanket approval to such an amount and to such an unspecified request? Why does the Government not indicate which budgetary items this is to cover? How can we approve expenditures which we believe, in the most part, are unnecessary or wrong?

We in this Party do not agree that the Government should have given over $1.35 billion to Canadair. Now it plans to wipe out this debt completely and provide a further loan of $310 million. We did not agree with the PIP grants to oil companies which cost over $1.6 billion. We did not and do not approve the borrowing of moneys for Liberal patronage and slush funds, nor do we approve of the deferral of corporate taxes which could bring $22 billion more into this year's Budget and thus require much less borrowing authority. We do not agree with the loss of taxes from unnecessary loopholes which the Government is only too glad to give to high-paid professionals and high-income people in its latest Budget.

I oppose this Bill for the same reasons that I opposed the Liberal Budget which included unnecessary costs, which forgot the hundreds of thousands of unemployed people, which made only a token grant for youth jobs and completely ignored jobs and training for women. It gave all the benefits to higher-income people and corporations. This is just another Tory type of financing; it is not humanitarian or practical.

In particular, the federal Budget was not a love story for Canadian women. Canadian women are struggling as never before to survive and pay their costs. In many cases they are the sole supporters of their families. The Budget contained the long-awaited increase in the GIS for poor single pensioners. Of course, we would agree with borrowing money for that, but we must point out that it was long overdue and certainly is not enough to bring pensioners above the poverty line. Unfortunately, it leaves elderly single women who make up three-quarters of this group well below the poverty line. The average income of pensioners with no other income will rise to only $7,200. This amount is $624 short of the minimum amount recommended by the all-Party task force on pension reform. It is much below the real poverty line.

We agree with pension splitting between spouses proposed in the Budget. It is another program which was long advocated by women's organizations. It does not cost the Government a cent. Why did it not bring in this policy sooner? However, our major concerns regarding pension reform are that the Liberals, like the Conservatives, concentrate only on private pension schemes. There is no way that this will provide adequate, secure retirement coverage for the needs of Canadian women in particular. The Liberals refuse to reform the public pension plan even though the Minister of National Health and Welfare (Miss Bégin) advocated this in earlier speeches. We know that this is the only way to ensure adequate universal pension coverage for all retired people. Canada Pension Plan benefits should have been increased to 50 per cent of the average industrial wage.

The Minister of National Health and Welfare stated in her Budget speech that the Budget brought in "ideal pensions". Then, of course, she had to admit that it depended entirely upon how the private sector responded and to say that this was its last chance. Obviously she is not completely confident that the Liberal pension proposals will be taken up by the private sector. The Liberal pension plan is based upon tax deductions and voluntary individual payments into RRSPs.

I ask, to whom does this really respond, to what income group? Very few working people on average incomes and with families are able to find $1,500 in spare cash to put into RRSPs. Of course, lower-income people, particularly single women, are completely left out of this kind of coverage. How many businesses will be able to find the extra cash flow to put in place schemes for their employees, even though they may be a little broader in proposed coverage?

With the exception of pension splitting, the Budget proposals which reform part of the Canada Pension Plan, the rest of the CPP proposals, are only to be studies. I warn Canadian women that both the Liberals and the Conservatives are playing politics when they talk about a homemaker's pension. That is not going to be in any way valid from the point of view of most Canadian women. Our minority report recommendations and the recommendations of labour and other groups was

to raise CPP benefits to half the industrial wage. We believe that a universal public pension scheme is the only way to bring women pensioners above the poverty line once and for all.

● (1540)

The expenditures of this borrowing Bill will not be targeted to the needs of women. In her speech, the Minister responsible for the Status of Women talked about how great this Budget is for women. I asked her to explain why there were no job-creation programs targeted to women, no retraining programs for those who will be displaced by high technology, and no federal initiatives to assist with essential support services so that women can get into the work force and remain there. I asked why there were no support systems such as daycare and parental leave. Instead of answering the question, she praised the Government programs as being quite adequate.

Canadian women do not agree with this answer. Thousands of women want jobs. They want equality in the workplace. They want and need to work, especially women in very risky jobs such as in the clerical and service categories. Every day these jobs are being lost to high technology. The Budget and this borrowing Bill completely neglect this important issue for Canadian women.

There is no job protection or work alternatives for women, something that is really needed. We cannot approve this kind of blanket borrowing authority for billions of dollars. The Minister responsible for the Status of Women also praised the Government's affirmative action program, which is not mandatory, does not include contract compliance and does not apply to job-creation programs. Statistics show that far fewer women are getting into job-creation programs funded by the federal Government. This Government is taking no steps to preserve jobs for women. Why is there no fund to assist over 200 women, mostly immigrants, who will soon lose their jobs at Puretex Canada, a Toronto sportswear factory? The Government quickly found billions of dollars to bail out Dome and Massey-Harris, but cares nothing about saving industries which employ women. Puretex is a good example of that.

The federal Government has added to the hardship of women forced into taking part-time jobs with part-time pay cheques and no benefits. Those who work half-time will be covered by the Canada Pension Plan, but the Government ignored most of the recommendations from their commission on part-time work last year, steps that are urgently needed for women.

Woman have not been considered in the six and five provisions of the federal Government. There will be no catchup provisions for them. We are very concerned about the total compensation comparisons with the private sector. This means women will be locked into the same pay scales, which are far too low for secretarial and maintenance jobs in the private sector.

We criticized the Liberals justifiably. As a British Columbian, I can tell you that it will be far worse if the Conservatives get into government. One of their speakers who spoke earlier today said that if he becomes Finance Minister, he will require a means test. Knowing his record on women, he will be chopping some of the important programs I have mentioned.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I must say that the time allotment ran out for the last speaker at the most appropriate moment. She was ready to make sure that the rich get more out of the Treasury and deprive the poor.

In speaking to this borrowing Bill, there is a sense of *déjà vu*. We are back to the same thing again. In the four years in the life of this Parliament, this is the eighth borrowing request. That is in addition to the regular revenues that the Government receives. Within the life of this Parliament we are looking at a cumulative borrowing of $102.85 billion, almost $103 billion. I agree with the other Members that it is bad enough to have such things as the bailout of Maislin and Canadair and some other projects, but I object if much of this borrowing is, as it probably is, to help with the Liberal slush fund. In the last month or two, we have repeatedly heard about special funds provided for Liberal back-benchers only. They have total discretion over how those funds are spent in their constituencies, and maybe in others.

To get a picture of what is going on in the whole scene of borrowing in this country, we have to put it in perspective with past experience. In this one Bill, we are asked to give the Government permission to borrow $29.55 billion. In this one borrowing authority, they are asking for almost three times as much as the total deficit of the entire nation in all of Canadian history when the Prime Minister (Mr. Trudeau) came into office in 1968. Our country was in debt for $11 billion for the first 101 years of our history. In one borrowing authority, we are being asked to give permission to borrow almost three times that amount for one year.

I listened with care to the Hon. Member for Restigouche (Mr. Harquail), who incidentally reads very well. He said that this borrowing authority, which will supply money for the Government until March 31, 1985, "will help to avoid unnecessary interruptions". That is a very insightful comment by the Hon. Member for Restigouche. What kind of unnecessary interruptions could there be during the next year? Could there be such things as a leadership race in the Liberal Party? Would that be an unnecessary interruption? Following the leadership convention in June, would a possible general election be an unnecessary interruption?

What does the Member mean by "unnecessary interruption"? Does he mean that an interruption is the need to come back to Parliament to borrow more money? In two of the eight borrowing Bills in the last four years we discovered that the Government was asking for far more money than it needed to operate. The Government had to reduce the amount requested in Bill C-125, at the request of the Opposition. It reduced by $4 billion the amount in Bill C-151 because Opposition Members demanded it. The Government was borrowing more than it needed so that it would not have to keep coming back to Parliament for more money. It is a nuisance factor in this parliamentary system for the Government to come back to

Parliament and ask for more money. It is a subtle reminder that it is overspending.

The Hon. Member for Restigouche talked about avoiding unnecessary interruption. It is another way of saying that the Government is asking for permission to borrow more than it needs, as it does not want to come back to Parliament to ask for permission at very awkward moments. Those awkward moments happen to be such things as leadership conventions and election campaigns. Between now and March 31, 1985, the Government will have permission to borrow enough money so that it will not have to put up with the nuisance of coming back to Parliament. I do not think that we as Members can afford to see this institution as being a nuisance or an unnecessary interruption for the Government. This is the arena in which the Government must display what little sense of responsibility it has left.

● (1550)

As I said before, if in fact there were no such things as Liberal slush funds or bailouts and the Government still needed all of this money, then there would be another very serious question to ask, and that is, whether we are living within our means. Are we paring down the Budget in such a way that we can operate using our cash flow? When this particular borrowing Bill will amount to 4.5 per cent of our GNP or cash flow, we must ask ourselves whether the Government is prepared to live within the means at its disposal.

I noticed that under this particular borrowing Bill, interest payments alone will cost every taxpayer $1,500 a year. That is needed just to meet the interest payments. That, Mr. Speaker, is like going to Household Finance to pay for your grocery bill. They want a little more every time, and we cannot afford to pay those kinds of interest rates. We are mortgaging the future of our children and our grandchildren.

After the Hon. Member for Lotbinière (Mr. Dubois) spoke yesterday, I asked him if he thought it was right to make sure that our children and grandchildren will inherit a debt over which they have no say at all. They cannot vote on whether or not they want to pay the debt we are leaving to them as an inheritance. His answer to me indicated pretty clearly the mentality of the Government. He said that the cash flow of the Government will keep on increasing, and with the increase in the Gross National Product we will be able to pay this accumulated debt. Is there anything on the record which would substantiate what was said by the Hon. Member for Lotbinière? As recorded on page 2041 of *Hansard*, he concluded his answer to my question by saying:

> I have therefore no worries as far as the future generations are concerned, Mr. Speaker.

I simply want to ask all Hon. Members if they agree with that kind of statement. Does it not bother them at all that when they support this kind of drunken borrowing mentality, they are saying in effect that their children and grandchildren will inherit a debt that may be beyond their ability to pay? Does it not bother them at all?

I was visiting a shirt-tail relative of mine in the City of Portland a few weeks ago, Mr. Speaker. That relative is a businessman. With a very quizzical look on his face, he said to me: "Do we ever have borrowing problems down here in the United States! Do you people up in Canada have problems like that?" I looked at him and said: "I wish we had your problems". In the United States, they are talking about a debt of $200 billion in a country with a population of about 240 million people. I wish we had those kinds of problems. I told him that our per capita debt this year alone will be 40 per cent higher than his. He shook his head, in disbelief. These are the problems with which we are wrestling, Mr. Speaker.

Do we give the Government a blank cheque to borrow more money than it needs in order to operate this year? Without taking into account rising interest rates, the Government has projected our debt as being $31 billion. With interest rates now rising, we can assume that that debt will be even higher, because the Government will have to pay a higher rate of interest.

Therefore, Mr. Speaker, we can in no way endorse this kind of irresponsible borrowing. We cannot endorse the kind of mentality of government members who ask for as much as they want for the next year so that they may avoid unnecessary interruptions and spend as they like.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, on most occasions it is a pleasure to rise in the House, but it is not a pleasure when discussing a borrowing Bill of the size of the one that is before us at this time. One might recall that in 1969, the Prime Minister (Mr. Trudeau) said that we will be on the road to financial disaster if nothing is done to bring spending under control. In that year, we spent $13.8 billion. Now we are spending $100 billion a year and we can see the problems that that has created.

It is interesting to look over the records and see just who was in charge of our public accounts and spending programs in the past. I have a list here which goes back to 1967 when Mr. Benson was the Minister of Finance. Something that should stand him in good stead, I suppose, as he continues in government service for what seems to be a very long time is that he was the last Finance Minister for the Liberal Government who in 1969-70 showed a surplus. He actually showed a surplus of $493 million in 1969. That was the last surplus the Government ever had, and that was 15 years ago or more. The original idea behind accounting in a businesslike way was that one would lose some money one year and save it up the next.

In 1970, Mr. Benson lost $372 million, and the following year the deficit reached $702 million. In those days that seemed to be pretty horrible. The deficit rose to just under a billion dollars in what would appear to be Mr. Benson's final year as Minister of Finance.

Next, the Hon. John Turner came on to the scene in 1972 and began to lead the way. He produced a 1972-73 Budget which lost $999 million. He produced a Budget in 1974 which lost $1,733 million on the year's operations, and then he produced another Budget in 1975 which nearly quadrupled

that loss, making a deficit of $5,463 million. At that point, the Hon. John Turner withdrew from public life in shame and humiliation, one might assume, or to protect himself from having the reputation of being a member of the Liberal Party. However, in any case, he disappeared, and I believe he is now being resurrected as the only hope for leader of the Liberal Party and his coronation is to take place in June of this year.

I would like to let it be known that the record of the Hon. John Turner shows that in the first year he took over, he lost about a billion dollars, and in the last year that he was in charge of our financial operations, the deficit was $5 billion. By that time, the gross debt had risen to $58 billion from some $45 billion, which was the amount of the debt when he took over.

The Hon. John Turner was followed by another erstwhile candidate for leadership of the Liberal Party, the Hon. Donald Macdonald. He stayed on for only two budgets and managed to create a deficit of $6 billion as a result of one budget and $10 billion as a result of the other. He is now employed at an outrageous per diem amount to look into Canada's financial situation. He claims that he should not run for the leadership of the Liberal Party because he is involved in the Macdonald Commission which is inquiring into the country's economic status. Mr. Speaker, that former Minister should certainly know how to get into debt and into trouble.

● (1600)

He was followed by the Minister of Energy, Mines and Resources (Mr. Chrétien) who managed to increase the deficit of that day from $10.8 billion to $12.2 billion. By that time our gross debt was $95 billion. This is the Minister who was one of the proponents and champions of the Challenger.

Then came the second bright spot in this recital. In the year following that in which the Minister of Energy, Mines and Resources was Minister of Finance, the deficit dropped from $12.2 billion to $11.4 billion. That is when the Hon. Member for St. John's West (Mr. Crosbie) was Minister of Finance. However, good things do not last long; he was followed by today's Deputy Prime Minister (Mr. MacEachen) who had the most disastrous of all Budgets. It is a truism to say now that he was the worst Minister of Finance since the Hon. John Turner, although some people class the Minister of Energy, Mines and Resources as being on a par with Mr. Turner. I think the Deputy Prime Minister wins the gold cup, and should keep it forever, for his Budgets. When he left the scene, the gross debt was around $134 billion.

It is therefore no wonder, Mr. Speaker, that we are concerned about giving the Government more authority to spend money. Figures are almost meaningless. The Government wants to borrow $29.55 billion, and it is hard for an ordinary person to relate to that. We have heard about how far it would stretch if it were composed of $100 bills and how much that amount would have represented in the time of Christ and so on, but I find it difficult to explain to taxpayers.

The Government is using this Bill as convenience, to give some of its Members more time to run for the leadership of that Party. It is an interesting commentary on the Government that when the Prime Minister announced his resignation, the stock market went up immediately. That is rather typical of the hardheaded fashion in which the stock market operates. Under the guidance of the Prime Minister it was rather insecure and thought that perhaps it was in for better times when he tendered his resignation. When it found that the two leading challengers were former Finance Ministers in the Liberal Government, the market immediately went down and it has been stagnant ever since.

There are a lot of examples of this Government's misadventures and its waste of money, Mr. Speaker. For instance, the Minister of Fisheries and Oceans (Mr. De Bané) has vastly increased the money to be spent on an advertising campaign to get people of the world to eat more fish. That advertising sounds strange on the West Coast where we cannot catch enough fish at the present time to satisfy the market. Yet the Minister wants to increase the advertising budget. It is possible that at the same time the advertisements might carry a vivid portrait of the Minister of Fisheries and Oceans.

Then there is today's news about the Canadair fiasco. We may lose $3.5 billion on the Challenger. If that company had 3,500 employees, that represents $1 billion each. It could have afforded to give each of them a separation allowance of $1 million six years ago and it would be no worse off today.

As was stated by Decima Research just the other day, people in Canada would like somebody to be the Prime Minister who can sympathize with or understand their problems. That has been a big problem for the Prime Minister, and I am afraid it will be for his successor.

Mr. Len Gustafson (Assiniboia): Mr. Speaker, this request for borrowing authority for $29 billion is of great concern to all Canadians, but particularly for the agricultural community. We have had a Government, a Minister of Finance and a Cabinet who have not acted responsibly toward spending. The news of the $3.5 billion that Canadair has cost the taxpayers is an example of this.

The Government's total budget for agriculture is $1.26 billion, out of a $100 billion Budget. One must ask where the Prime Minister, the Cabinet and the Minister of Agriculture (Mr. Whelan) place their priorities. I am sure that not only every taxpayer in Canada but every farmer—some of whom are facing bankruptcy and many who are facing very, very serious financial problems—is asking today how the government, the Cabinet and the Prime Minister (Mr. Trudeau) could relinquish their responsibilities in the way they have.

The Government is requesting borrowing authority of $29 billion. For practically a year and a half on this side of the House we have been asking the Government to take some action on the Western Grain Stabilization Program. Individual farmers pay as much as $1,200 each into that fund. This is their money, yet the Cabinet, the Prime Minister, the Minister of Agriculture and the Liberal Government have failed to put in place a formula that would trigger a payment to farmers.

When Otto Lang instigated the Western Grain Stabilization Program, the formula was set up to address the cash flow problem faced by farmers. There is $1 billion of farmers' money in that fund, yet the Government will not put in place the formula that would allow a pay-out to address their cash flow problems. This shows how serious our financial problems are and it shows the inability of the Government, of the Cabinet and of the Prime Minister to deal with them.

We have before us a Bill for advance grain payments to producers. We have been calling for that for months and we will give it quick passage. It would allow a farmer to borrow certain amounts of money in advance of delivering his grain. This Government has dragged its feet on agricultural matters.

• (1610)

Concerning the national energy policy, I sat in the committee and saw this Government move to the point where, as we heard today in the House, it is costing the consumers of Canada over 50 cents a gallon more for gasoline here than it does in the U.S. Remember the 18 cents a gallon, Mr. Speaker? Remember how terrible it was that the Conservatives were inflicting an 18 cent a gallon tax on gasoline on the Canadian consumer? Well, we now know the reality.

We on this side have called again and again for the removal of federal fuel taxation on food-producing lands. The Hon. Member for Vegreville (Mr. Mazankowski) moved a Private Members' Bill in that regard so as to improve the production of food. Again the Government fails to move and address the problem. This Government, this Prime Minister and this Cabinet must put its priorities in order. We have productive people, productive farmers. But unless we give them tools, opportunities and a fair chance, they will not be the engine of stimulation of the economy. Farmers contribute over $8 billion to the economy. In return, they get back $1.25 billion from a $100 billion budget. I think it is fair for the people of Canada to call upon the Prime Minister to address these very, very serious matters of finance and to reconsider the manner in which he handles the taxpayers' money.

I could read into the record the continuation of a long list of spending by this Government. Under this administration, the paper pushing bureaucrats cost the taxpayer some $17 million for 12,600 metric tonnes of office paper, which works out to roughly 90 pounds for each civil servant. We have done a great job in this country of circulating paper and spending, in this case, $17 million, but what is the return? That is the question this Government has to start asking itself very seriously. We have $50 million for the Maislin trucking company. Again this morning we saw the example of $3.5 billion for Canadair in excess spending. No wonder we have these heavy-handed methods being used by Revenue Canada to collect funds, which are necessary, should I say, when the Government has been very, very lax in spending the taxpayers' money.

I think it is only fair that we call for responsibility on the part of the Prime Minister and his Cabinet, indeed on the part of each backbencher, regarding the handling of the taxpayers' money.

Borrowing Authority Act

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am pleased to join in this debate on the latest in a long series of Bills to provide borrowing authority to the Government. The purpose of Bill C-21 is to borrow some $29.55 billion for the fiscal year 1984-85. That rather staggers the imagination, but I suppose we have become inured to this kind of request from the Government over the past few years. But we should not be complacent simply because it has become the norm rather than the exception.

In this request the Government has asked for some $4 billion to cover unforeseen contingencies. One of my colleagues from the Conservative Party wondered aloud a few moments ago about what some of those contingencies might be. I have to wonder whether or not the fact we are in the fifth year of the Government mandate has any bearing on those so-called unforeseen contingencies.

Another matter of some alarm is the use to which the Government is putting many of its larger items of expenditure. I and my colleagues appreciate, as do many Members on both sides, the necessity for avoiding a collapse of the Canadian aircraft industry. Many of us here have seen that sort of thing take place in this country in the 1950s and 1960s. We do not particularly want that to happen again, but it is more than puzzling to think of the odd sense of priorities the Government must have when it devotes $1 billion, $2 billion or more to the future of a single corporation which employs some 7,000 to 8,000 people, while that same Government, when faced with the crying need for investment in an industry, such as the forest industry which contributes more than the next five industries put together to the Canadian economy, watches that industry starve and the resource disappear. In British Columbia, for example, the Government has cut its spending on the forest industry from an anticipated $52 million down to $5.5 million in this year. The Government's own reports suggest that within the next five to 20 years we are going to see 30,000 direct jobs and another 30,000 indirect jobs disappear in that Province alone, and that will require a massive bailout of B.C. by the federal Government. What sense of priority can the Government have when that minuscule amount, relatively speaking, is denied for whatever reason?

• (1620)

It can so easily, meanwhile, as it has done again and again, devote billions of dollars to one corporation employing 7,000 or 8,000 people. That reminds me of the conservative Premier of the Province of British Columbia. He said that by the year 2000 high-tech is going to be British Columbia's number one industry. That is not necessarily because it is going to grow, but because they are going to let their basic strengths disappear and wilt on the vine. The Government seems to be doing exactly the same thing.

It makes no sense to build pyramids, no matter how shiny and new. Every time politicians get into trouble they build pyramids. They have been doing that for 5,000 years. It is rather important for them to pay at least equal attention to the basic resource industries which are our major strength in the

country and upon which everything else must be built. We cannot have a society with everyone employed shining each other's shoes or recirculating pieces of paper around. Someone in industry must produce the basic wealth to make it all tick. I cannot understand the odd sense of priorities the people over there have shown over the years.

Another suggestion for the discretionary $4 billion for unforseen contingencies is that its purpose may be to intervene in the foreign exchange market to support the value of the Canadian dollar. I, along with a number of other Members, last night attended the annual meeting of the Canada-Italy Frienship Society across the street in the Wellington Building. In his remarks the Italian Ambassador drew attention to the fact that one of the major problems seen in the current period in terms of declining trade between Canada and Italy is the strong position of the Canadian dollar relative to the strength of the currencies of our European trading partners. That is not the only source from which we have had that type of advice. This is causing difficulties in terms of many Canadian products finding access to many parts of the European community.

Of late there has been no shortage of articles, suggesting that, on the urging of the Official Opposition the Government has a lot of its financial priorities backwards. I hope that these stories signify a re-awakening in the discipline of economic analysis. Rather than expending considerable sums of money in the past or the future trying to prop up an artificial value of the Canadian dollar, it would be more in the interest of our major resource industries in this country to let the dollar find its proper level in order to strengthen our exports from resource industries. Along with that, applying some of that same muscle to a pegging of interest rates in Canada, will provide in the long run for a strengthened manufacturing sector.

I am continually puzzled by the Government, Mr. Speaker, because it has become increasingly conservative in its economic policy. I wonder on what kind of platform it thinks it is going to go to the people in the next election. Is it going to be dressed up again in the a new version of reformed Liberalism? If so, does it fit that classic definition of a Liberal namely, one who believes in social reform as long as it does not cost him anything? That is the type of so-called social reform we saw in the last Budget; reform was on the never-never plan. Conservative economics and Liberal politics—the worst of both worlds.

When the Official Opposition Conservatives manage to be consistent for a little while, the type of speeches they made and the kind of advice they gave the Government are exactly the type of advice, the acceptance of which has been getting the Liberal Government in deeper and deeper trouble over the last few years. They are a disaster when they act like Conservatives. No one has anything against legitimate restraint, but the type of restraint programs suggested by my colleagues to the right in the Conservative Party are exactly those proven to be such a disaster in my home province.

The Acting Speaker (Mr. Guilbault): Order please. The Chair regrets having to interrupt the hon. gentleman but his time is up.

The Chair would like to point out to the House again that some Hon. Members appear to have some difficulty this afternoon in relating their remarks to the subject, namely, Bill C-21, the Borrowing Authority Act.

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, I will pay heed to your warning. However, I must say that anything to do with the Government has something to do with Bill C-21 and the borrowing of almost $30 billion. I think, therefore, there might be a fair amount of leeway in debating what is before the House today.

Mr. Tobin: Be nice.

An Hon. Member: He is not even in his seat.

Mr. McDermid: Well, he cannot see from back there. He is so far back in the back corner that he gets nosebleeds back there all the time. The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) should be careful or we will push the down button on his elevator shoes.

Mr. Tobin: That was not even funny, John.

Mr. McDermid: I would like to discuss the borrowing of $29.5 billion. The Government comes back time after time for more and more money. In the 1980 campaign the Liberals made three promises, Mr. Speaker. The first promise was to give us lower gasoline prices. The second promise was to give the guaranteed income supplement an extra $35. They fulfilled that promise but did not fulfill the first promise of lower gasoline prices. The third promise they made was to manage the economy of the country so that we would be far better off than a Conservative Government could ever make us. The facts prove that they did not fulfill that promise very well either.

I would like to review the fine collection of Finance Ministers we have had over the years. There was one by the name of John Turner who started us on this massive deficit. His Budget in June, 1975 had a deficit of about $5.5 billion. He is a leadership candidate. We then had the present Minister of Energy, Mines and Resources (Mr. Chrétien). He was the Finance Minister some time ago. We all like to forget about that. His deficit was $12 billion. The two whom I have mentioned are going to be seeking the leadership of that Party. We then had the present Minister of External Affairs (Mr. MacEachen) who raised that deficit to $25 billion. He is smart; he is not seeking the leadership of the Party. Now we have the present Minister of Finance (Mr. Lalonde) who has a $31.5 billion deficit. It continues to go up and where it will stop no one knows. He also is very smart; he is not running for the leadership of the Liberal Party but he is trying to get Mrs. Campagnolo to seek the nomination. That is the history of the economic performance of the Government.

The Government wants $29.5 billion. Let us look at the calendar ahead of us. Our Prime Minister (Mr. Trudeau) has resigned. We now have a leadership convention scheduled for June. Some time after June, probably on November 5, they will call an election. If you are betting on anything, bet on that

date for an election. November 5 is as good a day as any for an election. However, they want $29 billion, which will carry them well into 1985. What that tells me is that there will be a lot of borrowing and a lot of spending taking place within the next very short period of time. Once again, the Government will try to buy its way into the hearts of Canadians. It will try to bribe the Canadian people with their own money in order to get elected. It is asking the House to approve $29.5 billion in borrowing authority. I say a pox on their house. There is no way that we can approve that kind of unconditional borrowing. To ask for $29.5 billion is completely irresponsible and we will not approve it.

• (1630)

Not only does the Government want to borrow $29.5 billion, there are billions of dollars in tax increases that have taken effect in 1984 about which people have forgotten. Two Budgets ago, the Minister of Finance introduced large tax increases for the Canadian public which were to take effect in 1984. But the people will not notice that until they start filling out their tax forms in 1985. A smart political ploy. Not only does the Government want to borrow more money, it is bringing in billions of extra dollars in taxes this year as a result of the tax increases in the Budget of the Minister of Finance two years ago.

It is completely irresponsible for the Government to ask for this amount of money and we are unalterably opposed to this gigantic amount of funding. The Government wants a blank cheque so that it can have $29.5 billion when it cannot manage what it already has. Let me give one example. It has come to my attention that the federal government funded a very worthwhile conference, the Circumpolar Conference of the Inuit peoples in Canada, together with those from Iceland, Greenland, Alaska and those who were invited from Russia but were naturally not allowed to come.

The federal Government donated $100,000 for this particular conference, but from where did it take the money? The budget from which it took $100,000 to finance that conference was the health care budget of the Indians and Inuit in northern Canada. The reason I was given for taking the money from that source was that the Government believed there would be excess funds in the health care budget of Indians and Inuit in northern Canada.

I ask you, Mr. Speaker, to name me one health care budget in this country—whether it is in Brampton-Georgetown, Restigouche, Témiscamingue or wherever—that has excess funds. When it comes to health care in this country there is no surplus money. Yet with the excuse that there would be excess money in the health care budget for the Indians and Inuit of northern Canada, the Government took $100,000 and applied it to a conference. Now it returns, cap in hand, with Supplementary Estimates (C), asking to have the $100,000 back. It wants to put it back into the health care budget for the Indians and Inuit in northern Ontario. It was completely irresponsible to take those funds out of that budget in the first place.

One does not simply take money out of the budget for Indian and Inuit health care, or any health care, to put it into something like a conference. While it was a worthwhile conference, if it was going to be funded it should have been funded by the Secretary of State (Mr. Joyal). If it concerns northern affairs, surely funds could be found somewhere other than health care for the Indian and Inuit of the north. Such action is completely irresponsible, yet the Government which would stoop so low to do that is asking us to write a cheque for $29.5 billion. I do not believe the people of Canada want us to do that. I do not believe they expect us to hand a blank cheque to the Government, especially when it does not have a leader now.

Let us cut that request in half and let their new leader come back to tell us what the Government's spending priorities are. Perhaps we will give it the other $15 billion if it needs it. But all it needs right now is $15 billion to see it through to next fall when their new leader is chosen. We are opposed to this Bill. If the Government wants to cut the Bill in half, we will look at it again.

Mr. Gordon Taylor (Bow River): Mr. Speaker, this is the most inefficient and extravagant government in the history of Canada. It is also the very best government we have ever seen at putting up smokescreens to deceive the people. I do not say that lightly. Let me back up what I have said with some examples.

The Government is inefficient because it does not try to get full value for every dollar spent. It is extravagant in the way it throws money away unnecessarily. It certainly puts up smokescreens in order to hide the facts and deceive the people. While a smokescreen is a useful tool in war to keep things out of sight of the enemy, it is terrible for a government to use a political smokescreen in peacetime to hide what it is doing from the people who pay the taxes.

Let us look at some of these smokescreens the Government has put up and what it is deceiving the people about. In the last Budget we heard the Minister of Finance (Mr. Lalonde) and Government members say that there would be no increase in taxation. It is a wonderful Budget because there is no increase in taxation, they declare. However, these increases were mentioned a year ago in the hope that everyone would forget about them. The fact is that there are increases in taxation this year which Canadians will realize when they start paying. For example, there is a 1 per cent increase in the special recovery tax this year that will take $300 million out of the pockets of the Canadian people. Yet the Government says there is no increase in taxation. Talk about a smokescreen!

It made changes to the federal tax reduction that will bring another $445 million into the coffers from the pockets of the people of Canada. It is going to eliminate the standard $100 deduction in income tax which will take another $180 million out of the pockets of the people. The deindexation of the child tax credit income threshold represents $155 million. I could go on and on.

The Government does not even have any compassion for the workers of this country, 1.5 million of whom—probably more—are unemployed. It is sneaking another $45 million out of the pockets of industry and the workers for UIC. These are all in the form of delayed taxes.

The Government is not forthright enough to say that it would take these taxes from the pockets of Canadians last year. It waited a year to do so in the hope that Canadians would forget about it. Workers today do not earn enough to keep their heads above water. Many of them go hungry and their children must do without. But the Government grabs another $45 million from the pockets of Canadians workers.

This adds up to a total of $2 billion in delayed taxation. The Government then has the audacity to tell the people of Canada that there is no increase in taxes in this Budget. There is no increase in this Budget because it was implemented a year ago so that people would forget about it. Talk about a smoke-screen! Talk about camouflage! Talk about deceit! That is why I say it is the most deceitful government in the history of Canada.

Let us see what else it has done. What did the Prime Minister (Mr. Trudeau) say to old age pensioners who were finding it very difficult to make both ends meet? He told them to change their priorities. Right now, some of them eat pork and beans for breakfast and pork and beans for dinner. What is one supposed to do, have beans and pork for supper? They are not getting enough to eat yet the Prime Minister has the audacity to tell these people, who do not have enough food to last a month, to change their priorities.

While the Government tells women between the age of 50 and 65 that it cannot spare anything for them, it pays $800 a day to a rich lawyer because he was once a Liberal. He resigned but he gets $800 a day. Nobody is worth $800 a day. Certainly a Liberal is not worth $800 a day, not even the best. The very best is not worth more, I would say, than two-bits.

• (1640)

Some Hon. Members: Oh, oh!

Mr. Taylor: We talk about a billion dollar government, but it is a two-bit government when it comes to looking after the people. It is a billion dollar government when it comes to looking after Liberals, ex-Liberals and those who are willing to be called Liberals. They can get $800 a day. Aren't Hon. Members across the floor ashamed of that? Why are you not hanging your heads in shame, paying $800 a day—

The Acting Speaker (Mr. Guilbault): Order, please. May I remind Hon. Members that the Member who has the floor must address the Chair and also must relate his remarks to the subject.

Mr. Taylor: I am talking on the subject, Sir, and I am addressing the Chair. I say to Hon. Members on your right that they are not worth 25 cents a day. They are not worth $800 a day. If you think you are, just ask the people outside.

Another thing, you want people to learn French. What do you do? You send a girl to the Riviera at taxpayers' expense. She went from the Prime Minister's Office. Talk about extravagance! And these Hon. Members to your right, Mr. Speaker, are not hanging their heads in shame? At the same time we cannot find enough money for women who have spent their lives building this country and are now at an age when they cannot work and we cannot find anything for them. They are women between the ages of 50 and 65. We put them on welfare and let the province pay for it. Talk about deceit, inefficiency and extravagance! There has never been a government like this one in the history of the country.

The Department of National Revenue are squeezing the last nickel from some of our taxpayers. They are squeezing the last nickel out of people. Who are doing it? Auditors hired by this Government at $800 an hour, they tell me. What is wrong with Macdonald? He is a chiseller, being a Liberal. But only getting $800 a day? How many hours a day does he work? Is it three hours? He could have had $2,400 a day at $800 an hour. Talk about extravagance and wasting people's money. Then they have the nerve and audacity to ask for the right to borrow $29 billion. I just cannot understand this. If I were on that side, I would go home and tell my people that I cannot stand it. The Government has gone out of its mind. If it ever had any brains it has lost them all.

Let us look at what the Government has done. Since I have been in this House and just since this Government has been re-elected it has borrowed $102 billion. We have a total debt now of $150 billion. With this request it will be $180 billion. Do you know what you are doing to the people of Canada, Hon. Members over there? Do you know what you are telling the people of the next generation and what you are telling every baby born in the hospitals today? You are hanging a debt of $6,000 around every neck. As soon as they get the breath of life, the Liberals are putting a debt of $6,000 around the necks of all the little babies. I see boys and girls coming here to listen to the debates. I wonder what they think when they go home. Here is the bunch, here is the group over on your left, Mr. Speaker—I mean over on your right, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Taylor: This is the bunch on your right, Mr. Speaker, that is putting a $6,000 debt on children before they are even through grade one or grade five, in fact, as soon as they are born. Now it will be worse if this Bill goes ahead. You don't have to worry about it, Mr. Speaker. That crowd on your right will pass anything if the Prime Minister tells them to. They will pass the Bill. They do not care what it does to the people. When that is done there will be a $7,200 debt around the neck of every man, woman and child in this country.

We stand here and say that we are working on behalf of the people. This Government is trying to get every bent nickel out of every citizen of the country that it can. It does not matter whether the people go hungry. It does not matter if they have to change their priorities, just as long as the Government gets

its money. Now this Government wants another $29 billion. Shame on you, is all I can say.

• (1650)

[*Translation*]

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, once again, the House is debating the Borrowing Authority Bill that will authorize the Government to borrow the money it needs to carry out its operations. I think this is a useless exercise in hypocrisy. Just listen to what is being said in this debate by the Opposition! We are being treated to every possible accusation this House has heard since the beginning of Confederation, and which I myself have heard for at least four or five years. It is an opportunity for the Opposition to repeat these accusations and to express their dissatisfaction with the Government. We have had to listen to these accusations, falsehoods and absurdities, today and since the beginning of the debate on the Borrowing Authority Bill.

As I said earlier, this is an exercise in hypocrisy, in my opinion. First of all, we know that in any case, the Government will have to borrow to run its operations. We know that. It does not matter what the Opposition says. So why waste the time of the House by repeating the same absurdities over and over again? If the Members opposite could make some constructive contribution—

Mr. McDermid: Close the House!

Mr. Tousignant: There are, of course, a few questions we could ask in connection with the current situation. Why does the Government have to borrow to carry out its operations? We must not forget that we have been through a recession, and business has not been good. Mr. Speaker, the difference between a government with its borrowing authority and a private company is easy to explain. A government, and especially a national government, is responsible for maintaining the economy at a certain level. We cannot tell people: Look, business is bad, you do not have a job, you are not earning any money, but that's your problem and we couldn't care less! Therefore, a national government can and must borrow the monies it needs to tide it over difficult periods. Once the economic situation improves, those loans can be paid back. Of course, in the private sector, when someone exceeds his debt capacity, he goes bankrupt. Everybody knows that. So this is part of the authority the Government has, and thankfully, national governments have the authority to borrow money to get us through difficult times. As I mentioned earlier, however, the Opposition is using this debate to rehash all the accusations and litanies of complaints we have been hearing for five years. They talked about Canadair, de Havilland, and the energy policy, and they even talked about senior citizens. Imagine, the Opposition trying to teach us a lesson on how to deal with senior citizens! Imagine! It is absolutely shameless that they should even try to tell us how to treat senior citizens.

Since the Canadair issue has been brought up, I would simply like to ask them a question. It is all very well to talk about Canadair's huge deficits, but the fact is that 8,000 jobs are involved. What I would like them to tell us, for instance, is what would happen if the Canadian Government did not keep that company in operation and how much would be lost in salaries. The same thing goes for de Havilland. In the late fifties, the Progressive Conservatives under Mr. Diefenbaker put an end to the Arrow program. They must be biting their fingernails these days. Perhaps it would have cost a few million dollars more to keep that program going, but how do we know we would not be further ahead today? Naturally, we too wish de Havilland and Canadair paid their own way, but that is impossible for the time being. Is it better to drop those companies, throw all those people out of work, forget all about high technology, let somebody else do it and concentrate our efforts on second rate companies? Is that what the Opposition really wants?

Other Members have quoted figures out of context. Now, that is great fun. It is really too easy to insult the intelligence of people by quoting figures out of context. Earlier today, Mr. Speaker, a Member said that the deficit during the first hundred years of Confederation was three times lower than it is this year. Can you imagine that: during the first hundred years of Confederation, the deficit was lower than it is this year!

First of all, I would like to say to that Hon. Member that indeed, after one hundred years the Canadian Confederation—he probably had the figures for 1867, but I am referring to the figures for 1967—Canada's gross national product amounted to $60 billion. Our business figure or our gross national product was $60 billion. Today, however . . . In 1867, I imagine the GNP was perhaps . . . I will ask Opposition members, they must know that! What was the Gross National Product in 1867? At any rate, it was $60 billion in 1967, compared to $390 billion in 1983.

An Hon. Member: They don't even know that!

Mr. Tousignant: So, if you multiply by three the GNP figure for 1967, after one hundred years of activity, three times $60 billion equals only $180 billion, while the Gross National Product is presently $390 billion.

You must remember the years of Progressive Conservative government under Mr. Diefenbaker, 1958-59, 1959-60, 1960-61. The public debt as a percentage of personal income is now 37 per cent, while under Mr. Diefenbaker—and they seem to complain about recent years, to lament years gone by—under Mr. Diefenbaker, the public debt as a percentage of personal income was 49.5 per cent, Mr. Speaker. It is easy to quote figures out of context, but they should at least have the decency to use official data.

[*English*]

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, it is always interesting to sit through debates when the Government shows great indignation over the fact that we in the Opposition are concerned with its spending habits. The previous speaker interestingly said that he finds this whole exercise useless. He thinks it is an exercise in hypocrisy because the Government has to have money to carry out its business. Perhaps it is not supposed to be our role or responsibility here in Parliament to question the Government.

Mr. McDermid: Heaven forbid!

Mr. Oberle: Why do we not just close down this institution and go home? Why do we not just transfer all the responsibility to that subculture in the Langevin Block, that group of pseudo-intellectuals who through their social engineering know what is best for the country, know how to plan and structure an economy which works in the best interests of all people? Why do we not do that? Mr. Speaker, if I had to sit all day in the chair and listen to all the horror stories, I would be inclined to rejoin my colleagues and walk home in shame. I would ask that my presence be stricken from the record so that my grandchildren would not know that I was part of the scheme which is being perpetrated upon the Canadian public and upon two or three future generations.

The Government is requesting a further borrowing authority. For those persons who are looking in from the outside, let us put one thing to rest. We will be standing here, at least members of my Party, for the next couple of weeks arguing about this Bill. The outcome is not in doubt. The Government will bring in closure. We will be exercising our responsibility inherent in the mandate from our constituents back home by pointing out what is happening here. However, the outcome of this debate is not in doubt. We will not grant the Government our acquiescence, but it will bring in closure, let us talk ourselves out, the Bill will pass and the Government will have $29.5 billion when it needs only $25.2 billion in accordance with the Estimates that have been tabled. It wants an extra $4 billion just for any contingency.

Does the average Canadian know what is a billion dollars? It is a thousand million dollars. It is a stack of brand-new $1 bills piled 85 miles high. These people want $4 billion in their pockets for any contingency. What might a contingency be? A contingency might be Petro-Canada wanting to buy another oil company. "What is wrong with that?", our friends opposite will say. "After all, Canadians now own their own oil company. Has that affected energy prices? Of course not". It is our oil company which has jacked up the prices five times more than what was proposed in the Budget of the Hon. Member for St. John's West (Mr. Crosbie) in 1979.

Eventually Canadians will derive a profit from all these enterprises—Petro-Canada, Canadair and Devco. I asked a question about Devco today in the House. Last year the federal Government spent $145 million just so that Devco could go to Japan and Brazil and undercut all other coal companies in the country. There is nothing wrong with a government giving a subsidy to an industry which is important in a particular region and produces such an important product that coal-fired generating plants can produce enough power for the region. That may be a legitimate activity for a government; that may be part of the business of government.

• (1700)

When they take taxpayers' money and go into the world markets and sell our coal, wheat or whatever below the cost of production, making it literally impossible for the rest of the industry to survive, we have to ask some questions. That is what we are doing now. This Government comes to us with all kinds of plans and programs. A couple of years ago it came in with the six and five program which was to restrain federal spending. There would no longer be the need to come back every year and pile on the deficit. Incidentally, the gross debt in 1983 was $159 billion. We are adding roughly $30 billion, which will make it $190 billion. Budgetary forecasts will pile another $110 billion on to this accumulated deficit over the next four years.

Are you surprised, Mr. Speaker, that we are upset? Are you surprised that we say we will stand here until there is not a breath left on this side of the House before we give the Government the authority to spend that kind of money? The Government says it will restrain its spending from now on, that public servants will be restricted to six and five, 6 per cent the first year and 5 per cent the next. This year it is five and four.

What has it been in reality? Increases last year were not 5 per cent, as they were supposed to be in accordance with the program which was supposed to produce such incredible results. Inflation is down to 5 per cent, interest rates are down, all because of the six and five program. Last year public servants got an increase of just under 10 per cent. It was not 4 per cent, 5 per cent or 6 per cent, but 10 per cent. That was the increment in the Public Service in fiscal 1983-84. The Minister says there was overtime which the public servants had to work that was not calculated in the six and five program. In addition, the Government was obliged to pay some back pay. Of course, there were some promotions, as well as the normal increments that come with length of service.

Compare that with what goes on in the private sector. Does the private sector not have similar commitments to its employees? The private sector did not have any work for people to work overtime. Plants are shut down, industry is operating at 60 per cent capacity, two million unemployed and a lot of people under-employed. There is work-sharing in the marketplace to permit some industries to maintain a stable work force. Was there any back pay? Unions and companies are negotiating reductions in pay, social benefits, holidays and so on.

We have an incredible situation in British Columbia. The private sector has not been able to increase pay and benefit packages for the last three years, not 1, 2, 3 or 5 per cent. There have been no increases. What do you think the argument in British Columbia is all about? The International Woodworkers of America, traditionally a radical union, settled

for a no-increase package in a three-year agreement. Pulp workers face the same situation. However, the Government offers public servants a 10 per cent increase, as if there were no tomorrow. The inflation rate is only 4 or 5 per cent, so public servants ought to be able to match up. The question is, match up with what? The Government can no longer use the excuse that we are in a world recession. The recovery in the United States is almost unprecedented. The wheels are turning. People have regained confidence and the sawdust is flying.

What is the excuse here? The excuse is that this Government spends 25 cents of every dollar it takes in on interest payments. It no longer has any flexibility to give the necessary incentives to the private sector to create jobs and training positions to permit our young people to build their lives, recover confidence in the future and regain the trust and confidence they once had in this country.

Young people are looking abroad. They are looking to the United States for jobs and training positions. What an indictment of a country so richly blessed with natural resources and natural advantages! What an indictment of a government that has been in office for 16 years! It is going to have a leadership convention where it will recycle some of these rejects who were responsible in the first place. This fellow, Turner, whatever his name is, wants to come back. He is the guy who in his 44-month tenure as Minister of Finance increased the federal budget from $18 billion to $36 billion. He is now to be recycled. He is to come back as the knight in shining armour. When he does, he will receive the reception he deserves. If those people opposite should be so naive as to elect him as their leader, when he steps out of the hallowed halls of Bay Street he will receive a reception which the Liberals and John Turner deserve.

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, we have been presented with yet another borrowing authority Bill, the eighth since 1980, and the largest ever, surpassing the next highest one, Bill C-143, by $10.55 billion. We are not surprised, given the projected deficit for 1984-85 of $29.6 billion, that the Government has come before this House to ask for the authority to borrow in order to cover that deficit of $29.55 billion, of which $4 billion in authority is a cushion above and beyond the $25.5 billion which the Government in its Budget says it requires at this time.

The Budget anticipates a deficit of $29.6 billion. The Government has non-budgetary sources for $4.05 billion. It needs $25.5 billion to cover a deficit which, in itself, is far too large. That $29.55 billion in borrowing authority would allow the deficit to grow to $33.5 billion.

We are not surprised over this Bill, given the inability of this Government to control its expenditures. But we are alarmed. We are alarmed because of what this Bill represents—the deficit of $29.5 billion and the authority to allow that deficit to be $4 billion more than expected. My colleagues have strongly criticized this Bill, and for good reason. I wish to add my criticisms, but not only for the $4 billion contingency fund. More important, I am criticizing the assumptions which underlie a request for the support by this House of continued massive government expenditure and, as a result, an intolerably massive government deficit.

That is what we are being asked to support. We are being asked to agree to the proposed deficit for this coming year. Because we are being asked to borrow to support its expected deficit, we are actually being asked to support a potential of $33.5 billion for 1984-85, $2 billion more than last year's deficit. I share my colleagues' concern over this request to borrow over $29.5 billion. I share their concern for any request above $15 billion because, simply put, this Government proposes to spend too much. The Government is living far beyond its means.

I would like to discuss several aspects of basic economics of which the Government appears to be unaware. I refer to the high economic costs of supporting a large and growing deficit. To support a large deficit, a too large deficit such as that which we have been experiencing for years, the Government has two choices, both of which will continue to harm an already slowing economy. It can borrow on capital markets and it can borrow its $29.55 billion from those markets. However, borrowing as large a percentage of available Canadian funds as the Government is asking for today will crowd out productive private sector borrowing which, by the simple law of supply and demand, will raise interest rates.

• (1710)

The projected deficit for 1984-85 is equal to 91 per cent of expected personal savings. What will happen? Interest rates will be forced to rise as they have already begun to. Through borrowing an additional $29.5 billion on capital markets interest rates will rise further, which will have the result of further slowing the growth which we could otherwise have hoped for.

Productivity and growth in the country are at a lower rate than a country of Canada's wealth and resources should have to put up with. Our productivity is the lowest in the industrialized world. Unlike what we have heard from the Minister of Finance (Mr. Lalonde), our potential for growth over the next year is not great. According to both Statistics Canada and the Conference Board of Canada, growth is slowing. An increased government deficit will not help this situation.

The business community to which the Government is now turning for stimulation of the economy cannot achieve its potential in a shrinking money market. It cannot achieve its potential in the current economic environment. Canadians are now afraid to take the risks which are fundamental to increased productivity. If the Government crowds the capital markets further, business investment which dropped 12.2 per cent in 1983 will continue to decline.

We all know what happens when the Government borrows heavily. Interest rates will rise and Canadian investors will be forced to borrow abroad, which will increase our foreign debt, productivity will decline further and unemployment will rise. We have seen this happen in the very recent past, Mr. Speaker, and we will not stand by and watch history repeat itself.

The *Globe and Mail* carried an article this past Saturday discussing the desperate need for equity capital in Canada. The Government, by maintaining its spending patterns, is robbing business of a chance to raise money for expansion and productive development. Any rise in interest rates will further threaten an already serious situation in which corporations desperately need capital for growth.

Because of the Government's insistence on spending beyond its means and borrowing on capital markets, interest rates will rise, thus denying business the ability to amass its well needed equity. I refer particularly to small businessmen and farmers. We certainly know that the small business and farming sectors are the backbone of the nation. Denying the small business sector the financing it needs at affordable rates will have a definite effect on unemployment. Farmers will be forced to renew mortgages in order to meet capital expenditures and operating expenses. The farmers will not be able to repay these mortgages because we know that interest rates are intolerable at the present time and that we cannot expect to see zero growth in interest rates in the future. We are denying the equity small businessmen and farmers need in order to be productive.

There is another choice for the Government to make which has equally negative effects. The Bank of Canada could simply be given the licence to print money to fund the borrowing requirements of a spendthrift government. The Bank of Canada has created a total of $12 billion for that purpose in the past 12 years. What happens if the Bank of Canada continues to print money? Inflation rises once again.

During the past recession, Canadians have paid dearly for the Government's mismanagement of the economy. We have suffered high rates of inflation because the Government refuses to take responsibility for the economy. If it turns to the Bank of Canada one more time, Canadians will be subjected to another recession like the one from which we are apparently emerging.

There is yet another choice for the Government to make, Mr. Speaker, and it is the only real choice which will not ruin the economy. The Government must do one of two things. It must begin to take the necessary measures to decrease its spending, it must attack its deficit seriously by examining expenditures to see which are unnecessary or wasteful and it must have the guts to priorize spending and cut out those expenditures which do nothing more than increase the deficit. However, if the Government cannot take that fundamental and central step, it must allow another government to do so.

I agree with my colleagues who have stated that it would be irresponsible at best for the House, which represents the people of Canada, to pass this Bill. Simply put, the costs are much too high.

Mr. Jack Shields (Athabasca): Mr. Speaker, across Canada today, farmers are sitting in their kitchens with their wives, sons and daughters and trying to determine how much money they will have to ask lending institutions or the Farm Credit Corporation for in order to have enough money to buy the seed that must be planted this spring, the fertilizer that is required and to pay for needed farm machinery repairs. I would suggest that across Canada today people are working out their budgets and perhaps approaching lending institutions across the country asking for certain amounts of money.

The reason I bring this matter up is that every time and individual walks into a bank for a loan of, say, $25,000, the bank manager will ask one specific question. He will ask what the money is to be used for and where it is to be used. Can you imagine the reaction of a bank manager if someone asked for a loan of $25,000 and really needed only $20,000? What would the bank manager say? He would either refuse the loan completely because the person seeking the loan obviously does not know what he is doing and cannot be trusted to repay the loan if that is the way he treats his finances, or the bank manager would cut the size of the loan down to the proper amount needed.

I believe we must think along those lines here in the House of Commons. The Government has requested authority from the House of Commons to borrow $29.5 billion. According to our calculations, the amount of money required by the Government for the foreseeable future until another election is somewhere in the neighbourhood of $16 billion. It is tragic that this kind of thing is being perpetrated on the people of Canada through the House of Commons today.

Government Members get upset if we even try to ask them, as any responsible body should, why they require the money. The Government have inflated the amount of money that it requires from $16 billion to $29 billion. They say that they need $4 billion as a slush fund. If I were to go to a bank manager and say that I needed $25,000, could only prove to him that I needed $20,000 and told him I needed the other $5,000 as sort of a back-up or slush fund, the bank manager would throw me out the door. He would not recommend that that loan be made. That is a simple way to put the situation in a context which can be understood by people across the country.

I for one do not trust the Government with a $4 billion slush fund, particularly when it is preparing for an election, because it will use that $4 billion-plus of taxpayers' money to attempt to buy the taxpayers' vote—it is as simple as that. We have seen it happen time and time again.

Where will the Government spend this money? Will it spend it on retraining? Will it spend it on the armed forces or the Department of National Defence? Will it spend it to encourage the young people now unemployed—the largest group of unemployed in the country—to get jobs? There is a generation of young people leaving school, ready to tackle the world with hope, enthusiasm and ideas, but we leave them languishing.

• (1720)

Mr. Dantzer: Now they cannot even get into school.

Mr. Shields: My colleague says they cannot even get into school for further education because funding for post-secondary education has been cut back.

All this is directly attributable to the Government's spending habits, its monopoly of the money supply, money that is needed for investment in the country. This is the same Government which, through the National Energy Program, signalled to the investment community of the world that we did not want people investing their money in this country. It is the same Government that gobbles up and monopolizes the investment funds available from Canadian savings. When these things happen, Mr. Speaker, we have a sick government. There is a rot inside this Government's policies. Instead of implementing policies that the country requires, it takes the easy way out and uses advertising campaigns to tell people across the country about the wonderful job it is doing. In many cases it is wasting millions upon millions of dollars.

The Ministers who are vying for the leadership of that Party are now contradicting each other. Last November the Minister of Indian Affairs and Northern Development (Mr. Munro) said that the Liberal Government is wasting millions and millions of dollars. Pretty soon he will announce that he will run for the leadership of the Party. The Government is wasting millions and millions of dollars, Mr. Speaker. It is borrowing money that it does not need and putting it into a contingency fund to be used to buy votes. The voter is not ready to accept that, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Shields: Listen to them squabble and squawk. The voter is not going to put up with that one minute longer. Let the Government bring in a writ and we will see what the voter has to say. That Party should get its leadership contest over with and get its trustee in bankruptcy in place. That is what it is electing—not a leader but a trustee in bankruptcy. It is a bankrupt party with bankrupt ideas.

There is something wrong, Mr. Speaker, when every weekend people come into my riding office, sometimes in tears, because they cannot get jobs. There are people who have never experienced welfare but have now run out of unemployment insurance benefits and must apply for welfare. They ask what is happening to our country. What is happening is that we have a spendthrift Government which throws dollars at everything in an effort to make its position in the House of Commons secure. It is not going to work, Mr. Speaker.

Imagine having $4 billion in a slush fund to use prior to an election, by its own admission. That is what the money is for and let no one think otherwise. There are 1.5 million people unemployed in the country because of the disastrous policies of this Government. The trouble started with the national energy policy, then the Government focused on issues not related to the economy. People are hungry, people are tired, people want to go to work, people are begging the Government to allow investment to come into Canada. Canada is the most valuable piece of real estate there is in the world today, with unbounded natural resources, a plentiful supply of fresh water and educated, willing people.

The Government keeps choking the economy by borrowing more and more, to the point that our children and their children will be saddled with untold debt. They come into the world owing so much money—at least $6,000. This page and a half Bill is a request to borrow $29.55 billion when really the Government requires only $15 billion. The Government admits trying to inflate what it requires, when showing that it has a $4 billion slush fund. It is rotten, it is unjust, it is not fair to the Canadian taxpayer.

Mr. Deputy Speaker: Order. The Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet).

Mr. Pinard: Mr. Speaker, I have a point of order.

Mr. Vankoughnet: Mr. Speaker, I am pleased to be able to—

Mr. Deputy Speaker: Is the President of the Privy Council (Mr. Pinard) rising on a point of order?

[*Translation*]

Mr. Pinard: Mr. Speaker, I would like to know whether or not there is a period for questions and answers after a speech?

Mr. Deputy Speaker: No. I must inform the President of the Privy Council that we are now at the stage of ten-minute speeches and, unless there is unanimous consent, it is not possible to put questions to the last speaker.

Mr. Pinard: I rise on a point of order.

Mr. Deputy Speaker: On the same point of order?

Mr. Pinard: Yes. Perhaps you could consider asking for unanimous consent regarding my request to put questions to the Hon. Member? Failing that, the debate would go on.

[*English*]

Mr. Deputy Speaker: The President of the Privy Council is asking for unanimous consent to allow questions to be put to the previous speaker. Is there unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Malone: The Liberals said no.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I am pleased to be able to participate in the debate on Bill C-21, the borrowing authority Bill, but I am less than pleased that the federal Government is making the request. I am particularly concerned about the magnitude of the borrowing request for $29.55 billion. That is a tremendous amount of money and it is difficult to understand it in average terms today. I would not be so concerned if I thought the borrowing would be beneficial to the people of Canada or the people of the riding that I represent, but that will not be the case.

The deficit lies heavily on the Canadian economy. I have seen many personal tragedies since 1980 which are the result of failed businesses, consumer bankruptcies and unemployment. The terrible magnitude of the request demonstrates a government that is out of control, particularly when one considers that the Budget of February 15 said that the borrowing needs of the Government would be $25.5 billion. Less than two days later the Government introduced this Bill requesting $29.55 billion. For the people of Hastings-Frontenac-Lennox and Addington, whose concerns I carry with me, this is the equivalent of spending $19,640 in one year for someone with an income of $13,740. The worst part about borrowing the $5,900 to make up the difference is that $3,900 of that $5,900 is money borrowed to pay interest on a previous debt. The total debt in this hypothetical case increases to $36,000 from $30,000. The average Canadian could never carry on his personal financial affairs in this slipshod fashion.

• (1730)

I stated earlier that I would not be so alarmed if I thought all this tremendous borrowing would be of some benefit to Canadians. However, I do not believe this is the case. It has been demonstrated that the $2.4 billion Special Employment Initiatives Program is nothing more than a re-election pork-barrel for the Government. I find it morally reprehensible that the federal Government should discriminate against the unemployed on the basis of where they live. For a government which states it believes in universality of social programs, this exposes its so-called concern for the fraud it really is.

In the northern area of my riding the Minister of Employment and Immigration (Mr. Roberts) deliberately underestimated unemployment in order to deny individuals access to programs which they paid into and are entitled to. Recently a number of municipalities in that area made representations to the Minister and sent him copies of resolutions they had passed regarding the UIC. Part of the Minister's reply says:

> The report I have received from officials of the Commission indicates that the unemployment rate has decreased from mid-October of 1983 to such an extent... that the exemption for repeater claimants has no longer been applicable.

He then quoted an unemployment rate of 9.1 per cent. He dismissed any variations in the unemployment rate in a region as a problem of "statistics", was "unclear" about what to do and said that it was "premature" to respond to this very real and pressing problem.

The Minister may be unclear as to the actual rate of unemployment, but officials in his Department are not. Figures supplied to me by his senior officials, in writing, give a community rate of 30 per cent and an area district rate of 21 per cent. A simple check I had done by the Department, which the Minister is equally capable of doing, indicated the number of individuals in an area drawing unemployment insurance. The latest figures indicate that Bancroft, with a population of 2,305 people, has 475 people drawing UI benefits. That is 20.6 per cent unemployment before school children, senior citizens or home makers are included to determine the actual size of the labour force in a village that size. If there was some indication that the tremendous amount of cash the Government wishes to borrow would go to help these average Canadians, which I do not believe it will, I would find this Bill less objectionable.

What does the federal Government accomplish by doing this to Canadians? Many constituents ask me this. First, by purposely underestimating the unemployment rate, it tries to make the situation look much better than it really is. Secondly, when the so-called rate of unemployment drops to 11.5 per cent, the repeater clause in the Unemployment Insurance Act is no longer applicable. This results in a lower pay-out by the federal Government. It disqualifies individuals who normally should qualify for UI benefits. The Government shifts the burden to the financially pressed local municipalities by inflating their welfare rolls, creating a further hardship on local residents as property taxes rise to meet these obligations. Finally, the area concerned is denied fair access to employment programs such as Canada Works, LEAD, and the Special Employment Initiatives Program, all of which are based on the rate of unemployment.

I believe the Government should be searching for ways to reduce the deficit instead of deliberately underestimating the deficit each time it presents its forecast. The forecast of declining deficits must become a reality if this country is going to sustain a prolonged and lasting recovery into the next century. It is also clear that the negative impact of this huge deficit will adversely affect small business, the number one job creator in this country. The federal Government should be helping small business, not hurting it.

It was appalled by the news that Canada Post is entering the catalogue shopping business by processing orders for Consumers Distributing Limited. There is no demonstrated need for this service and it is blatantly unfair competition. Canada Post should concentrate on improving its level of service before trying something new. The individuals who operate the shops and stores in our local communities have put a lot of time, effort and investment into their business and community. Their taxes subsidize the losses of Canada Post. Now they are being called upon to subsidize competition against their business as well.

How the Minister of Energy, Mines and Resources (Mr. Chrétien) or the Minister of Employment and Immigration can say they support free enterprise, entrepreneurialism and the little guy is beyond me. Actions speak louder than words. The present Government's socialism is alive and well in all these pretenders to the Prime Minister's job. Bill C-21 is the latest exercise in fiscal insolvency. I for one do not think we need another $29.5 billion at this time.

[*Translation*]

Mr. Louis Duclos (Montmorency-Orléans): Mr. Speaker, I hesitated before deciding whether or not I should reply to all this utter nonsense from the Official Opposition. If we want Canadian men and women who read *Hansard* or watch proceedings on their TV sets to understand what is really going on in this country in the area of financial and economic

management, I feel compelled, as a member of this House, to disprove some of the false statements which we have heard this past hour in the House.

Mr. Speaker, Canadians must decide for themselves whether members of the Opposition are dishonest or uninformed in financial and economic matters, or jokers or more inclined to demagoguery as weeks and months go by. I leave them to decide that for themselves. I suggest to them, however, that the truth is really a mixture of everything I have just mentioned.

Mr. Speaker, the Opposition condemns the Government for its considerable deficit and, like outraged women, accuses the Government of wasting public funds and squandering taxpayers' money. In my opinion, there are not a great many ways to reduce a deficit: you either have to increase the tax burden or to cut the spending or both. There is no other way, Mr. Speaker.

Well, let us see what our hon. friends opposite have to offer in standing committees during question periods in the House or debates such as this one. First, in the area of spending.

• (1740)

The new Leader of the Opposition (Mr. Mulroney) has said several times that the Government of Canada is behaving in a shameful manner towards the Canadian Armed Forces, that we are not respecting our commitments to NATO and that the day his party will form the Government, the budget for the Department of Defence will be substantially increased. This is one area where expenditures will increase.

In addition, what did we hear during the debate on second reading and committee stages of Bill C-3, which is still before the Committee? We were told that, if the federal Government could not agree with the Provinces on the issue of health care, it was not because of extra billing or user fees, but basically because of a question of money, and that when the Progressive Conservative Party takes over, the needs of the provinces will be met and transfer payments will be increased in such a way that the Provinces will have the financial resources they need to provide better health care for the public and higher incomes for the doctors. There would therefore be an increase in expenditures for defence and health care. These budgetary items are very important; I am not suggesting a few hundred thousand dollars or something like ten or twenty million dollars. Those are some of the most important budgetary items to be provided for by the Canadian Government.

I have another example, Mr. Speaker. In recent weeks, the Standing Committee on Finance, Trade and Economic Affairs has been considering Bill C-17, which is, I believe, the Bill dealing with fiscal transfers for post-secondary education. In June 1982, the Government decided that the transfers would be restricted to a 6 per cent increase in 1983-84 and a 5 per cent increase in 1984-85. What was the Opposition Members' position in the Standing Committee? On this issue, the Government has been accused of smothering post-graduate education at a time when the need is so great. They have also said that, when they are elected, or if they were already in Government at that time, they would be a lot more generous with the Provinces which could then afford to provide much larger amounts of money to community colleges and universities all across Canada. They would increase expenditures, Mr. Speaker. They are not suggesting that they would reduce them.

I have yet another example, Mr. Speaker, which involves research and development, and Heaven knows that we have to make considerable efforts in this area and that we are all aware of it. However, if the Progressive Conservative Party were in power, as they have promised time and time again, the Government effort in this area would be even more important. There would be grants for businesses; there would be tax concessions and tax credits, and this means a further loss of revenue for the Government, Mr. Speaker.

On the one hand, they are asking for more expenditures, and on the other hand, they want to cut the federal Government's revenue. Opposition Members are always claiming that federal taxes are crushing the taxpayer and small and medium-sized businesses. Mr. Speaker, it is time Opposition Members woke up. Of course, the Member for St. John's West (Mr. Crosbie) said the other day that they were not going to tell us outright what they would do if they were in power. They would not dare but they just might close down Canadair and put 5,000 or 6,000 people in the Montreal area out of work. They have all kinds of answers, but with the electorate, you have to put your best foot forward. You have to woo the voters. You cannot catch flies with vinegar, Mr. Speaker, you have to use honey. And that is the position of the Opposition Parties and especially the Progressive Conservative Party.

Mr. Speaker, it is too bad that they do not understand what a deficit is . . . If you were kind enough to listen, my friends, you might learn something. They do not understand that a deficit is a tool used to apply an economic policy. A government is not managed like a household or a personal budget, because the Government has a responsibility of its own. You know why the budget deficit has suddenly gone up from $9 or $10 billion to $29 or $30 billion, Mr. Speaker? It is quite simple. It is not because the government has recklessly increased its expenditures. Some 70 per cent of the increased budget deficit is due to a drop in government revenues. Another 30 per cent is due to the fact that the recession has saddled the Government with new responsibilities and expenditures, for instance in the unemployment insurance sector.

Now, Mr. Speaker, I would like the members opposite to tell us specifically which expenditures they would cut, what taxes they would increase and then we could discuss things in an informed and responsible manner without the demagoguery that constantly prevails in the House when the Hon. Members opposite take the floor.

[*English*]

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I would like to congratulate the Hon. Member who just spoke for making the best of a very bad situation. The Member spoke about vinegar and honey. The vinegar to which he was referring is very much the record of this administration, which has unfortunately provided a very sour taste for Canadians to contend with for all but a few months in the many years since 1968 when the present Government came to power. The honey which he spoke of I am sure will come in the not too distant future when, as we hope and trust, the Government will screw up its courage and take the issue which is before the House to the people of Canada. We look forward to the opportunity to provide the people of Canada with necessary alternatives.

The Hon. Member also spent a great deal of time looking to the future and speculating on the type of policies a new Conservative Government would bring to the people of Canada. I think he spoke with great foresight. I am sure he is aware, as are the backbenchers on that side of the House, of what the future holds for them. We applaud the Member for his foresight. We hope that the future which he foresees for the country will soon come to be.

● (1750)

However, I would like to deal with the history of that administration as well as the borrowing Bill which is before us, because that is the reality of the moment. As we know and as has been said in the House this afternoon, we have before us the largest borrowing Bill in the history of Canada. It is a Bill that would require Canadians in the future to pay $29.55 billion.

Shortly after the Hon. Member preceding me began to speak, I noticed that some young people sitting in the galleries across from me, members of the Boy Scout organization, left the House. It was unfortunate because it is young people such as them who in the future will have to bear the brunt of the Government's spending policies. In fact, if those young people are aware of what their share of the debt is, they must realize that they owe $7,000 or more. Every person who is born in this country in the days, months and years to come will owe $7,000 or more as a matter of birthright. The longer the Government remains in office, the greater their birthright will become.

As we know, the record of the present Government headed by the Prime Minister (Mr. Trudeau) has been one of irresponsible spending. When the Prime Minister and his Government first came to office in 1968 it was spending approximately $12 billion per year. Presently, if one includes what we anticipate to be in the supplementary estimates, it appears that it will be spending $100 billion per year.

The deficit in 1968 was approximately $491 million. We must remember that the Government's estimates have been far from accurate in the past, but it estimates that in the 1984-85 fiscal year the deficit will be $29.6 billion. The harsh reality of the situation is that it may in fact be larger than that.

Of course, the national debt has grown astronomically during the time in which the Prime Minister has been in office and his Party has been in power. In 1968, the national debt totalled approximately $30 billion. By the end of this fiscal year it will be somewhere in the vicinity of $180 billion to $190 billion. Again, this represents more than $7,000 per man, woman and child.

Unfortunately, the results of this have been largely negative. We wish that they had been otherwise. As a result of the national debt growing at such an astronomical rate, we have seen interest rates rise in the past and we note with concern that it appears they are beginning to rise again. That means, of course, that even the forecast which was presented to us some time ago may be inaccurate because the cost to the Government for its borrowings will be greater than it has anticipated.

It also means that others who would borrow money in the market, such as provincial and municipal governments, businessmen, farmers and others who would use money in order to secure growth, are finding, first, that money is more expensive to borrow than it should be and, second, that they must go outside Canada in order to obtain the money they need. This means that interest dollars which those provincial and municipal governments pay and which people in the private sector pay are often going outside the country as well. Obviously this is a loss to Canada and Canadians.

Consequently, we are spending an incredible amount simply to service the debt which we have before us. In fact, when taxpayers complete their returns at the end of April of this year and send their contributions to the Department of National Revenue, they will sadly realize that $1 out of every $3 they are paying is going simply to pay the debt on moneys already expended. In that sense they feel a tremendous sense of futility and frustration. They are prepared to pay their appropriate share but they believe in many ways that their opportunity to secure growth has been negated by the policies of this administration in the past.

The impact on the average Canadian, the small businessman and the farmers in my constituency is unfortunately very detrimental. First, they find it very difficult to approach their own economic enterprises with confidence because they do not feel that our country is being led in a businesslike manner. They also find it very difficult to borrow money at a reasonable rate of interest. In fact, I could not help but think today of the number of farmers in my constituency who have been forced into bankruptcy in the last few months and those many others who will either be forced into bankruptcy in the months to come or perhaps leave farming because of their inability to carry on. I was thinking of how pleased they would be to have some of their debts eradicated in the manner in which the Government has dealt with Canadair. However, that is another issue.

The problem facing us now is the capacity of this administration to lead this country and the fact that its failure to provide businesslike leadership has meant that there is a lack of confidence in the country, a lack of confidence in the Government and therefore, to a very substantial degree, a lack of confidence in our economy.

There are certain times in history when deficit financing is a suitable strategy. The difficulty with what this administration has done is that it has engaged in Keynesian economics, if that is the term one wishes to imply, since the early 1970s. In fact, I suggest it is fair to say that it began to indulge in this strategy during the days of John "Deficit" Turner, who was Minister of Finance from January 28, 1972 until September 9, 1975. During those years the federal deficit in the first year of administration went from $702 million to a grand total of $5.463 billion in the last fiscal year in which he had responsibility.

Mr. Malone: The Turner turnpike.

Mr. Clark (Brandon-Souris): My colleague refers to the Turner turnpike. Unfortunately, it is a road down which this country has been led in the past at a very high cost to the people of Canada and to the country as a whole. As a result of that indulgence, the Government lost the capacity to be flexible. It lost the capacity to deal with the economic fluctuations of the moment. Therefore, when it finds itself in the present situation of unacceptably high youth unemployment in the vicinity of 20 per cent, and in a situation where their own projections are for 10 per cent unemployment into the foreseeable future, it has lost the capacity to devise new policies to meet that particular crisis.

Lately there has been a great deal of emphasis on the subject of newness. Unfortunately, it seems to me that the Government, by virtue of its spendthrift and irresponsible policies in the past, no longer has the capacity or flexibility to provide us with those new policies which the country so desperately needs. Therefore, the only thing we can see in the future that gives us a ray of hope is an election, when it comes in August, October or November. We will be ready when it is called. We will welcome the opportunity to provide the country with the type of businesslike administration which it so desperately needs. We will provide the country with a new government that Canadians will welcome with open arms.

May I call it six o'clock?

Mr. Deputy Speaker: There is a disposition to call it six o'clock. However, I should inform the Hon. Member that his time has expired.

Mr. MacDougall: Mr. Speaker, I wonder if we might be prepared to call it six o'clock at this time.

Mr. Deputy Speaker: Is it agreed to call it six o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being six o'clock p.m., this House stands adjourned until eleven o'clock tomorrow morning, pursuant to Standing Order 2(1).

At 5.58 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 15, 1984

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Wednesday, March 14, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: The Hon. Member for Willowdale (Mr. Peterson).

Some Hon. Members: Hear, hear!

Mr. Jim Peterson (Willowdale): I am grateful to my colleagues in the House for the generous reception of my impending remarks.

We are gathered here today to discuss a Bill dealing with the borrowing authority. In one sense it reflects the over-all economic purpose of our Government. We are asking for the authority to borrow funds to finance our programs. Having listened for many, many months now to Opposition debate, I cannot understand why members of the Opposition would not be prepared to support this Bill without debate.

• (1115)

If we listen to members of the NDP, they have asked us to spend much more money, to increase the deficit further. If we listen to the Conservatives, they have asked us to do the impossible. They have asked us to reduce the deficit and at the same time to implement perhaps 150 additional spending programs which are not within our contemplation at the present time.

An Hon. Member: Name one.

Mr. Peterson: The Hon. Member from Winnipeg asks me to name one. For example, in the Standing Committee on Finance, Trade and Economic Affairs we dealt with the financing of post-secondary education. Did they want us to put six and five limits on the transfers to provinces in that area? Absolutely not. They called for increased expenditures of over a couple of hundred million dollars. What have they asked us to do in terms of financing health care? The Hon. Leader of the Opposition (Mr. Mulroney) said that we must give more money to the provinces. What have they asked us to do in terms of defence spending? They have said that we are not spending enough on defence and, if they were elected, that they would be prepared to vastly increase defence spending.

Mr. Blenkarn: We would get rid of Canadair expenses, and we would look after some other things as well.

Mr. Peterson: This has to be balanced against what the official spokesperson on economic matters for the Tory Party has told us. He has told us that if he had his way, he would get mean and dirty and nasty.

Mr. Malone: With Canadair.

Mr. Peterson: That means that he would be cutting off transfer payments made to the provinces and to individual Canadians in order to create that safety net, in order to create a floor below which no person, regardless of their circumstances, should have to fall.

When we talk about the deficit at this time, perhaps many people would agree that in the past we have made mistakes.

Mr. Malone: Hear, hear!

Mr. Peterson: During the seventies when we had positive growth in the country, perhaps we should have been running some surpluses and setting them aside for a rainy day.

Mr. Nickerson: That is right.

Mr. Peterson: That is history. Let us deal with the Budget measures in the April 19, 1983 Budget and in the February 15, 1984 Budget. Are the Tories prepared to advocate to the House one measure whereby they would cut back on expenditures?

Mr. Nickerson: Canadair.

Mr. Malone: Yes, Canadair.

Mr. Taylor: Patronage.

Mr. Ellis: Do you want three?

Mr. Blenkarn: Call an election.

Mr. Peterson: I would be delighted to hear them make one positive suggestion. They have not broken—

Mr. Taylor: Metric and patronage, that is what we would cut.

Mr. Peterson: —their Leader's injunction to all members of the Conservative Party not to utter a declaration on policy. We see them falling apart. Their Leader told them not to utter one declaration on policy because it might be good for the Canadian people—

Mr. Taylor: That is baloney.

Mr. Peterson: —and we, the Government of Canada, might want to adopt it.

Mr. Taylor: You don't know what you are talking about.

Mr. Deputy Speaker: Order, order.

Mr. Peterson: I would welcome suggestions from the Conservative Party if it had any.

Mr. Deputy Speaker: Order. I think this is a good time for the Chair to appeal to all Hon. Members to observe the rules of debate. The Member who has been reecognized to make a speech should not be interrupted, according to Standing Order 15. The Hon. Member for Willowdale has the floor.

Mr. Peterson: Mr. Speaker, I appreciate that courtesy.

I ask where the Tories would cut. They said that they would cut Canadair. That is the one positive policy we have heard from them! Are they telling us to drop the entire Canadair program, the CL-601? Are you telling us that you want us to pull the plug—

• (1120)

Mr. Deputy Speaker: Order. The Hon. Member must address his remarks to the Chair.

Mr. Peterson: I want to go on record as saying that if it is official Tory policy to pull the plug on the Challenger program, I am delighted to hear for the first time one positive program of the Tories. They are now going back to the glorious Conservative rule when they scrapped the Arrow and sent some of our finest minds south of the border. I will not be part of that. I am glad they have finally come out of the woodwork. They are ignoring the injunction of their Leader. They now have a policy: Scrap the Challenger, kill Canadair.

I would like the Tory Members to make another positive suggestion for the economic development of this country. I am absolutely disgusted that in their role as elected Members they have no positive alternatives to present to us. They will not co-operate with other Members in this House to give us some positive alternatives.

I am pleased that the NDP at least has come forward with very positive alternatives. I do not accept their approach, but they are at least being constructive. Within the limits available to them, they are trying to pose alternatives. They are trying to work with us and the people of Canada to help those who are unemployed. Do the Tories want to cut our unemployment programs? Do they want to cut the amount of money we are giving to the unemployed? Do they want to cut the programs that are designed to create jobs for the unemployed?

Mr. Taylor: No.

Mr. Peterson: There we have a second positive policy statement from the Tories. They do not want to cut the money that we are giving to the unemployed. I am delighted. Where, then, are they going to cut if they want to reduce the deficit?

Mr. Taylor: Metric.

Mr. Peterson: We have taken a very positive approach in the last two Budgets. When we in the Finance Committee advertised right across Canada for people to appear before us to discuss the April 19 Budget, we had three requests only. That was a sign of the acceptance of that Budget. At least the clown prince of the Tory Party had the integrity to admit that it was a pretty good Budget in the circumstances. I say as well that the February 15 Budget in the circumstances was a first-rate budget.

The Official Opposition have come up with none of the alternatives that I feel it is their beholden responsibility to come up with as trustees of the public will, elected by those in their ridings. They were not elected to come here to say they have no policy, and if they had, that they would not tell us what it was anyway. Their constituents told them to come here and work with us in a constructive way to try to tap the incredible potential that we have in this country. That is the type of spirit which I would hope to see from all Members in the House. I regret to say as a Member of Parliament, albeit a new one, and perhaps I am not wise to the ways of Parliament, that I did not expect Tories would come here and adopt an official Tory policy of no policy and, if they had one, that they would not tell us what is was anyway.

• (1125)

Mr. Taylor: That is patronage.

Mr. Peterson: It is not. That is the approach that I believe trustees of the public will take in dealing with their beholden responsibilities to the people of Canada. I would hope that in the days ahead they will change their head-in-the-sand policy and exercise their responsibilities as Members of Parliament in a constructive and positive way.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise and take part in this important debate on the borrowing authority Bill, Bill C-21. Two days ago, all Members of the House joined in honouring the work done over a period of some 60 years by the Hon. Member for Winnipeg North Centre (Mr. Knowles) who has fought long and hard on behalf of the poor, pensioners and the powerless for a better and more compassionate Canada.

I was pleased to be a part of the group which honoured the Hon. Member for Winnipeg North Centre that day and I think it is important that when we take part in a debate on a Bill as significant as this Bill, which seeks authority to borrow almost $30 billion, we reflect on some of the principles of which the Hon. Member for Winnipeg North Centre spoke during the remarks he made two days ago. I think it is

important that we recognize very clearly our responsibilities as the representatives of the people of our constituencies. I think it is important that we not bicker with one another but speak out constructively regarding our options and proposals to deal with what is clearly the most important economic crisis facing the people of the country, and that is the devastating crisis of unemployment.

It is essential that the Government, when seeking the authority to borrow some $30 billion, clearly recognize that its most important priority must be putting back to work the almost two million Canadians who want to work and cannot find jobs. We are not only dealing with the literally hundreds of thousands of people who are in their fifties and early sixties and have been laid off from their jobs or fired or, as a result of technological change, found themselves no longer able to continue with the work they have been doing for many, many years. We must deal as well with a whole generation of young people.

In excess of half a million young people are desperately looking for work but find that the doors are closed, that as a result of the bankruptcy of the Government's economic policies they are unable to work. At the same time, because of the catastrophic economic policies of the Government, we find that access to post-secondary education is becoming more and more restricted. Young people are being hit with a double-whammy. On the one hand, they are unable to find work; on the other, they find that the opportunities for continuing education are becoming more and more restricted as a result of cutbacks in post-secondary education funding.

As well, Mr. Speaker, we find that women and the disabled are affected to a very significant extent by cutbacks. Governments, both federal and provincial, have refused to implement mandatory affirmative action plans to ensure that women are not the first victims on the firing line in these rough economic times.

Many of us are also concerned about the fact that at a time when Canadians are bearing a record level of debt on a per capita basis, the Government refuses to make the necessary changes to the federal income tax system, whether to the corporate income tax structure or to the personal income tax structure, to ensure that loopholes are closed and that large corporations are paying their fair share.

We hear much talk from members of the Official Opposition about the size of the deficit. I share the Opposition's concern about the burgeoning deficit but they are silent when it comes to putting an end to the massive network of the so-called corporate tax expenditures. These expenditures amount, in effect, to direct grants to the corporate sector and in 1979 totalled some $6 billion. We know that the tax system for the banks in this country is effectively a voluntary "pay-as-you-go" system. How on earth can they defend a system in which Revenue Canada puts the boots to ordinary working men and women at the same time as they turn a blind eye to loopholes which permit literally billions of dollars to be retained in corporate coffers instead of being spent on job-creation programs?

• (1130)

There are many ways in which we could move forward to create jobs in this country, such as by significantly enhancing research and development. Our record of R and D is one of the worst in the western economic world.

There is a host of other programs which could be implemented immediately to create jobs, whether it be identifying public works projects in conjunction with local municipalities, work that has to be done now and should be done, such as in the forestry sector which has been disgracefully neglected by both federal and provincial governments. As the Science Council of Canada has noted, there is a serious crisis in the industry and if we are not prepared to take emergency steps toward reforestation and conservation of our forest industry, we may lose it. For a Member of Parliament from British Columbia where forestry is the number one industry, that is obviously a very serious matter.

There must be a fundamental restructuring of our economy to strengthen the manufacturing sector. There is no excuse for the fact that Canadians are the largest per capita importers of agricultural and mining machinery in the world. We are quite capable of making our own mining and agricultural machinery and putting Canadians to work in that way. We should have a Canadian merchant marine and ship Canadian goods on Canadian ships.

It is essential that in dealing with the whole question of technological change we must be its masters and not its servants. Where working people are affected by technological change, they should have the right to negotiate and there should be provision to give them ample notice. It is women who are affected to a disproportionate extent by technological change. We must look at the length of the work week, at early retirement, at part-time work for those who want it and at effective retraining schemes for those affected by technological change.

Over the past six or eight months, I have gone out to the doorsteps of my constituency of Burnaby and listened to the people I represent. In my constituency office in south Burnaby my assistant, Del Carrel, and I have noted a dramatic increase in the level of personal hardship and suffering being experienced in that community. I am sure the Hon. Member for Vancouver Centre (Miss Carney) and others from British Columbia have experienced the same thing. We see the devastating impact of the Government's economic policies on the people we represent, whether they be pensioners, young people or those thrown out of work.

What alternative does the Official Opposition offer? Occasionally we get a few hints. The Hon. Member for St. John's West (Mr. Crosbie) has said: "If I told you what I would do we would never get elected". Just a few weeks ago he told us what the Tories would do with respect to the means test for old age pensioners and for family allowances. He is the official finance spokesperson for the Tory Party. He said:

> You have to look and see, on the social side, whether it is possible to introduce more means testing so that programs are not universal,—

That is the vision of the Conservative Party in this country. We have seen the devastating impact of the Liberal Party. Now more than ever it is essential that Canadians listen to the voice of the New Democratic Party, listen to the voice of the Hon. Member for Winnipeg North Centre. It is time for a government which puts people ahead of profits.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the first two presentations made this morning you have heard the voice of profligacy. You heard it from the Liberal Party, desperately trying to defend the proposal to borrow some $30 billion, and you heard the voice of the New Democratic Party—that voice that is getting weaker day by day as people realize what they are up to—saying that a $30 billion deficit is not enough, that we should spend more. If the Liberals are bad, as they are, then the New Democrats are three times worse.

Now you are going to hear the voice of responsibility, Mr. Speaker.

Mr. Robinson (Burnaby): It is five times worse!

Mr. Nickerson: That is the voice of the Conservative Opposition. We are completely of a contrary mind to the Government when it comes to its request to borrow some $30 billion. We note that even in its own Budget documents tabled in the House, the requirement was only for some $25.5 billion. That is what it told Parliament it needed for the balance of the fiscal year. Quite frankly, Mr. Speaker, I do not believe that; I think the Government will come back for yet another borrowing authority later, but that is what it said.

When we examine this Bill we see that there is built into it a borrowing authority for $4 billion in excess of what the Government told us it wanted a couple of weeks ago. It is pretty obvious what it is up to: it wants to establish a $4 billion slush fund. We know why it wants that slush fund; it is because an election will be coming up in the not too distant future. I wish we could have it next week and get it over with and have a new government in Canada. I am scared of what might happen if we let these gentlemen go around the country with that $4 billion at election time. In the past we have seen what they do when they have money in their pockets, money with which they are prepared to try to buy votes, money with which to bribe the public of Canada—trying to bribe the public of Canada with its own tax dollars which have been confiscated by the Government.

Let us put this borrowing request into context. This is the eighth time in this Parliament that the Government has made a request to borrow yet more funds. Every time it comes before Parliament with this request it is for more money; it is a roller-coaster request and there seems to be no end to it.

In the Budget documents presented on February 15 the projected financial requirements from the current 1984-85 fiscal year over the next three years to the 1987-88 fiscal year is some $87.25 billion. Even if that estimate is correct it means that within the next three years the Government will come back time and time again with a request for more borrowing authority. I hope the election is called soon and the Government changes so that we can have a responsible government which will put a responsible financial policy into effect and these requests will not be necessary. Under the present system, the present spending plan of the Government, a steady stream of like Bills is guaranteed. There is no hope for the taxpayers of Canada with the present Government in office.

• (1140)

Let us look, Sir, at the history of the financial mismanagement of the Liberal Party. When did we first get ourselves on this treadmill? I believe it started in the days when John Turner—John "Deficit" Turner, as my friend, the Hon. Member for Brandon-Souris (Mr. Clark), called him the other day—was Minister of Finance. Previous to that we had been in a state of balance for some time. Some years there may have been a deficit and some years a surplus, but things would even out. That is the way government should be run. However, Sir, under the ministry of that hon. gentleman, the leading light, the golden boy of the Liberal Party—or so the press would have us believe—deficits were run up of some $5.5 billion.

When that gentleman left office, Sir, in came someone who is presently contending for the leadership of the Liberal Party, a gentleman who presently occupies the position of Minister of Energy, Mines and Resources (Mr. Chrétien). As Minister of Finance he, in the Liberal way, went a little further than his predecessor. He ran up a debt of some $12.25 billion during his term of office. After that in came another leading light in the Party opposite, a gentleman who is presently Secretary of State for External Affairs (Mr. MacEachen). In his term he almost doubled the record of the previous incumbent. He came to Parliament for $25.25 billion. Finally, Sir, in this history of mismanagement we come to the present incumbent in that high office, the gentleman who in one year can run up deficits of $31.5 billion. It gets worse and worse.

John Turner put us on this treadmill and no one yet has been able to get us off. If you examine the sequence I have just outlined, Sir, you will see that in good Liberal tradition that Party alternated between an English-speaking Canadian and a French-speaking Canadian for that ministerial position. I am told this is a tradition with the gentlemen opposite. But this formula, this transition from English to French, at least when applied to Ministers of Finance, appears to be nothing more than a formula for disaster.

I would suspect that were the same to occur in the leadership aspirations of the gentlemen opposite, much the same would occur. That Party has gotten us into such a state now that the accumulated gross national debt at the end of this month, the end of the present fiscal year, will be some $190 billion. This is about half the annual Gross National Product of Canada. This is the situation in which we find ourselves.

Hon. Members on this side of the House have spoken eloquently on what this means to Canada. What it means, Sir, is the destruction of the national economy of Canada; of that there is no doubt. That has been explained on many occasions.

I see that I have very little time left. Suffice it to say that just the costs of servicing this debt are now $20 billion per year. That is about $1 in every $3 raised in the form of taxes from Canadians. The result of this policy of financial mismanagement year after year after year has been the following: a higher burden of taxes on all Canadians; higher interest rates, as the Government has to compete within the capital markets of the country, affecting employment, housing construction and other elements of the economy.

Mr. Deputy Speaker: Order, please.

Mr. Gordon Towers (Red Deer): Mr. Speaker, once again, it seems, we must stand in the House of Commons to bring to the attention of the Government the seriousness of the situation which it is foisting on the Canadian people. I was really distressed this morning as I listened to the Hon. Member for Willowdale (Mr. Peterson) because he is so far off base in what he says. It is hard to understand how an elected representative of the Canadian people could be so far off base. In trying to protect the Budget just brought in by the Minister of Finance (Mr. Lalonde), he is misleading not only himself and his colleagues but he is misleading the Canadian people.

It was an April fool's budget, Mr. Speaker, nothing short of that, simply because of the fact that the Minister in that Budget was trying to back-pedal to 1976 and even before that. An example of that was the rollover of capital gains. I do not need to remind you, Mr. Speaker, that prior to 1976 we did not have such a thing as capital gains in Canada. The Minister of Finance is now trying to back-pedal and everyone on the other side of the House says it is a good Budget.

Mr. Nickerson: Who brought capital gains in?

Mr. Towers: The Hon. Otto Lang brought it into this House of Commons. The Government would not listen to us when we told it the mistake it was making. He foolhardily went ahead with it and now the Minister of Finance is trying to back-pedal to get away from that position. In the meantime, however, we have suffered disastrous consequences as a result of it.

It was the same thing with the National Energy Program and its taxation system. The Government has to realize that it cannot keep siphoning off all those dollars through the taxation structure. They have to be left in the system if we are going to function properly. This is a lesson which the Government apparently has not learned. I am really surprised at the Hon. Member from Toronto not realizing what one of that city's main newspapers had to say with respect to some of the things which must happen. I trust, Mr. Speaker, that you will permit me to read a portion of that editorial?

Mr. Deputy Speaker: It is perfectly permissible to quote, as long as the Hon. Member reveals the source of the quote he intends to use.

Mr. Towers: Thank you, Mr. Speaker. It is an article in the Toronto *Sun* of February 16. This is the advice it gives to the Government and, I would think, to the Hon. Member for Willowdale:

> The Liberals have missed their last chance to do something effective. High taxes, high government spending and the resulting inflation have wrecked Canada's economy.
>
> If Lalonde really wanted the private sector to create jobs he should have slashed government spending and cut taxes. Instead he's merely handed out minor sops.
>
> Yet in spite of all the bluster, taxes are going up. The 1 per cent increase in the federal sales tax will result in large across-the-board increases on *everything*.
>
> This is not leadership—just more jiggery-pokery that's caused our once strong dollar to lose 25 per cent of its value and the Canadian deficit to grow 30 per cent larger in per capita terms than that of the U.S.
>
> How was it done? Simple. By reducing competitiveness through ever-increasing government regulation and interference—

It is just as simple as that. Apparently, Mr. Speaker, the Hon. Member for Willowdale is not reading his own local papers. He says we have no policies. That is what we believe in. That is just exactly what we will do when we form the Government.

• (1150)

I am sure Canadians do not realize the amount of money the Government is spending which it does not have. The rapidly increasing expenditures are going to put a burden on future generations which they will never be able to pay off. We are mortgaging the lives of our children and grandchildren. We cannot spend $11,250,000 an hour 24 hours a day every day of the year, Sundays and holidays included. This is a horrendous sum, Mr. Speaker.

The Canadian people must begin to realize the direction in which the Government has been leading them. In my constituency I find that more and more people are starting to think about what is happening. I hear a lot of people talking about the tremendous deficit and the effect it is going to have on the economy, their lives and their livelihood. It cannot be otherwise. The Government is taking too much out of the system and not leaving enough for the business community to survive or expand. That is the engine we must use to get back to where we were in 1968 when the present administration took over.

I would like to bring to the attention of the House some comments made by Mr. W. R. Wyman, who is Chairman of the Board of the Canadian Chamber of Commerce. This is his advice as to what the Government should do. This is free advice. It is available to the Government but apparently it does not understand what it reads. He said:

> What we need is not nostalgia, nor is it a new crop of trendy slogans touting temporary restraint. We do need a new national commitment to an economic regime that is based on individual freedoms and responsibility, with that individual freedom protected by the right to acquire, hold and use property. And, lest anyone miss the point, it will be impossible to promote that freedom and responsibility unless the distribution of rewards is determined by the free market.

That is where the Government has gone wrong, Mr. Speaker. The Government is not allowing the free market system to make this determination. The Government is making this determination. It is being made by Members such as the Hon. Member for Willowdale who does not understand what it is all about. Mr. Wyman went on to say:

> To use an overworked phrase, the "Just Society", based on individual freedoms, cannot prevail if people interfere in the market, and the rush to regulate in

the last two decades has not, on balance, proven its worth to our society. Quite the opposite. It has retarded growth, encouraged inflation, and undermined our competitiveness.

No, the long-term path to progress—to recovery, if you will—lies in Government restraint not just in spending but in overall terms. In its size. In its activities. In its will to guide us from cradle to grave. No thinking person would deny Government's role in formulating economic and social goals for Canada, but I'm suggesting it need not and should not be concerned with specifying the means to achieve those goals. That is better left to the marketplace.

That is sound advice, Mr. Speaker. I do not know where you would get any better. In place of that we have the Minister of Finance saying he is not worrying because the value of the Canadian dollar is depreciating. He is not lying awake at night thinking about that. When the value of the Canadian dollar depreciates the first effect is that we run into inflation. This is devastating. We must be able to control inflation. The only way we will do that is to have more responsibility put into the marketplace in the hands of the Canadian people. The Government must create that climate in order for that to take place. That is the best advice I can give the people opposite. I hope they pay attention.

Mr. Alex Patterson (Fraser Valley East): Mr. Speaker, the Bill we have before us is very light and short. The body of the Bill is contained on one page about eight inches by eleven inches. Even though it is light and very short, that is not the effect it is going to have upon the Canadian people. Its weight will substantially add to the burden of debt which rests upon the shoulders of Canadians today. The effects will span the years and enchain our children and our children's children for generations to come.

I have lost count of the times I have heard Liberal spokesmen declare that their intention was and is to exercise restraint and reduce the deficit. However, like most of the predictions made in so many areas, the announced goals were seldom, if ever, realized. In seeking borrowing authority for the unprecedented amount of $29.55 billion in this Bill before us, the Government has reduced its diminishing credibility to minus zero.

I listened with interest this morning to the speech of the Hon. Member for Willowdale (Mr. Peterson). He stated that we in the Progressive Conservative Party have been asking for the impossible in requesting reduced deficits. Why, then, has that been promised so often by the Liberals? Apparently they had no more intention of reducing the deficit and exercising restraint than they had when they promised to keep the price of gasoline lower than that which was predicted by the Conservative Government several years ago.

The Government is asking for authority to borrow $29.55 billion. This is the eighth time the Government has come before this Parliament to request such authority. Bill C-30 was for $12 billion. Bill C-59 was for $14 billion. Bill C-111 was for $6.6 billion. Bill C-125 was for $7 billion. Bill C-128 was for $4 billion. Bill C-143 was for $19 billion. Bill C-151 was for $10.71 billion. Now, Mr. Speaker, we have the unconscionable Bill C-21 requesting $29.55 billion. This is a total of $102 billion requested in this Parliament.

As has been underlined by several of my colleagues in the course of debate, the amount requested in this Bill is far in excess of the amount required to meet the Government's commitments. There has been no clear reason given why the request has been made or for what purposes the money will be used. The Government's spokespersons, including the Minister of Finance (Mr. Lalonde), have loudly declared that economic recovery is the prevailing trend today. I suggest that the evidence points to the contrary. I think it is safe to say that any seeming degree of recovery is, at the very best, exceedingly fragile. Furthermore, unemployment as of January this year stands at 11.2 per cent. Manufacturing is at 70.5 per cent of capacity and business and farming bankruptcies continue at an alarming rate. Farm income is declining. These facts do not indicate or support in any way the claim that recovery is a continuing reality.

• (1200)

I would like to call attention to the report of the Conference Board of January, 1984. It points out that the Canadian economy will experience four quarters of negative growth in 1985. The rate of job creation will slow over the course of 1984 and 1985, and will be negative in the last half of 1984. As a consequence, unemployment will fall to 10.8 per cent this summer and then rise to 11.3 per cent by the end of next year. It points out that the federal deficit is seen as remaining in the $27 billion range on a national accounts basis. Short-term interest rates will rise by two percentage points between now and the end of 1985. Capital investment will continue to be weak or negative. I do not believe there is anything in those figures that would indicate that the recovery is even holding, let alone improving across the country.

I suggest that the Bill in its current form is completely unacceptable. While we can acknowledge the necessity to meet the legitimate costs of a responsible government, we cannot meekly permit the Government to build up a surplus to finance unknown activities at taxpayers' expense.

When we look at the entire picture, I cannot understand how the Government has the colossal nerve to come before this Parliament and ask us to support a measure that will impose such a further horrendous deficit upon the Canadian people and demand that they contribute another $29.5 billion without indicating what it will be used for or how it will affect our country.

If we could see that these vast expenditures were improving the lot of the Canadian people, perhaps it would be entirely different. However, the figures that I and many of my colleagues have presented to the House would indicate that, to the contrary, it is simply a matter of pouring money into a hole in the ground. Rather than seeing an improvement so that our people are happy, contented, prosperous and confident, I believe when people see the activities of the Government and the demands it is making on the taxpayers of this country, they become increasingly depressed, to the point where we find that the social effects upon Canadian society because of the eco-

nomic situation are resulting in disaster as far as many people in our country are concerned.

I repeat that there would be some reason for hope if there was an improvement but the Government is placing an increasing burden of debt upon Canadians and putting succeeding generations in a position where they will not be able to carry this debt plus a possibly increased debt in the future if, God forbid, a government like that remains in office for any further length of time.

Mr. J. R. Ellis (Prince Edward-Hastings): Mr. Speaker, when I decided this morning that I would speak for a few moments in this debate, I realized that I was tired. I did not know whether I was tired because I have had a few late nights, whether I might have spring fever since spring is nearly upon us, or whether I might even be tired because of a heavy work load. But Members of Parliament do not work hard, so it could not have been that. Then I realized that I was tired of the Government. I was tired of the excesses that have resulted in bringing before us the eighth borrowing Bill in this Parliament. My colleague from Fraser Valley East (Mr. Patterson) detailed the various numbers to the House and I will not do that again. However, this is the largest borrowing Bill in Canada's history.

Let me compare the projected deficit with some other projections. In 1979, my colleague from St. John's West (Mr. Crosbie) projected some deficits. He indicated that by this year we might well have a deficit as high as $9 billion. We are now looking at a deficit of approximately $30 billion.

His successor, the first Minister of Finance in that infamous government that is now in power, the Secretary of State for External Affairs (Mr. MacEachen), projected in 1980 that we would have a deficit in the $12 billion range this year. Once again, it is far off the mark. Less than a year later that same Minister projected that he would have that deficit down to $10 billion. He did not do that.

Finally, the current Minister of Finance (Mr. Lalonde) projected last year that he would bring the deficit down to $31.3 billion. They are finally making projections of what the figure actually is.

I realized that I was tired of the incompetence of the Government. Like my colleague from Parry Sound-Muskoka (Mr. Darling), I think in terms of municipal governments. I spent many years in municipal government. I think in terms of Mayor Zegouras of Belleville, Warden Rabel of Hastings, Warden Kotchopaw of Prince Edward and the other reeves and mayors in the small communities of my constituency. They must budget annually for their requirements and are required to pass a borrowing bylaw to borrow the funds which they might need to fulfil the commitments they make in their communities throughout the year. They are concerned with real money because they budget and borrow exactly what they need and, at year end, their budgets are very close to the mark. Indeed, if their budgets are off, it is usually by a small surplus because they very carefully consider what must be done throughout the year. Would that this Government have that kind of decency.

I also realized that I was tired of the misconduct of the Government, particularly as displayed by Revenue Canada recently. I could add many stories to the tales of woe that we have heard. I think of one case which came to me just a few days ago of a woman who is widowed with one child living on a small cheque left over from her husband's estate and one disability cheque, for indeed she is disabled. In an entire year, that woman lives on what the Government spends in two seconds. Despite that, she owed Revenue Canada some money and was paying it off. She found she could not make the payments in the amount she promised and continue to live at the same standard, so she decided to move to cheaper accommodation and found a less expensive place to live. However, in moving to that less expensive accommodation she had to pay the first and last month's rent together. Consequently she missed a couple of payments to Revenue Canada. This woman, who was living on such a small income, had her bank account of $500 seized by Revenue Canada. That is why I am tired.

We are told that the federal Government must borrow money in order to pay the income tax refunds that will be coming due. The Government is giving taxpayers some of their own money back. The Government is borrowing money and paying interest—at least, the taxpayers are going to pay the interest—to give people their own money back. Would that it had some of its own medicine inflicted upon it. Would that its bank account be seized as well.

• (1210)

I realized I was also tired of the unbusinesslike ways of this Government. We know that this Government is going to spend $18 billion this year just to pay interest on the debt. We know the Government is into the money market for over 50 per cent of the money to be borrowed this year. We have businessmen who want to make Canada grow, who want to build buildings, who want to produce products and create jobs. But frankly, they cannot borrow the money to do it because of the bungling of this Government.

I talked to a businessman just the other day, Mr. Speaker. He needed to borrow really just a very small amount, $4.5 million, only he found that the markets do not have money available right now. It could be that the markets are fudging a little bit because people can see interest rates going up and they will hold money for a few more days to get higher rates of return. We are told there is no money because the Government is into the market so heavily that there is no excess money around.

I am tired of the malicious boondoggling and make-work programs that partly cause this problem, but when the Minister and his Department are caught, they express such righteous indignation that indeed they could ever be the cause. Yet we know there are hundreds of millions of dollars being spent in these phoney make-work programs that produce nothing, unless you happen to be in a Liberal constituency.

Then I realized that I am tired of the blundering and the stupidity that goes on. This is my country, Mr. Speaker. I think my constituency of Prince Edward-Hastings—I may get an argument from some of my colleagues—is God's gift to Canada. I think Prince Edward-Hastings is one of the most perfect places in the entire country to live. People are happy and proud, as I am, to live in this beautiful part of Canada, but I find they do not have the confidence they once had. When I talk to them, as I do every weekend at meetings and at functions, I find they are concerned, disturbed and upset. They are not sure where this country is going. They are not sure that their children will make it through the various schools or make a niche for themselves in the future. They are concerned that maybe next year the tax burden, which is already horrendously high, will be just that little bit too high and they will not be able to make it. People are concerned about the deficit because they are hearing more and more about it and feel that it will finally catch up to them. They are concerned about the way in which this country is going.

I find that I am tired, sick and tired, of the posturing arrogance, the pompous conceit, the egotism and the insolence of this Government. It is not spring fever, Mr. Speaker. It is the need that we have for a new government, the need to get rid of this crew and put in a government with some spirit and belief in Canada, a government that will make a difference.

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I appreciate the opportunity of speaking to the House this afternoon on Bill C-21. Just in case, Sir, that you are unaware of what this debate is about, it is debate on second reading of a Bill to give authority to the Government to borrow $29.5 billion. This is the largest borrowing Bill in Canada's history.

When you talk about borrowing in the House, that inevitably brings up the question of the deficit. The deficit brings up the general question of taxation, and taxation and all of these other subjects bring up the general topic of the economy of the day. Certainly, Mr. Speaker, it is not easy these days to get people excited about the economy, but it is, nevertheless, the single most important Government issue facing Canadians in general today.

Any way you look at it, Canada is in a deepening financial crisis. I think any doubts about that were rudely dispelled by last month's federal Budget which told us that Canada's deficit—and the borrowing Bill is directly related to that deficit—will be $31.5 billion this year and more than $25 billion for each of the next four years. By the end of the fiscal year 1987-88 the national debt of Canada will climb to $261.5 billion. That is almost four times the 1979-80 level of $68.6 billion. Four times in less than ten years the national debt has grown.

These multibillion dollar figures are almost impossible for me to grasp—I do not know about you, Sir—considering that most of us will never even see a million dollars during our lifetimes. But these horrendous deficits do affect us all directly in ways in which I think we can all easily understand. Basically those deficits, and this borrowing Bill, mean that higher interest rates for bank loans or for mortgages will be inevitable. It will mean less value for our Canadian dollar if we travel abroad. It will mean higher taxes and less money for personal spending. That in turn means business and industry cutbacks. People simply will not be able to buy new cars, new appliances, or new homes. As a result there will be fewer jobs. Everything is all related, all down the road. I say every Canadian suffers as a result of these deficits.

The question obviously is why do we have them? I must say to you, Sir, that from today's perspective it is a great deal easier to explain how they came about than why they came about. Spending at all levels of government in Canada has been rising since the end of World War II, partly at least in response to increased public demand for more government aid and more government services. Until the early 1970s growth in government spending was matched by rising government revenue: a very logical and simplistic balance existed. As people wanted more services and wanted more government aid, we were able to match that at all levels of government because rising government revenues balanced and matched those expenditures.

Then in the early 1970s governments seemed to become concerned about raising taxes. However, they also started spending at an even greater rate, especially the federal Government. To make up for this imbalance, governments, especially the federal Government, began borrowing against the future through deficit financing. That has resulted in the Government's asking the Parliament of Canada today to pass a borrowing Bill which, as I say, is the largest in Canadian history.

• (1220)

In 1976 the accumulated federal Government debt since Confederation—a time period which encompasses two world wars with vast expenditures on armies and armaments—totalled $22 billion. Now, as the last Budget indicated, our federal deficit is increasing yearly by more than what was our 109-year total just eight years ago. Last year the federal Government alone borrowed more than $26 billion. Ottawa's total debt now exceeds $130 billion. Mr. Speaker, that means you and I are $5,200 in debt; $5,200 for every man, woman and child in the country. According to the Budget forecast, $800 will be added to that debt each year for each and every one of us. Incidentally, when those of us who live in the Province of Ontario add on the debt of the Ontario Government—and I am sure it is roughly the same for every provincial government across the country—we have a debt of about $8,000. Every resident of the Province of Ontario, thanks to the combined governmental debt load of both the province and the federal Government, is now about $8,000 in debt and it is getting heavier by $1,100 every year.

I was very interested to read just recently that the Chairman of the Toronto-Dominion Bank, for instance, pointed out that if the parents of a child born today started borrowing in that child's name at the same rate of $1,100 per year, by the time the child was 25 years of age he or she would be in hock for

almost $120,000. That is a great deal of money as far as the average citizen is concerned. Obviously no responsible parent would think of doing that. It is almost inconceivable, yet that is exactly what is being done to our children and their children right now through government deficit financing and the imposition of a government Bill borrowing to the extent we are being asked to authorize today.

What is the answer? There is no easy one, but I think we have to start looking at it a darn sight harder than we have in the past. Otherwise we will awaken one day to find that we have a major economic collapse on our hands. Obviously part of the problem is that government has grown too large and has become too fat in the process. We must look at it closely to determine whether we really need and can afford all those offices, all those employees, all those bureaucrats, all those expensive Crown corporations and all the services they provide. We have to put it bluntly to our constituents: if we want to keep all these services, then we will have to start paying for them through much higher taxes. It is as simple as that.

If the question is put fairly to these people, I suggest they will realize that we have to go the other route. Obviously there is some fear that reducing the deficit must mean a cutback in the universal social welfare system of which Canada is so proud, such things as the family allowance and the old age pension. In fact, they are a very small part of the problem. Recent calculations show that if old age pensions and family allowances were restricted to families with less than $30,000 annual incomes, the savings would only be about $1 billion. That is a tiny proportion of next year's projected $30 billion federal deficit. This is why we as a Party and our Leader last week reaffirmed that we were certainly committed to reducing the federal deficit. Universality of social programs and opposition to any form of means test is a cornerstone of this Party's political philosophy in any event.

This is the only vehicle I have as a Member of the House to protest deeply the Government's mismanagement of the economy over the whole time it has been in office. This is why I speak today and voice my opposition to the horrendous Bill before us.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have the opportunity to speak against the present proposal to borrow $29.5 billion. This would mean a crushing debt of about $2,000 for every member of the workforce in Canada. Perhaps it would be a little over $2,000. The figures have to be rounded because the Government does not explain clearly how big is the workforce. The numbers keep shifting.

It is especially unsatisfactory since probably half this amount of money will go as gifts to large corporations. On past experience, approximately $15 billion or more will go as tax gifts to the largest corporations, not to corner grocery stores, not to small factories nor to little service operations. It will go to oil companies—

Mr. Fennell: And Canadair.

Mr. Heap: Yes, to Canadair—and to the very large corporations which have the ear of government, whether it is the Liberal Government in Ottawa or the Conservative Government in provinces like Ontario. Also it will go to land speculation which will make land more expensive without actually increasing its value. It will go to mergers and take-overs which have already destroyed many thousands of jobs. It will go to foreign investment in the way of tax gifts to those projects. Generally speaking, those projects do not create any more new jobs. They may create a few jobs by destroying more jobs, but the net result is that they do not create any new jobs. What the country needs above all is a restoration of employment and the prospect of full employment for everyone who is willing and able to work.

A year ago the Roman Catholic bishops spoke on this point and advocated two principles which the borrowing Bill opposes. One principle was the preference for the poor. The principle was that if we fulfilled the needs of the poor, the rich would also have their needs fulfilled. That is the opposite of the trickle-down theory espoused by the federal Government and by most provincial governments. The trickle-down theory holds that if we take taxes from poor people and give them to the rich, then some day some of that money will be returned to the poor people from whom it was taken in the first place. Most poor people do not think they will live long enough to see that day.

The second principle was the priority of labour over capital. Obviously the bishops do not mean by "labour" the Canadian Labour Congress or by "capital" the Canadian Manufacturers Association. They were talking about a basic fact of human life, namely that live, present labour uses past or dead labour. The goods we produced yesterday, a year ago or a century ago, whether they be railroads, trucks, factory buildings, electrical power, food or whatever, are dead labour. They are capital. They are intended to be used in the service of live labour, which is the new work we will do today. That is how I understand the teaching of the Roman Catholic bishops. They are saying that today's work must take priority over the results of yesterday's work, not the other way around.

• (1230)

This Bill ignores that principle. It suggests the Government should have more billions of dollars to hand out in the way it has been handing them out; that is, giving to people who simply increase the dollar value of yesterday's work. They will argue about who is going to be the president of the company that will control that capital. No new jobs will be created with that $29.5 billion.

It would be possible to support this borrowing Bill if the Government would reverse that principle. I am certain that support could be found in this corner of the House. I cannot speak so confidently for the moss-backs to my extreme right, but I hope that support will be found across the way. If the order were reversed, the working men and women in Canada would support it.

One-fifth of the workforce in Canada is either completely unemployed or severely under-employed. That is our greatest unused resource. If we had 25 per cent more people working, that one-fifth, that is 25 per cent more than now, working at their best, we could wipe out a $29.5 billion debt in very short order. We would cure many other troubles as well. It would be worth borrowing the $29.5 billion if the Government would apply it in that way. The Government would have to reform the tax laws so that over half of it would not be given to corporations. Instead, they could institute a program that would eliminate unemployment in a short while by suggesting that each worker should work four days a week and be paid the fifth day to study, train or improve himself or herself for the new challenges in the workforce that are in front of us right now.

We say we need a workforce capable of doing something more than dull manual labour or pen-pushing. That is true. We need a workforce capable of handling the new challenges of modern technology. The way to do that is to enable not just a small, select few to study, not just those who have been forced out of active work by layoffs to study and not just those who have been discouraged by years of unemployment. They should have the opportunity to study until they are ready to be employed again when the country is ready to use them.

If this $29.5 billion were used to enable all workers—men, women, youth, middle-aged and older workers—to study one-fifth of their time and also include the one-fifth unemployed and under-employed in the active workforce, we would not only save close to $15 billion in unemployment insurance but save another large amount in welfare. We would restore our educational system which is falling into ruin through cutbacks if we applied this $29 billion in that way. Best of all, we would mobilize the workforce with a kind of enthusiasm that has not been seen since World War II. We have not had a labour shortage in Canada since World War II. We should have such a problem again!

With a program such as this, we would put a hopeful prospect in front of all Canada's workers, both those who are working and those who are not. We would give them something to look forward to by way of sharing in active terms as workers in the growth of this country. I hope that an idea like this will be taken seriously by those on the Government benches, to the extent that they will seriously want to reconstruct Canada, to rebuild our economy. The resource we have to use is the one-fifth of our workforce that is unemployed or under-employed. The best place to use the $29 billion is in putting those people immediately to work.

Hon. Erik Nielsen (Yukon): Mr. Speaker, what prompts me to get to my feet are the numerous charges coming from across the way, particularly today from the Hon. Member for Willowdale (Mr. Peterson), with respect to the absence of policy on this side. I must go quickly because of the fact that I only have ten minutes to address the subject of Crown corporations. As Hon. Members know, during the past few months the Progressive Conservative task force has been examining this very important subject. We have consulted widely both within the public and private sectors. While the report is not yet finalized, some of the interim recommendations we have received as policy matters are as follows:

First, rationalizing and clarifying the Government's relationship with Crown corporations, based on a return to a system of effective individual ministerial responsibility.

Second, a revised classification system for Crown corporations based on the extent of a corporation's reliance on Government financing and its role in implementing public policy objectives.

Third, stringent measures to restrict the incorporation or acquisition of Crown corporations, subsidiaries and affiliates; including a requirement that aparent Crown corporation may only be created by a special Act of Parliament. This would end the ability of Ministers to create corporations by Orders in Council with absolutely no scrutiny or control by Parliament.

Fourth, a requirement for the submission of three to five-year business plans by each parent corporation for government approval and for tabling in Parliament, and for annual reports and quarterly financial statements of the highest possible quality and integrity.

Fifth, expansion and clarification of the role and responsibilities of the Auditor General in auditing Crown corporations and in his relationship with private sector auditors.

Sixth, improved accounting procedures and practices for Crown corporations conforming to principles and practices accepted in the private sector.

Seventh, clarification of the role and responsibilities of directors and officers of Crown corporations, including a requirement that the duties, responsibilities ands liabilities that apply in the private sector also apply to Crown corporations.

Eighth, creation of a joint Senate and House of Commons Standing Committee on Crown corporations, with the mandate and resources to undertake effective cyclical reviews of individual corporations.

These are just some of the policy suggestions that have been developed by this Party. It may be, however, that some of these proposals will be implemented before we are called upon to form the next government. I rather expect that we might see some of them at three o'clock when amendments to the Financial Administration Act are brought in by the President of the Treasury Board (Mr. Gray).

After years of neglect, the Liberals now tell us that legislation will be introduced next month. That means this month, because I am reading from a speech given on February 23 last in Toronto by the Leader of the Opposition (Mr. Mulroney) on the subject of Crown corporations. That is where the policy came from. Nobody picked it up, let alone the Hon. Member for Willowdale or anybody else over there. Let no one say that we are not addressing policy matters.

After years of neglect and years of prodding by this side, the Liberals now tell us they will be introducing legislation today which will address the problem of Crown corporations and financial control. The reason, of course, is that the existence of

our task force has caused a flurry of activity in the Government, just as our task forces on tax simplification and Revenue Canada practices caused the Minister of National Revenue (Mr. Bussières) to do something which is yet to be observed but caused the Minister of Finance (Mr. Lalonde) to address the subject in his recent Budget.

One can only hope for the country's sake that the existence of the task forces of the Progressive Conservative Party on productivity enhancement, youth employment and the employment impact of technological change will prompt further Liberal action, where they are taking our policies and putting them into their legislation. That can only result in good for the country. Better yet, Sir, perhaps we should start a task force on when to hold the next election.

• (1240)

Some Hon. Members: Hear, hear!

Miss Pat Carney (Vancouver Centre): Mr. Speaker, the Hon. Member for Yukon (Mr. Nielsen) is a hard act to follow. He has successfully attempted to repudiate the accusation of Liberal Party members that we do not have any policies.

Some Hon. Members: Oh, oh!

Miss Carney: I am sorry that they cannot give me the courtesy of listening to my speech. Perhaps they are still so upset by the House Leader's accurate report of our policy that they cannot contain their concern about the next election.

I would like to talk about the fact that, as pointed out by the Hon. Member for Durham-Northumberland (Mr. Lawrence), this Bill is the biggest borrowing Bill in Canadian history in that it calls for $29.5 billion of additional borrowing. This is also the eighth borrowing Bill since 1980. Eight borrowing Bills have been sought in only four years, yet the need to borrow this massive amount of money attracts the interest of only about a dozen members on the government side. During the course of this debate, I have counted the number of government Members present in the House and the count has fluctuated between eight and 12. I see that not one member of the NDP is sitting in the Chamber to discuss the fact that the Government has gone back to the trough for $29.5 billion. The other point is that $4 billion of this—

Mr. Riis: I rise on a point of order.

Miss Carney: Excuse me, Mr. Speaker. I thought I heard a member call to be recognized on a point of order. It is the custom of the House to—

Mr. Deputy Speaker: The Chair also heard the call to rise on a point of order but does not see anyone standing other than the Hon. Member. She may continue her remarks.

Miss Carney: Mr. Speaker, another point I would like to make is that the Government is asking for authority to borrow $4 billion now for a contingency fund which can be carried over into another fiscal year. That means that $25.5 billion must be used in 1984. Of course, we are concerned about the use to which this contingency fund will be put. Having a contingency fund in an election year raises the fear that it will be used as a political slush fund, as has been the use of so many of the funding programs of the Government in the past.

One of the candidates for the Liberal leadership race, the Minister of Employment and Immigration (Mr. Roberts), has just left the House. The Hon. Member for St. John's West (Mr. Crosbie) has accurately described that Minister as the "Minister of oink oink". As the House knows, that Minister has managed to spend $186 million through a special employment initiatives fund, mainly in Liberal ridings. Our big concern is whether or not this $4 billion will be used for this kind of sleazy slush fund in an election year.

I can only remind you, Mr. Speaker, of the concerns of Conservative members, and I have raised this matter in the House, about the 15 per cent unemployment rate in British Columbia, a province which received only 5.5 per cent of the funds to which I just referred. Other members of the Conservative Party have pointed out how strange it is that none of the needs of the post office in the next fiscal year can be met at all in Conservative ridings. Similarly, Canada Mortgage and Housing projects are apparently only desired in Liberal ridings. Even members of the NDP, and I now give credit to the finance critic for the NDP who has returned to the House, have pointed out that in terms of this particular program the average funding across Canada amounted to $150 per unemployed person. The Province of Quebec received $206 per unemployed person, the Maritimes received $227 per unemployed person and British Columbia is at the bottom of the heap, having received only $60 per unemployed person. That is what concerns us about this kind of borrowing in an election year.

Another point we must keep in mind when debating this borrowing Bill is that borrowing is the true legacy of the Prime Minister's years in the House. We have heard a great deal about the Prime Minister's contributions to the House but his main contribution during his tenure was the shattered dreams and the debt burden that he placed upon Canadians. He will go down in history as the Canadian Prime Minister who mortgaged the future not only of ourselves but of our children and grandchildren; the one who eroded the hopes of many people to ever own their own homes; who drained the bank accounts of small business either through tax policies or harassment by National Revenue; and who has consistently, through policies of high interest rates, bankrupted farmers, lost family homes and shut the doors to the education of children. He has left a mammoth legacy of grief with which we must live.

Some Hon. Members: Hear, hear!

Miss Carney: However, I noticed that the candidates for the Liberal leadership race are trying to put some distance between themselves and these Liberal policies. It is fascinating to see the Minister of Employment and Immigration go on national television and talk about how he has new ideas and that he is a man of the future as compared to a man of the

past, referring to the former Finance Minister who started the whole program of spiralling deficits. I look forward to seeing such a person return to the House of Commons so that we may lay all the numbers on the table and he may discover what he began when he first took a balanced budget and added $5 billion in deficits, until the deficit has now reached over $31 billion. It would be enchanting to have the opportunity to table his record as Finance Minister before the House.

Let me return to the issue of the man of the future with new ideas and a new outlook. I was reminded of last weekend when some of us in the House attended a Canada-U.S. parliamentary delegation meeting to discuss our mutual problems. Of course, American senators were talking about the astounding development surrounding Senator Hart. One of our American colleagues said that yes, he himself was a new hopeful; he was younger than Senator Hart, he had been in the House for fewer years than Senator Hart, he had some new ideas since breakfast and he may even have had some new ideas since lunch. He would be prepared, if he could just think about those ideas long enough, to articulate them and present them to us as a hopeful leader of his Party.

That situation reminds me of the situation of the unfortunate "Minister of oink oink", who truly believes that a man of his tattered reputation can possibly be taken seriously by the Canadian electorate, particularly by those who live in ridings which were deprived of his particular brand of porkbarreling.

Indicative of the legacy of the Prime Minister's years, I think, is the calibre of the leadership candidates as evidenced by the Minister of Employment and Immigration. That he is all the Party can offer to date is really the best commentary that can be made on the fate of the Liberal Party and the best reflection of what its members have done to the nation as a whole.

What has this terrible legacy cost us? Some of the figures have already been presented. For instance, it has cost us an increase in interest rates. Last week, Treasury bills had risen again. That move puts the terrible fear in the hearts of Canadians that interest rates will again increase and we will be faced with a terrible spiral of mounting debts and hopeless futures. Furthermore, the amount of money we will be paying in terms of the additional debt will be some $50 million.

Some Hon. Members: Oh, oh!

Miss Carney: I am sorry that the Liberal members who are present find this so distressful, and I am sorry they cannot listen and take heed. Perhaps if they run as leadership hopefuls as well they will have a new idea to present: no debt.

• (1250)

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, as I rise to speak on Bill C-21, the $29.5 billion borrowing Bill, I must say that it is difficult to find words to cope with such a complex piece of legislation. If we wanted to review the borrowing Bills in this Thirty-second Parliament, we could start with Bills C-30, C-12, C-59, C-111, C-125, C-128, C-153 and now C-21. Each Bill requests an increase in borrowing authority.

There is concern with this ever-growing interest burden not just in this House, Mr. Speaker, but all across the country. In 1984-85 the servicing of this debt will cost an estimated $20.4 million, $800 for every man, woman and child in Canada, or $1,900 per taxpayer.

As a new Member of Parliament I should like to take a few moments to describe my feelings about this $29.5 billion. In 1968 when the Prime Minister (Mr. Trudeau) was chosen to lead the Liberal Party, he said there would be a just society for all Canadians. Mr. Speaker, I should like to say to you that the problems in this country will not be bilingualism or regional distribution; the problem in this country is the porkbarreling that is going on.

Before being elected as a Member of this House, Mr. Speaker, I thought it would be an honour to have the opportunity to represent the riding of Timiskaming and take part in the history of Canada as one of the 282 Members of Parliament. The day of my election, October 12, 1982, was a great day for me, when I became one of those 282 Members.

Some Hon. Members: Hear, hear!

Mr. MacDougall: I felt that I could work not only for Timiskaming but for all parts of the country. But my expectations have been diminished by what has happened in the last few months, Mr. Speaker.

Unemployment is a major problem not only in my riding but in other ridings which have 12, 14, 16 or 22 per cent unemployment. The Government and the Minister introduced a Special Employment Initiatives Program but apparently it was only available to members of the Government. That is a tragedy, Mr. Speaker. The ridings which surround mine received generous funds; Timmins-Chapleau $459,000, Sudbury $957,000, Nipissing over $1 million. But the riding of Timiskaming received only $130,000.

Some Hon. Members: Shame!

An Hon. Member: Do your job.

Mr. MacDougall: Before my election to this House I was told, and I believed, that as long as one was honest and sincere and worked hard for his constituents, it would be for the betterment of the country. When there is 13 per cent unemployment in my riding, I do my utmost to help people but if I do not have an opportunity to get a fair allocation of the funds available, I cannot. What we are doing is dividing this country, not working together, and that is certainly indicated through that program.

I made application for two major projects under the Special Employment Initiatives Program, Mr. Speaker, one for a water tower and sewer projects in Kirkland Lake and the other for the extension of an arena in Haileybury. I received a letter from the Minister's office assuring me that the Minister would be writing to me in the near future. That does not create jobs,

Mr. Speaker, it just delays matters and it does not give me any of the funding that has been made available to elected Members.

The last Budget did nothing to help the unemployed of this country, Mr. Speaker. In this country there are mines, sawmills, and industries in which men and women have worked 20 or 25 years and at the age of 45, 50 or 60 have found themselves out of work. Today there is nothing for them. Was this addressed in the Budget? No, it was not. Did the Budget address the question of financial assistance to the spouse of 50, 55 or 60 years of age who has lost her husband? No, it did not. What has been offered to help the young people who have just come out of college with a degree and find that the only job available is driving a taxi? Nothing has been done for them.

I should like to look again at the work programs, Mr. Speaker. Under the Canada Works programs, this year the riding of Timiskaming received $96 per person yet the riding next door, which is of a different political stripe, received $146 per person. Is this a just society, Mr. Speaker? I really believe that if we are going to work together the unemployed of this country should not be punished because they happen to have a democratic right to elect whom they please.

The people who are unemployed or on welfare, those who cannot find work, are being discriminated against because in a democratic election they decided to support the Conservative Party. Now they are being penalized for that. Hon. Members opposite should consider the position of these people. How would those Members like it if they lived in a small community and after 12 months their unemployment insurance benefits ran out? The only thing those people can do is humbly walk into the municipal office and, with tears in their eyes ask for welfare. Their future is shot.

If we are going to grant a $29.5 billion borrowing authority, Mr. Speaker, then every Member of the House should be treated equally; but I am afraid that will not happen under this Government. There will only be equality when the people of Canada are given the opportunity to judge the Government, that tired Party, on what it has done to Canadians. I urge that that judgment be taken as soon as possible, no matter who may lead that Party. The unemployed have been hurt, Mr. Speaker; people have lost their homes, their businesses, their farms. There are men and women who fought for this country in a number of wars and who came back to what they thought was a just land.

I see that it is one o'clock, Mr. Speaker. I thank you for giving me the opportunity to speak today.

Mr. Deputy Speaker: Order. It being one o'clock I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

NATIONAL REVENUE

TAX COURT OF CANADA—BACKLOG OF CASES

Mr. Howard Crosby (Halifax West): Mr. Speaker, public attention focused on the operation of Revenue Canada has revealed auditing and assessing practices that have resulted in financial difficulty, even disaster, for many Canadian taxpayers. The disturbing element in many cases is that Revenue Canada's quest for money overrides fair application of the taxation rules.

In order to protect Canadian taxpayers from over-zealous and unfair tax collectors, it is essential that we have an effective and accessible appeal process. This process should involve independent officers who can apply impartial judgment to tax questions. In short, the tax appeal process must provide a judicial forum for settlement of tax disputes.

In 1983 Parliament created the Tax Court of Canada, presumably to guarantee fair treatment for Canadian taxpayers. The Government claimed that the Tax Court of Canada would provide easy and expense-free access for taxpayers who dispute tax assessments made by Revenue Canada. It is, therefore, disturbing to discover this newly constituted tax court is already jammed with a backlog of cases, which will create unreasonable delays in processing cases. Justice delayed is justice denied, especially when those taxed must pay in advance.

If the Minister of National Revenue (Mr. Bussières) wants to be fair to Canadian taxpayers, he will act immediately to expedite income tax appeals and ensure that the Tax Court of Canada has adequate personnel and resources to carry out its parliamentary mandate.

* * *

[*Translation*]

POLITICAL PARTIES

ATTITUDE OF LEADER OF THE OPPOSITION

Mr. Gaston Gourde (Lévis): Thank you, Mr. Speaker. The Leader of the Opposition is now reaping his whirlwind. By showing he is only an illusion, he is now losing those who might have been his best supporters, in fact, all those who have been deluding themselves about his capabilities.

The Leader of the Provincial Conservatives in Alberta, Mr. Gary Filmon, did not mince his words in today's edition of the *Globe and Mail* . . . sorry, Manitoba . . . He said that one day, the Leader of the Opposition—the Progressive Conservatives are amused—but it was Manitoba, and in any case, it is a fact that last night Mr. Mulroney, the Leader of the Opposition, turned down an invitation to attend a meeting of ethnic groups, apparently because of a previous engagement, while

several weeks ago he had accepted an invitation to be the Honorary President at this dinner.

One day he repudiates the Member for Winnipeg-Assiniboine (Mr. McKenzie) and other members of his party because of their position on bilingualism, one day he claims he will not tolerate dissent in the party on a subject as important as bilingualism, and the next day he says that dissent is permissible in certain areas.

Mr. Speaker, I think Francophones in Canada will not forget what the Leader of the Opposition has done for bilingualism in this country by failing to commit himself.

* * *

[*English*]

CANADIAN WHEAT BOARD

INTERIM BARLEY PAYMENTS REQUESTED

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, fortunately for western feed grain producers, off-board prices are rising rapidly and will soon attain values of 30 cents to 35 cents per bushel above initial prices offered by the Canadian Wheat Board. Because of relatively stable world prices, helped by the United States payment in kind program and drought, our Canadian producers deserve a better deal from the Canadian Wheat Board. This can only be accomplished if the Government approves another interim payment on barley and a first such increase on malting barley and oats.

The Pool has sufficient funds to satisfy such a request. Perhaps as much as $1 billion of farmers' money will be in that Pool by the end of this crop year if no further interim payments are made. Farmers need this money now as they prepare for Spring seeding. They also require action from the Government on the Western Grain Stabilization Fund, farm interest rates, particularly extension of the Farm Credit Corporation rebate program, farm fuel prices and taxation, and the list goes on. Food production must be given more serious attention by the Government.

* * *

[*Translation*]

MINING

ESTABLISHMENT OF NEW ALUMINUM COMPANY IN QUEBEC

Mr. Pierre Gimaïel (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, in a speech he made this week in Montreal, the Quebec Minister of Industry and Trade, Mr. Rodrigue Biron, announced that a special group of officials had been formed to meet representatives of major aluminum companies throughout the world and persuade them them to locate in Quebec. Mr. Speaker, as the Member for Lac-Saint-Jean, I am rising in the House today because I wish to point out to the same Minister that aluminum has always been one of the major industries in my region. Over the years, more than 10,000 people have been employed in aluminum refineries in the Saguenay-Lac-Saint-Jean area. In my riding and more specifically in Alma, we have lost 600 jobs out of 1,200 available over the last six years. Mr. Speaker, I am concerned about the fact that the Government of Quebec, in its worldwide campaign to bring new aluminum companies to my province, seems to have forgotten the development potential of the Saguenay-Lac-Saint-Jean area for this industry. I think this is unfortunate, in view of all the infrastructures that were provided by the federal Government, including gas, harbour and airport facilities, thus making it attractive for new companies to locate here with Alcan, especially considering that Alcan has to modernize its facilities to remain competitive, with the resulting loss of jobs which started a few years ago. I therefore urge the Government of the Province of Quebec to remember those who pioneered in the aluminum industry in Canada and the Province of Quebec, the people of the Saguenay-Lac-Saint-Jean area who very strongly supported—

Mr. Speaker: Order. I am sorry to interrupt the Hon. Member. The Hon. Member for Saskatoon East.

* * *

[*English*]

HUMAN RIGHTS

SUPPORT URGED FOR LATIN AMERICAN CONFERENCE

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I would like to draw to the attention of this House the upcoming Conference of the Latin American Association for Human Rights which begins tomorrow in Montreal and continues through Sunday. This event is of particular interest because it brings Latin Americans of note, including the Vice-Presidents of Bolivia and Ecuador, to Canada. It provides a special opportunity for discussing and developing initiatives for defence of human rights and the establishment of peace with justice between Latin Americans and with their American colleagues.

One aspect of the preparation of the Conference is troubling. Although its organizers, the Latin America Association for Human Rights and Canadian co-sponsors, La ligue des droits et libertés, the Canadian Catholic Organization for Development and Peace, and the Inter-Church Committee on Human Rights in Latin America, have made frequent representations to the Department of External Affairs seeking limited financial support and high level personal participation in the conference, neither the funds promised nor the participation have been confirmed.

Given the level of significance of the visitors from Latin America, and the scope of the issues before the event, I fail to undertand this attitude. I am disturbed by this seeming lack of enthusiasm and I encourage the Hon. Secretary of State for External Affairs (Mr. MacEachen) and the Hon. Minister for External Relations (Mr. Pepin) to support the Conference and ensure high quality representation from the Government of Canada.

[*Translation*]

AGRICULTURE

HOLSTEIN DAIRY PRODUCTION IN BOIS-FRANC

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, today I wish to make a statement under the provisions of Standing Order 21 about the Holstein Association of Canada. The Association was founded in 1884, and this year, its annual convention is being held here in Ottawa, to celebrate its 100th birthday and to honour various Canadian breeders belonging to the association. Among the various Holstein associations in Canada, there are a number that have been in existence for some years.

Mr. Speaker, in my riding, we have the Holstein Association of Bois-Franc, which is now fifty years old. Members of the association are in the visitors' gallery, and I am proud to see them here today. The Holstein Association of Bois-Franc has many members who have enhanced Canada's reputation in Holstein cattle breeding and have improved Holstein milk production in the region. I am happy to see that the Holstein Association of Canada has chosen Ottawa to hold its annual convention and also to honour the master breeders who received this award last year. Mr. Speaker, perhaps I should explain that in the region of Bois-Franc, which is in the riding of Lotbinière, a number of people have been classified as master breeders, including, this year, Mr. André Laroche of Warwick. Mr. Speaker, I am very happy to see that the Holstein Association of Canada continues to progress and that it has a very solid Quebec membership. People in the riding of Lotbinière are active members of the association, whose local chapter has more than 300 very active members who are a valuable asset to the Holstein Association.

* * *

• (1410)

[*English*]

INDIAN AFFAIRS

SIOUX VALLEY BAND SCHOOL

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, I recently visited the Sioux Valley School which is operated by the Sioux Valley Indian Band in my constituency. On that day the students were unable to attend classes because the sewage system had backed up. There were other problems. The school is actually a cluster of small buildings, and the result is a fragmented student population. As well, there are no gymnasium facilities to speak of, and one building is a health and safety hazard.

Despite these conditions, in the five years since the Sioux Valley Indian Band assumed responsiblity for operating the school, the student population has grown, attendance has improved, and students who had once dropped out of off-reserve schools have now returned to Sioux Valley to finish their education. Clearly this band has risen to the challenge of preparing for self government.

It is ironic, therefore, that the federal Government is discouraging the band's efforts. Despite repeated pleas by the band for a new school with decent facilities, the Department of Indian Affairs and Northern Development has refused to construct one until at least 1987, and very possibly much later. The band has offered to take out a loan to finance the construction, but it needs a loan guarantee from the federal Government, and that has not been forthcoming. The Sioux Valley school, therefore, joins a growing backlog of capital projects in Indian education.

Like numerous other Indian bands, the Sioux Valley band has demonstrated that it is capable of meeting its own commitment to education. The Department of Indian Affairs and Northern Development should hold up its end of the bargain.

* * *

HUMAN RIGHTS

U.S.S.R.—PLEA ON BEHALF OF ANATOLY SHCHARANSKY

Mr. Jim Peterson (Willowdale): Mr. Speaker, today, March 15, 1984, Anatoly Shcharansky, Jewish prisoner of conscience in the U.S.S.R., begins his eighth year of imprisonment. We all recall in 1977 when this brave and courageous man was arrested and later brought to court on trumped up charges of having acted as an agent of the U.S. Government. Shcharansky's 13 year prison sentence can only reflect the harshest element of a society which continues to persecute its most vulnerable community.

Shcharansky, who first applied to leave the U.S.S.R. 11 years ago, now symbolizes all Soviet Jews who desire only to be allowed to leave the U.S.S.R. to be reunited with family in their homeland. Last month his mother was given permission to visit him in prison, the first visit in over 18 months. His condition continues to deteriorate. He has heart pains, and suffers from bone and spine diseases.

A new regulation in the prison, Para. 188.3, was in effect under which he could automatically and repeatedly have his sentence extended by up to five years if his behaviour was deemed improper. Previously a change to an inmate's status required a court ruling. Now the commandant can simply note on a prisoner's dossier the details of the alleged misdeed.

At this time, with a change in leadership in the U.S.S.R., we appeal to the Soviet—

Mr. Speaker: I regret to interrupt the Hon. Member, but the time allotted to him has expired.

S.O. 21

AIR TRANSPORT

CANADIAN TRANSPORT COMMISSION—ANNOUNCED CLOSURE OF VANCOUVER OFFICE

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, the Canadian Transport Commission's Air Transport Committee office in Vancouver is being forced to close in April. This office, which enforces CTC air regulations affecting the licensing of air carriers, is closing because Treasury Board refuses to grant one and one-half more person years. Only five field officers cover our entire nation. Yet other sectors receive billions of dollars. The best way to promote air industry is to ensure safety.

When the Vancouver office closes, the Edmonton field office will have to cover B.C., Alberta, Yukon, and the Northwest Territories. B.C. is experiencing the fastest growth in Canada in the number of new air carriers. Small carriers servicing the resource industries are sprouting up all over B.C. and the Yukon. Yet the Minister of Transport (Mr. Axworthy) shuts the Vancouver office, and keeps the Winnipeg office open despite the negligible growth in Manitoba.

Effective licensing enforcement is crucial for air safety. The air industry is a very exacting and technical industry. The terrain in B.C. and the Yukon is among the most treacherous in the flying world, Mr. Speaker. For the safety of all Canadians, all tourists, and everyone flying in B.C. and the Yukon, I urge the Minister of Transport not to close the Vancouver office, to remain within his budget Estimates, and to consider alternatives other than safety.

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THE LEADER OF THE OPPOSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, I rise on a matter affecting national unity. Our Constitution allows our citizens unrestricted travel from one province to another. Sadly, I must report to the House that the Leader of the Official Opposition, the Hon. Member for Central Nova (Mr. Mulroney), is not being allowed to travel to the Province of Manitoba.

The provincial Leader of the Conservative Party, Mr. Filmon, is reported as saying that Conservative memberships are down and donors are refusing to give money. In reaction to the negative feeling in Manitoba toward the federal Leader, Mr. Filmon is quoted as saying: "I've seen the letters. It's not a crisis . . . but whether it reaches crisis proportions I can't say right now".

Before this crisis is allowed to occur, the House must act. I recommend that the House pass an all-Party resolution stating that the Conservative Party Leader has a constitutional right to unrestricted travel within Canada, and that this must be respected by the Manitoba Tories. To make the passage of this resolution easier I recommend that a House order be passed stating that each Party be limited to one speaker, that the motion be deemed to be passed without a vote, and that the Manitoba Conservative MPs be allowed to reach the airport before the debate begins.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASE IN BANK OF CANADA RATE

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance. On March 7 he made the incredibly stupid statement that he was not going to spend his nights up worrying that the dollar is not at 81 cents. As a result the dollar is now struggling to stay above 78 cents with the help of the Government and the Bank of Canada, using up our U.S. reserves. On March 11 the Minister said that interest rates would remain stable for most of 1984 and drop toward the end of the year.

Today the Bank of Canada rate went up from 10.20 per cent to 10.56 per cent. The prime bank rate is 11 per cent. Why is it the policy of the Bank of Canada and of the Government of Canada that interest rates should go up? This increase is very likely to force up the bank prime rates and all other interest rates in Canada.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we will have to see what evolution takes place in terms of the prime rate in the next few days. The Hon. Member knows there are pressures at the present time upon interest rates, both in Canada and in the United States. There is strong speculation that the prime rate in the United States will also go up in the next few days. We will carefully follow the evolution of the situation.

As to detailed explanations in that regard, we had a debate in the House on Monday of this week at which time I made quite an elaborate statement on the Budget. The Hon. Member was in the House. If the Hon. Member wants to refresh his memory on the position of the Government in this regard, I invite him to review the debate in the House on March 12.

Mr. Crosbie: Mr. Speaker, the problem is not refreshing my memory. The problem is to obscure the memories of everyone who heard the Minister's stupid statements of a week ago.

EFFECT ON COMMERCIAL BANK RATES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my supplementary question is for the same Minister. Historically the difference between the Bank of Canada rate, which today went to 10.56 per cent, and the prime bank rate, which today is 11 per cent, is 1.25 percentage points. The corollary from that is that this increase in the Bank of Canada rate, which has been approved by the Minister, will inevitably force up the

bank prime rate, and all interest rates in Canada. Can the Minister explain to the House why that is this policy? Can he tell the House how Canada's economic recovery can be on schedule, as he said on Sunday, if these rates are going to go up again?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, insults are the last resort of those who are at a loss for arguments and for those who lack the intelligence to find any. I will let my hon. colleague decide to which category he belongs.

What I said, I said in the House at the beginning of the week. My hon. colleague has been Minister of Finance. He knows as well as I do that it is not the Minister of Finance who determines the weekly rate for Treasury bills. The rate is set at a weekly auction held every Thursday under the auspices of the Bank of Canada, and that is when the rate for Treasury bills is set.

I must say my hon. colleague has a very short memory, but if he has forgotten that the rate for Treasury bills is set in the way I just described, he should at least recall his own statement in the House when he was Minister of Finance, when he said that as far as he was concerned, there was nothing he could do about interest rates.

● (1420)

[*English*]

MINISTER'S OCTOBER STATEMENT—REQUEST FOR RESIGNATION

Hon. John C. Crosbie (St. John's West): The present Minister of Finance is responsible for the debacle that this country now suffers. Why did the Minister, on October 19, last Fall, five months ago, state that interest rates would likely drop by another two to three percentage points in the next six months? Why would he make that prediction and then so conduct himself that today he and the Bank of Canada, to which he can give directives, are now forcing interest rates up? I remind him that the 180-day T. Bill rate today went to 10.95 per cent, almost 11 per cent, which will certainly force those rates up.

How can the Minister have any credibility since he prophesied five months ago a two to three percentage point drop, when the rates are now going to go up? When will he tender his resignation?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is getting deeper and deeper in his own hole, I am afraid.

Mr. Crosbie: You got us all in your hole. Everybody is going down the hole with you.

Mr. Lalonde: My poor friend does not even have a memory.

Mr. Crosbie: You are Brer Rabbit.

Mr. Lalonde: He can't even read. I invite him to go back to that alleged statement of last fall—

Mr. Crosbie: *The Toronto Star*. The Liberal bible.

Mr. Lalonde: I said at that time that I had hope, and indicated—

Mr. Crosbie: Could I have the camera, please?

Mr. Lalonde: I said that the forecast was for a decline of interest rates in 1984 and that I hoped at best that there would be a decline of up to 2 per cent and 3 per cent in 1984. But I stressed quite clearly that this was, at best, a hope. It was not a forecast.

Mr. Blenkarn: It is a hopeless Government.

Mr. Lalonde: In effect, for 1984 we have forecast a decline in interest rates in Canada between now and the end of the year, and I still believe that this is a possibility. This has been stated in the Budget, and it is still our view.

This does not mean that in the course of the year there will not be upward pressure on the interest rates. As I have indicated—and I indicated that in the article to which my hon. friend refers—this was extremely dependent on what would happen in the United States. If interest rates in the United States go up, as they have been doing lately, it is quite clear that it would be impossible to prevent them from going up in Canada also. We have done everything we can, and continue to do everything we can, to ensure that there will be no large increase in the interest rates in Canada and no large decline in the value of the Canadian dollar.

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CROWN CORPORATIONS

CANADAIR—CHALLENGER AIRCRAFT CONSTRUCTION PROGRAM

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the President of the Treasury Board. When will the Government get its act together? The Minister of State for Economic and Regional Development states that he will get rid of Canadair altogether. The Minister of State for Social Development is planning a paper cover-up. Will the President of the Treasury Board agree to spin off the operation of the Challenger in order to secure the jobs for the people working at Canadair on the profitable ventures that they have under way?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, what my hon. friend says has a familiar yet ominous ring. It reminds me of what the Conservative Diefenbaker Government was saying not too many years ago. It said that the A.V. Roe Company was a great company, but the Avro-Arrow had to go.

Mr. McDermid: St. Laurent made that decision, and you know it.

Mr. Gray: That is what the Diefenbaker Government did. It killed the Avro-Arrow, which killed A.V. Roe and the thousands of jobs involved. My hon. friend wants to do the same thing, but we will not let him and the Canadian people will support us in that.

CONTINUATION OF PROGRAM—GOVERNMENT POSITION

Mr. Scott Fennell (Ontario): Mr. Speaker, enough is enough. There is an article about Canadair on the front page of *The Wall Street Journal* that is damning to the company. There are no further funds available for development beyond the 601. The Falcon 900 and the Gulfstream 4 will be out in 1986, with far higher technology and a far better capacity. What right does the Government have to continue this operation that has already cost the taxpayers of Canada $3.5 billion?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, my hon. friend is now saying that his Party's policy is guided by *The Wall Street Journal*. I say that our policies are determined by the best interests of Canada for the Canadian people and Canadian workers generally. This is what we are doing. He can rely on *The Wall Street Journal*; we will serve the interests of Canada.

* * *

FINANCE

EFFECT OF INCREASE IN BANK OF CANADA RATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. He knows that the announced major increase in rates by the Bank of Canada today will be passed on, with major increases implemented by all of Canada's chartered banks. This will mean that many small businesses that were going to expand will not be able to do so. The input costs of all our farmers will go up, and mortgages that are going to be renewed from coast to coast will be on the increase as well. All of those facts can only mean that the precarious economic recovery that seemed to be under way could be brought to a devastating halt. Given those facts, why is the Government of Canada pursuing this very regressive economic policy?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, first I would like to point out to my hon. friend that mortgage rates, for instance, started to go up before the bank rate went up.

Mr. Broadbent: They will go up higher now.

Mr. Lalonde: When my friends says that the increase in the Bank of Canada rate today will be passed on wholly to the consumer, I think he is running ahead of himself. We will have to see what will happen in the market in terms of increases in the rates.

Like my hon. friend, I do not like any increase in interest rates. I would certainly prefer to have lower rates, but I must remind him again that we do not live in a glass house. We live in North America and are extremely dependent on what is happening in the United States, and the rates in the United States have pushed upward in the last few weeks. This is the unfortunate situation in which we are living at the present time.

We have brought our rates down as low as we could in relation to the Americans. Over the last six months there has been no difference in the prime rate between Canada and the United States. We have been able to achieve this.

The rates seem to be edging up in the United States. I have not heard any sensible suggestion from the NDP or Conservative side as to how we would prevent rates from going up in Canada when they are going up in the United States.

With respect to my hon. friend's conclusion, I would like to remind him again that he has seen rates going up in the United States and this does not seem necessarily to have stopped the recovery. The recovery seems to have been going on in spite of some increase in the U.S. rates.

FLOATING VALUE OF DOLLAR—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that almost every private sector group in the Canadian Economy, whether they are institutions or economists, indeed I suspect his own officials have also told him that when interest rates in Canada go up, the very precarious recovery that is under way could grind to a halt. The million and a half who are unemployed will be increased in number instead of having the opportunity to get jobs.

One reason he has given for increasing our rate is to protect the level of the Canadian dollar artificially. Considering that lower rates will mean easier business opportunities for small business, better opportunities for home owners, lower input costs for farmers, and I add that if the dollar drops a bit it means increased exports in our forest products sector, increased exports in our manufacturing sector, and increased exports in almost all of our trade, which means more jobs for Canadians, not fewer, why does the Minister not let the dollar have a clean float?

• (1430)

Mr. Crosbie: He wouldn't lose any sleep about it.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, for a very simple reason. Movements both in interest rates and in the exchange rates would have negative impacts. I have myself spelled the positive elements that result from some decline in the value of the Canadian dollar. But there is also the negative side, as the Hon. Member knows, in terms of inflationary costs to the Canadian consumer for everything we

import. That will also be passed on to the consumer and will mean higher costs of living for Canadians.

I have indicated that our policy, that of the Bank of Canada and that of the Government, is to moderate strong swings in terms of higher interest rates or a lower dollar. We are not trying to prevent the natural flow of the market, but we are certainly not going to be indifferent to strong speculative movements in either direction.

Mr. Broadbent: Mr. Speaker, I have difficulty understanding that the Minister actually believes all of what he has just said. He did not say it with his usual élan.

1980 ELECTION PROMISE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like the Minister of Finance to address the substance of the argument, in so far as he can in the Question Period. Lower interest rates at home also mean lower costs for all our small producers, farmers, and home owners, which means more growth in the economy. Since a dollar that drops just somewhat would also mean a good increase in our export sales, which would mean more jobs for Canadians, why does the Government, I repeat, not see those trade-offs, see the limited impact on inflation that a higher dollar would have, and say it makes a lot more sense in terms of Canadian job interests and in terms of Canadian recovery for ordinary people to have lower interest rates, and deliver what the Liberals promised in the 1980 election, which was lower interest rates?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, in reply to this question, perhaps I may refer my hon. colleague to what was said in the House on Monday, March 12 of this year. Unfortunately, the Hon. Member was not in the House when we discussed the entire matter of interest rates and the value of the dollar. My reply is therefore the one given on page 1981 of the *Hansard*, where I said:

> Neither the Bank of Canada nor I wish to see a substantial devaluation of the Canadian dollar with the inflation rate consequences that would follow, and which would ultimately produce higher interest rates as well. At the same time neither would we wish to see a sharp rise in interest rates, particularly at this stage of the recovery. The policy which has been followed, therefore, has been one of moderating movements, both in the exchange rate and in interest rates. My objective is to ensure that the significant and hard won gains in reducing inflation over the past two years are preserved and the momentum of our recovery is maintained.

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PUBLIC WORKS

MIRABEL EXPROPRIATIONS—REQUEST FOR TABLING OF DOCUMENT

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is directed to the Minister of Public Works. This morning I read in the papers that the people who were expropriated at Mirabel have been turned down again, and that the Federal Court has refused to accept as evidence the Cabinet Document of March 1970.

Last September, I asked the Minister whether he could make public, or table in the House, a document on the Mirabel land assembly project for the new International Airport. The Minister answered that he would make enquiries—this was several months ago—and that as soon as he got the document he would give me a reply.

Considering the Minister's desire for a fair solution which, I am sure, he still has, could he table that document in the House, so that the people expropriated at Mirabel would have a very legitimate argument to present before the Court?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, last fall when the Hon. Member raised the matter, I made enquiries to find out whether I could table this document in the House. At the time, our departmental legal adviser informed me that since the matter was before the courts and the document in question was involved in the proceedings, it would be unwise to discuss the document, the case being sub judice.

I do not know if, in view of the information we had this morning to which the Hon. Member was referring, the situation has changed. I will have to consult the Department's legal adviser, and if it will serve a useful purpose to provide this information, I will do so. Of course, I will have to follow the advice of my legal adviser.

DEMAND THAT DOCUMENT BE TABLED

Hon. Roch La Salle (Joliette): The Minister gives the impression, as does the Attorney General for Canada in this case, that the Government does not want to publish this document, since it confirms the monstrosity of the Mirabel land purchase, stressing the partisan nature of the Government's action in refusing to give the land back immediately to those who were expropriated.

In the circumstances, since the Minister has confirmed today that this document exists, and in the interests of equity, I think that since there are people who have been expropriated and who would be able to use this document to support their claim that the expropriation was not justified, I demand, on behalf of these people and on behalf of the just society that an almost former Prime Minister promised us not so long ago, I demand therefore that the Minister insist on tabling this document, in the same of equity and justice for these people, and prevent the Government from concealing a document that would be very revealing for all Canadians.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, the Hon. Member, who himself was a Member of Cabinet though only for a short time, is putting me in a very difficult position. In his first question, he told me I had made

some attempts at appeasement and had tried to find a compassionate solution. That is what I have done. In fact, last week's announcement reflects the results of my work.

As far as the Hon. Member's second question is concerned, which he asked after I told him that my Department's legal adviser asked me not to mention the matter or give my views since it was still before the courts, the Hon. Member is indulging in pure rhetoric.

All I can say is that I am unfortunately bound by the advice of my legal adviser not to comment on this case.

* * *

[*English*]

INCOME TAX ACT

POWERS OF SEARCH AND SEIZURE

Mr. Chris Speyer (Cambridge): Mr. Speaker, I have a question for the Minister of Finance. As he knows, the administration of the Income Tax Act is the responsibility of the Minister of National Revenue. Changes in the actual legislation are his responsibilities. Yesterday in a judgment of the Federal Court of Canada, Mr. Justice Cattanach described the powers of search and seizure as awesome. We know that the soul of the Rowe Report, the 30 pages that deal with the rights of people, is the responsibility of the Minister of Finance. Has the Minister read the Rowe Report? Does he himself believe that the powers of search and seizure are too broad and must be restricted? When will the Minister bring in legislation to restrain the officials in Revenue Canada with respect to these powers?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my hon. friend refers to a particular judgment. I think I heard on the news this morning of another judgment by the Ontario Court of Appeal which declared that the rights of search and seizure given to National Revenue officials were not violating the Charter of Rights. This judgment would appear to be in contradiction to that of Mr. Justice Cattanach. I will read those judgments, obviously with great interest, and study their points of view. I have not read the full report of Mr. Rowe, but I have had an opportunity to examine a summary of it and its various recommendations. I will examine those recommendations further with great care. I will take the point of view of the Hon. Member as a representation.

* * *

NATIONAL REVENUE

ACCESS TO INFORMATION FOR MEMBERS OF PARLIAMENT

Mr. Chris Speyer (Cambridge): Mr. Speaker, my supplementary question, in the absence of the Minister of National Revenue, is for his Parliamentary Secretary. Two days ago in the House the Minister of National Revenue announced that as a result of questions which Members on this side of the House were asking with respect to Revenue Canada, we had deprived ourselves of our privileges and from now on applications for material within the Department would have to be made under the auspices of the Access to Information Act. Would the Parliamentary Secretary please amplify upon this? Is the Minister saying that there will be one rule for government Members and another rule for opposition Members? Do we have to make application under the Access to Information Act, whereas Hon. Members on the other side of the House do not? Is that the exact position of the Government?

• (1440)

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I thank the Hon. Member for his representation, and I will have to leave it at that. I do not know whether I could confirm or deny what he is saying, but I will certainly look into it and get back to the Hon. Member.

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CANADA MORTGAGE AND HOUSING CORPORATION

NON-PROFIT HOUSING—ALLOCATION SOUGHT FOR TORONTO AREA

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation. The Minister has announced the 1984 CMHC allocations for Ontario for public non-profit housing units. The Ontario Minister, Claude Bennett, however, has announced his plan to distribute these units to every municipality except Toronto and Metro Toronto. Could the Minister tell us what action he is taking to correct this incredibly insensitive imbalance, especially given the long lines of seniors, pensioners, single parents and other low-income groups in the Toronto region who desperately need low-cost housing?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, in the area of social housing we recognize that we must make a special effort to direct housing units to those most in need and who have been waiting the longest. Because of this, when I gave provincial Ministers of housing the allocations for 1984, I asked them to indicate how and where they would use these units, and what priorities they were giving. I was quite amazed, not to mention shocked, to find that the minister in Ontario had completely ignored the needs of cities like Toronto and Ottawa where there is—and everyone recognizes this—a very serious need, and in fact had used the tactic of not allocating units to those areas as a pressure tactic. I must confess that I find that a bit naive on his part.

CROWN CORPORATIONS

CANADAIR—MINISTER'S POSITION ON POSSIBLE SALE OF CORPORATION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, on a number of occasions we in this Party have made it perfectly clear that the people of Canada, through their Government, will be asked to come up with hundreds of millions of dollars to assist the development of Canadair. If and when it becomes a viable company, we do not want to see it turned over as a prize to the private sector. However, today the Economic Development Minister said that he would love to see Canadair sold. The Minister of Employment and Immigration also said today that he thought we would all be happy to sell it and that he, especially, would be happy to sell it. Is the Minister of Employment and Immigration speaking government policy when he says that he would like to sell it?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, if the Hon. Member had paid full attention to my remarks he would have realized that all I have done is simply restated what has always been government policy, that at the appropriate time it would be desirable to sell, not Air Canada as I think he said—

Some Hon. Members: Canadair.

Mr. Roberts: —but Canadair, if there is a Canadian buyer—hypothetically and with the condition that there is a Canadian buyer—who is prepared to do so and to maintain the positive benefits which government ownership of Canadair has provided up to this point.

GOVERNMENT POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister of Canada. Could he confirm that this is government policy? His Minister has just indicated that, after Canadians have been asked to spend hundreds of millions of dollars essentially to bail out Canadair, it will be turned over to the private sector. Is that the view of the Prime Minister?

Mr. Crosbie: Sell the Bank of Canada.

Mr. Riis: Is it government policy to use taxpayers' money to set up a Crown corporation, make it viable, and then turn it over to the private sector?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think we have made it clear over the years that our policy in regard to Crown corporations is that they were an instrument of government policy.

Mr. Crosbie: That is the old Liberalism.

Mr. Trudeau: We could, and did, and do use them, but we do not think that they necessarily have to be government owned and directed forever if there is no longer any reason to achieve government policy through them. In the case of Canadair, and de Havilland for that matter, the decision of the Government was taken because we did not want this high technology to flow out of Canada as it had, as the President of the Treasury Board reminded us, in the case of the Arrow. We wanted it to remain in Canada. The private sector was closing it down, and therefore we kept it open. Once it is open, once it is operating and once the technology is assured in Canada, we have no policy objection to selling it for good and valuable considerations; maybe for $1 and other valid considerations, to use a formula.

To speak seriously, in terms of keeping it in government direction forever, the answer is no. The question is purely hypothetical. We are keeping it in Canada; we want the technology to remain here; and the future will speak for itself.

Mr. Crosbie: We want Roberts. We want Roberts.

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UNEMPLOYMENT INSURANCE COMMISSION

LAY-OFF OF PART-TIME WORKERS IN KITCHENER

Hon. Bill Jarvis (Perth): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. He may be aware that some 18 part-time, casual or contract employees at the UIC office in Kitchener will be laid off at the end of the month. These people process unemployment insurance claims and, coincidentally, are doing a great deal of overtime work. Some of them are doing as much as three nights a week.

Without necessarily expecting the Minister to know the individual cases, but as a matter of departmental practice, is it his practice to effect these lay-offs on the one hand and, on the other hand, continue to pay what I would presume to be very costly overtime payments? Is that a cost effective procedure?

Second and much more important, what guarantee or assurance could the Minister give us that this will not result in undue delay in the processing of claims, as has been the experience in the past, during this period of peak unemployment wherein there has been not only a great deal of human suffering on the part of applicants but other agencies, such as social welfare agencies, have had to step in in the interim and provide some measure of relief for applicants—

Mr. Speaker: Order, please. The Hon. Member has asked his question.

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the answer to the first part of the question is yes, I am aware of this situation. The Hon. Member for

Kitchener on this side of the House brought it to my attention. I may not be aware of all the details which are in the hands of the Hon. Member. I can tell him that I have raised the matter with officials and have asked for a full report, so I will have those details.

It is not our policy or approach that there should be lay-offs of term employees while overtime work is being performed by other employees, though there may be specific ad hoc and rather short-term situations in which overtime employment would take place even though there is, in a broader sense, loss of some employment. The fact is that we are having fewer unemployment insurance claims and therefore do not require as many term employees as was the case last year. It is not surprising that there should be some dimunition of employment in that sense. There are, upon occasion, specific instances which require other employees to perform overtime tasks. The general answer to his question about whether there was a policy to this effect is that the policy, or administrative direction, is to avoid that kind of situation. I will be able to give the Hon. Member a fuller report after I have received the information from my officials.

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[*Translation*]

EMPLOYMENT

CANADA-QUEBEC AGREEMENT ON JOB CREATION

Mr. Bernard Loiselle (Verchères): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Regarding the Canada-Quebec agreement on job creation programs for municipalities, I would like to know what the agreement involves and whether the Government has indeed the intention of signing an agreement? If so, when does it intend to do so?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I am pleased to announce to the Hon. Member and the other members of this House that we and the Province of Quebec have agreed to sign an agreement, and I expect to do so, with my Quebec counterpart, tomorrow morning.

* * *

[*English*]

FINANCIAL ADMINISTRATION ACT

PRESENTATION OF AMENDING LEGISLATION

Hon. Ron Huntington (Capilano): Mr. Speaker, today the President of the Treasury Board will be tabling a very complex series of amendments to the Financial Administration Act. I have just come from the briefing which was allowed one member of this Party. The briefing does not do very much for the work of the Public Accounts Committee, the work of the Auditor General and the Treasury Board over the years since 1978, in that it completely appears to diminish the role of Parliament in the overview and control of these Crown corporations. It does not do anything to address—

● (1450)

Mr. Speaker: Order. I invite the Hon. Member to put a question.

Mr. Huntington: Mr. Speaker, in view of the total failure of these amendments to the Financial Administration Act to address the real issues that have been on the table and before committees of Parliament since 1978, why is this legislation, which has taken five years to develop, being rushed in today when he had on his desk legislation from the Clark Government, C-27, which was a far more fundamental approach to these problems than is apparently coming in today? It took only six months to prepare. Why has it taken five years to deliver this pile of confusion that is coming in today?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, my hon. friend's question is rather novel since it is based on a Bill which has not yet had first reading, but regarding which, as a courtesy which is rarely extended in this House, I have enabled him as an Opposition critic to have some advance briefing. I reject categorically as inaccurate and unfounded the premises of his question. Once the Bill receives first reading it will be found to be a very responsive and complete response to the concerns we all have about the need for a better framework of accountability and control of our Crown corporations. When that Bill is tabled, I believe the House in general and the public will agree with what I have said, and will regret that my hon. friend has so misconstrued what is a very important and forward-looking piece of legislation.

Mr. Huntington: Mr. Speaker, a supplementary.

Mr. Speaker: The Chair has difficulty at this point. The Hon. Member is referring to something which is not a Bill. It relates to a briefing which was presented in a capacity which the Chair cannot take official recognition of, at this stage.

Mr. Nielsen: It was on CTV this morning.

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VOLUNTARY ORGANIZATIONS

DENIAL OF CHARITABLE ORGANIZATION STATUS TO QUEBEC ASSOCIATION

Mr. Walter McLean (Waterloo): Mr. Speaker, my question is for the Minister of National Revenue. In his absence, I will direct it to his Parliamentary Secretary. It relates to Department of National Revenue harassment of voluntary groups in Canada. L'Association des services de rehabilitation sociale du Québec, which advises the Solicitor General of Canada on Crime Prevention Week, has been denied charitable status. The reason for the denial, the Parliamentary Secretary will be

interested to hear, is because of its support for the give-and-take tax proposals and also because it advocates that there be no more prison construction. Can the Parliamentary Secretary tell the House, and other voluntary agencies in Canada, why there is this attack on this Quebec-based voluntary agency?

Mr. W. Kenneth Robinson (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I do not really know that there is an attack on this organization per se, or any group of organizations that feel the same way that it does. If this association made an application for a Revenue number which has been refused, it should certainly have reasons for the refusal. If that is the case, I would be pleased to look into it and find out why it was refused a Revenue number for charitable purposes.

REQUEST FOR REFERRAL TO COMMITTEE

Mr. Walter McLean (Waterloo): Mr. Speaker, my supplementary question is directed to the Government House Leader. For some time the Secretary of State has been promising the House that there would be a task force to look into this type of harassment of voluntary sector groups, and to bring some incentives forward. There was a reference to this task force in the Throne Speech, but no incentive in the Budget. When will the reference be tabled for the parliamentary task force to look into all aspects of support for Canadian voluntary groups?

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I welcome the question. In fact a few minutes ago I was speaking with the Secretary of State. We should be in a position to come to the House and, hopefully, get the reference with a very short debate, or with no debate, to allow the committee to look into the matter. I assure the Hon. Member that his concerns are being taken into account on this side. We are about to raise the matter with House Leaders so that we can allow parliamentarians to look into the matter in an orderly fashion.

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EMPLOYMENT

SPECIAL EMPLOYMENT INITIATIVES PROGRAM—GRANT MADE TO TORONTO INTERNATIONAL FESTIVAL

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It is with regard to a $1.3 million grant under the Special Employment Initiatives Program for the Toronto International Festival. Can the Minister confirm that the Festival was notified of its reception of this grant before the program was even announced, and that there are no terms attached to this grant requiring that jobs be created? Is it part of his new Liberalism to give away job-creation money under such conditions?

Hon. John Roberts (Minister of Employment and Immigration): No, Mr. Speaker. The assumptions underlying the Hon. Member's question are false. To the best of my knowledge the grant was approved something like four months after the program was started. Indeed, there are considerable benefits in terms of job creation, not only for those who participate in employment during the Festival but in terms of spinoff benefits for employment which will be involved in the Festival, creating tourism, dining and other business activity in Toronto during the festival.

Mr. Sargeant: That is contrary to what the chief director of the Festival, and one government official, have said.

FEE PAYABLE TO TENOR

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, I point out to the Minister that one of the entertainers at this Festival, whose fees will be paid SEIP funds, is Placido Domingo, who is arguably the finest operatic tenor in the world. He is also one of the world's wealthiest recording stars. Is it part of the Minister's new Liberalism to pay wealthy entertainers with money intended for Canada's unemployed?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member's question is obviously fatuous. The singer he described is coming with the visit of the Metropolitan Opera to take part in the Festival. That is one of the keystone events of the Festival. It is not I, nor this Government that has provided those payments. They are coming from the Festival which is supported by a variety of governmental organizations. The objective of the Festival is not only to celebrate the sesquicentenary. It is, as I just said to the Hon. Member, to create employment, and that is what it is doing.

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SOCIAL SECURITY

DENIAL OF INDEXED PENSIONS TO BRITISH SUPERANNUATES

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Today Members of all three Parties met with British parliamentarians from all three Parties, under the auspices of the Commonwealth Parliamentary Association. One of the issues raised was the subject of 40,000 British retirees living in Canada, who are being denied an indexed pension paid by the British Government. If these people had remained in England, they would qualify today for a fully indexed pension. Because they chose to live in Canada, many of them with their children, they are being denied a full pension. Will the Minister tell these 40,000 pensioners what her Department is doing to convince Prime Minister Thatcher and her Government to pay full pensions to these British citizens who chose to live in Canada?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I guess the answer is everything, except become a Tory. We have written several times to this

and previous British Governments. I have met with my counterpart, my various counterparts I must say, more than once. We have supported and will continue to support the work of the British Pensioners' Association from within Canada, which is doing an excellent job with regard to information, pressure, education and so on. These people have paid for an indexed pension and they are not getting it. They bought it with their income tax. Past that point, I am afraid our country has no recourse but to try to convince British public opinion that this is a question of equity and fairness.

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INDIAN AFFAIRS

ATHABASCA BANDS' FINANCES

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Some bands in my area have had to close their offices and lay off staff. Some bands are unable to pay the salaries of their chiefs and coucillors, forcing them on to welfare. This is due to under-funding in their budgets for administration. They are not allowed by departmental officials to transfer funds from other parts of their budgets. Based on statements the Minister has made supporting Indian self-government, why is he allowing his officials to interfere in the internal management of band budgets?

● (1500)

Hon. John C. Munro (Minister of Indian Affairs and Northern Development): Mr. Speaker, that type of question indicates contradictions in approach. Members of the Official Opposition have berated me because I was not prepared to interfere in the internal management of bands when certain non-native people were owed money by the Indians. They wanted me to interfere and tell the Indians to pay. In this particular case the Hon. Member wishes to adopt a different approach and tell me not to interfere in the internal management of a band. I agree with him that I should not interfere in the internal management of a band. It could be that in this particular case the band itself over-spent its budgetary allotment and for that reason is asking for more money from the Department.

I think that I know which band the Hon. Member is talking about. If we were to give additional moneys to that particular band, because the budget is fixed as voted for in the Estimates, we would simply have to take the money away from other bands which perhaps are in the immediate vicinity. That does not exactly go over too well, as the Hon. Member knows.

PUBLIC SERVICE

MINISTER'S REFERENCE TO SIZE

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday in Toronto during his Ides of March candidacy announcement he said: "We have what has tended to become a somewhat bloated system in both the civil service and in the executive." I would like to ask the Minister if he could explain what he meant by that statement. Does it in any way relate to the failure of the Minister to hand out money fairly under the Special Employment Initiatives Program?

Perhaps while I am on my feet I could ask the Minister what has become of the $90 million left for the SEI Program. If that money is still available, will he put it toward the Youth Initiatives Program?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the answer to the first part of the question is that I went on to say, as I hope the Hon. Member heard, that I thought tremendous progress had been made over the past four or five years in strengthening both parliamentary institutions and control at the centre of government. I believe that, in any institution as large-scale as the federal Government, there are bound to be areas in which there is excess employment as well as over-employment of officials.

The answer to the second part of the Hon. Member's question is, as I think has been indicated to him before, that a considerable amount of funding still remains in that program. A variety of applications have been received for its use, including many from Members opposite, and those applications are being put through the normal process of consideration.

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HOUSE OF COMMONS

RESIGNATION OF MEMBER FOR SCARBOROUGH EAST

Mr. Gordon Gilchrist (Scarborough East): Mr. Speaker, it is with great regret and a deep sense of personal loss that I have today tendered my resignation as the Member of Parliament for Scarborough East. It is my unshakeable belief that my constituents are entitled to the best possible representation without any shadow of doubt cast on the integrity of their Member of Parliament. The verdict in my tax trial has created a doubt as to my ability vigorously and honourably to represent my constituents. If I cannot serve them honourably, I will not serve at all.

However, let there be no doubt in anyone's mind. I believe that this judgment is wrong. My company, my family and I are innocent and I believe that was proven by the evidence which was presented at the trial. Accordingly, I have instructed my counsel to commence appeal proceedings immediately. I only wish that this appeal could be heard well before the coming election. Without that certainty, I cannot in all fairness allow my personal situation to impair the choices of my

constituents in the crucial issues which they and all Canadians must judge in the next election. Similarly, I cannot and will not allow this issue to in any way reflect badly upon the great Party and the outstanding Leader which I have been so privileged to serve.

The costs of defending my company's good name, measured both in dollars and in personal anguish to the members of my family, have been enormous. They have caused me to understand in all too graphic terms the staggering burden imposed on the taxpayers of the country in meeting both the absurd complexities of the Canadian tax system and the overwhelming power of Revenue Canada. In spite of these burdens, I intend to pursue this matter to clear the good name of my business, my family and myself. To this end I am therefore privileged that Mr. John J. Robinette, Q.C., has agreed to act as counsel on my appeal, furthering the fine work already done by Messrs. Stikeman, Elliott.

I cannot adequately express my gratitude for the steadfast support which I have received from so many of my constituents irrespective of their political affiliation throughout this entire ordeal. It has been a privilege and an honour to have served them. I thank them from the bottom of my heart and hope that I have met their expectations in the performance of that service. Finally, I am deeply indebted to the Leader of the Opposition (Mr. Mulroney) and to every member of the Progressive Conservative caucus for their undiminished support and friendship.

Some Hon. Members: Hear, hear!

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Nielsen: Mr. Speaker, could I please ask the Government House Leader what will be the business of the House for tomorrow and as far as he can take us into next week?

Mr. Pinard: Mr. Speaker, tomorrow we will resume debate on the second reading stage of the security Bill, Bill C-9. We hope that this Bill will go to committee as early as possible, and hopefully tomorrow. The back-up legislation to that Bill is Bill C-10, the Divorce Act, to be dealt with on Friday and Monday.

Tuesday of next week we will resume debate on Bill C-21, the borrowing authority Bill, if need be. The back-up Bill to that is the report stage of Bill C-12, the Fiscal Arrangements Act. Next Thursday will be the last allotted day of this period of supply so I wish to designate next Thursday as an allotted supply day.

Finally, some time next week we would like to be able to send to committee the Insolvency Act, Bill C-17, without debate. I wish to inform my hon. colleagues that I have just learned that the amendments the Minister has committed to propose to the committee were distributed to the Conservative critics three weeks ago. I would welcome an agreement to send the Bill back to committee because we will recall that when the House prorogued, the Bankruptcy Act had been debated at length in the House and was at committee stage. We would like very much to see this Bill sent to committee again without debate in the House and with the commitment of the Minister responsible to bring in the amendments which were made available to the opposition Party three weeks ago.

In essence, Mr. Speaker, that is the business of the House for the coming days.

Mr. Nielsen: Mr. Speaker, just a moment or so ago, I learned that our critic had received those amendments, as the Government House Leader suggested. I will discuss the matter with the Hon. Member for Cambridge and respond to the Government House Leader accordingly.

In the meantime, before the Hon. Member for Algoma was promoted to Parliamentary Secretary to the President of the Treasury Board, he was Chairman of the Standing Committee on Privileges and Elections. The Government House Leader will recall that I obtained from the Prime Minister the assurance that the Canada Elections Act amendments, which at one time were contained in Bill C-169, would be going to that committee. When the Hon. Member for Algoma was Chairman of that Committee, he said that he was expediting steering committee meetings to deal with Bill C-169.

Could the Government House Leader give us the assurance that he will encourage that Committee to meet as quickly as possible in order to consider the report of the Chief Electoral Officer for 1983, which, among other observations, contained observations concerning Clause 72 of Bill C-169, the section which is giving such widespread concern to Canadians throughout the country?

Mr. Pinard: Mr. Speaker, I am very surprised by the question asked by my hon. colleague. First of all, his Party gave unanimous consent to the passage of the legislation, Bill C-169. Second, a radical group in the country has decided to go to court with it and the matter is *sub judice*. It is not my practice to discuss, even in the House, *sub judice* matters. I have respect for the courts and I am told that the matter is to be tried very shortly, perhaps in mid-April. I would hope that the courts will look at the unanimous consent that was given in the House and see if in fact the legislation is or is not contrary to the Charter of Rights.

In so far as the Chairman of the Committee on Privileges and Elections is concerned, despite the fact that he has been made Parliamentary Secretary, he will remain the Chairman of that Committee for the next period of time. I am sure he will assume his responsibilities and his duties as chairmen usually do, that is, without the interference of the House of Commons, unless we develop some kind of unanimous agreement. It is not my practice to interfere with the business of committees.

• (1510)

This Committee has a report made by the Chief Electoral Officer, which was tabled in the House and referred to it. It

will look into it and establish its own priorities. Of course, if it feels it necessary to deal with some parts of Clause 17.1 and 17.2 and matters in relation to editorials in the newspapers that my hon. colleague raised before in the House and with me, I will not object to the Committee doing so. Certainly I will not instruct any committee or any chairman of a committee how to do his job. I think the chairmen are able to do their job and I am convinced that the report of the Chief Electoral Officer will be dealt with in a responsible way by the Committee.

Mr. Nielsen: Mr. Speaker, I am really surprised at the twist the Government House Leader has given a very civil question requesting a civil answer, which I do not feel I have received. I put the first question to the Prime Minister on January 23 and he very responsibly replied that the Standing Committee on Privileges and Elections which the Hon. Member for Algoma, apparently the Parliamentary Secretary to the President of the Treasury Board, is still chairing. I am glad to see him in the House now because he was not here when I put the first part of this question to the Government House Leader. I am now going to put the question to him.

I did not ask the Government House Leader to instruct the Committee. If I could have the attention of the Government House Leader, I just want to say that I did not suggest he instruct the Committee. I chose my words very carefully. I asked him if he would "encourage" the Committee to commence its meetings, as was promised by the Prime Minister and the Chairman of the Standing Committee when I put the question to him two or three weeks ago. At that time the Chairman of the Committee said he was holding a meeting of the steering committee to determine the agenda for dealing with the report of the Chief Electoral Officer. Since he is still Chairman, I am asking him whether there has been any progress in that steering committee, not so that any radical group representation, as the Government House Leader puts it, can be brought before the Committee, but so that the report of the Chief Electoral Officer for 1983 can be considered in its entirety. That is what the Prime Minister said.

Mr. Foster: Mr. Speaker, I can only reiterate the answer I gave the last time to the House Leader on the opposite side, that a steering committee of the Privileges and Elections Committee has met and it will make a report to the full Committee at nine-thirty next Tuesday morning. That Committee will consider the report of the steering committee relating to the report of the Chief Electoral Officer. I cannot prejudge or reveal what is going to be recommended at this time to the full Committee. If the Hon. Member will just be patient it will be revealed at that time what the steering committee has agreed on and it will be debated before the Committee.

Mr. Nielsen: Mr. Speaker, I thank the Parliamentary Secretary for his civil reply. I am very gratified to learn that the Committee will meet next Tuesday.

Mr. McDermid: Mr. Speaker, I have a question for the Government House Leader. In the November Speech from the Throne there was a promise that the Government would remove the discriminatory provisions in the Indian Act. Since that time, the then Parliamentary Secretary to the Minister said on January 16 that it would be introduced within a month. The Prime Minister, the Minister of Indian Affairs and Northern Development and the Minister responsible for the status of women have all made the promise that a Bill would be introduced to amend the offending sections of the Indian Act which discriminate against Indian women. Would the Government House Leader tell us when we might expect that Act to be introduced?

Mr. Pinard: Mr. Speaker, the Hon. Member surely knows that the Liberal Party and the Liberal Government usually stand by their commitments.

[*Translation*]

Mr. Gauthier: Mr. Speaker, almost a year ago in April 1983, the Fifth Report of the Special Joint Committee of the Senate and the House of Commons recommended establishing a Standing Joint Committee of Official Languages. On the *Order Paper,* under the heading "Government Business", we find proposed motion No. 11, to amend Standing Order 69(3), in connection with the proposed committee. I would ask the President of the Privy Council and Parliamentary House Leader (Mr. Pinard) if he could inform the House when the Government intends to call proposed motion No. 11 which would make it possible to set up this Standing Committee of the House?

Mr. Pinard: I apologize to the Hon. Member. I can confirm that the matter has been raised and that I am now negotiating with the Opposition Parties with a view to disposing of the motion concerning the creation of the Standing Committee as soon as possible. The motion is on the *Order Paper* and is self-explanatory. We intend to follow the recommendation of the Special Joint Committee and the Commissioner for Official Languages. We shall very shortly introduce the motion to create the Standing Committee on Official Languages, and today, I have already submitted to my colleagues, the Parliamentary House Leaders, a proposal to dispose of this motion as expenditiously as possible. I think we should normally wait until after next week's caucus meetings before calling the motion. However, I can assure the Hon. Member that this is an important matter and a priority one for the Government, and that we intend to call this motion in any case, and shall be doing so in due time.

ROUTINE PROCEEDINGS

[*English*]

SOCIAL SECURITY

TABLING OF SUPPLEMENTARY AGREEMENT WITH UNITED STATES

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, pursuant to Standing Order 46(2) I am very pleased to table in the House in both official languages a Supplementary Agreement between the Government of Canada and the Government of the United States with respect to social security. Pursuant to Standing Order 46(4) this document should be deemed permanently referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

PETITION

MR. FRIESEN—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I have a petition with a list of signatories from Surrey-White Rock-North Delta collected by an organization known as End the Arms Race of Vancouver, which says that it is alarmed by the threat to survival of humanity posed by the existence of nuclear weapons and the continuing arms race. It goes on to say:

We the undersigned residents of the federal riding of Surrey-White Rock-North Delta call on our Member of Parliament, Benno Friesen, to make every effort to prevent testing of the Cruise missile in Canada. In signing this petition we support the following statement endorsed unanimously by the United Nations in 1982: The increase in . . . nuclear weapons, far from strengthening international security, on the contrary weakens it. Enduring peace cannot be built on the accumulation of weaponry.

Mr. Speaker: Order. I believe the Hon. Member has indicated the purpose of the petition. I do not believe it is in order to read a lengthy statement.

* * *

● (1520)

CRIMINAL CODE

AMENDMENTS RESPECTING PENALTIES FOR DRUNK DRIVERS

Mr. Arnold Malone (Crowfoot) moved for leave to introduce Bill C-229, an Act to amend the Criminal Code (drunk driving).

Some Hon. Members: Explain.

Mr. Malone: Mr. Speaker, the purpose of this Bill is to amend the Criminal Code, to deter persons from driving motor vehicles while having alcohol in their bodies. Every day we read about drunk drivers and their innocent victims. Statistics show there were nearly 158,000 impaired driving convictions across Canada last year. That is more than 400 each day. Of recorded driver fatalities, 34 per cent had a blood alcohol level above the legal limit and over 42 per cent had been drinking to some extent. I believe there is agreement among all Parties that the problem is a serious one and I trust when this Bill comes before Hon. Members it will receive unanimous support.

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

* * *

FINANCIAL ADMINISTRATION ACT

MEASURE TO AMEND

Hon. Herb Gray (President of the Treasury Board) moved for leave to introduce Bill C-24, an Act to amend the Financial Administration Act in relation to Crown corporations and to amend other Acts in consequence thereof.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 46, 181, 337, 397, 411 and 565.

[*Text*]

CANADIAN PETROLEUM INDUSTRY

Question No. 46—**Mr. Mazankowski:**

1. For 1980 with respect to (a) the total petroleum industry in Canada (b) the upstream segment, what percentage of the industry was (i) foreign-owned (ii) Canadian-owned (iii) Canadian-owned and government-owned (iv) Canadian-owned held by the private sector?

2. For 1983 to date with respect to (a) the total petroleum industry in Canada (b) the upstream segment, what percentage of the industry was (i) foreign-owned (ii) Canadian-owned (iii) Canadian-owned and government-owned (iv) Canadian-owned held by the private sector?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources):

1. 1980

	(a) Total Industry	(b) Upstream
(i) Foreign-owned	73.9%	72.0%
(ii) Canadian-owned	26.1%	28.0%
(iii) Canadian-owned and government-owned[2]	3.8%	Information not available[1]
(iv) Canadian-owned held by the private sector	22.3%	Information not available[1]

[1] The information requested is not available for reasons of confidentiality. See Section 33 of the Energy Monitoring Act, Statutes of Canada 1980-81-82 Chapter 112.

[2] Federal and provincial Governments.

2. The requested information for 1983 is not yet available. Therefore, data for 1982 is being shown.

	1982	
	(a) Total Industry	(b) Upstream
(i) Foreign-owned	65.8%	62.0%
(ii) Canadian-owned	34.2%	38.0%
(iii) Canadian-owned and government-owned[2]	8.6%	Information not available[1]
(iv) Canadian-owned held by the private sector	25.6%	Information not available[1]

[1] The information requested is not available for reasons of confidentiality. See Section 33 of the Energy Monitoring Act, Statutes of Canada 1980-81-82 Chapter 112.

[2] Federal and provincial Governments.

REVENUE CANADA—HIRING OF OUTSIDE CONSULTANTS

Question No. 181—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Department of National Revenue and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Hon. Pierre Bussières (Minister of National Revenue): 1. National Revenue, Taxation (a) 1981-82. Yes, outside consultants were hired. (i) There were 46 consultants/consultant firms hired. (ii) The total amount paid was $349,481.03.

(b) 1982-83. Yes, outside consultants were hired. (i) There were 73 consultants/consultant firms hired. (ii) The total amount paid was $499,363.83.

National Revenue, Customs and Excise (a) 1981-82. Yes, outside consultants were hired. (i) There were 54 consultants/consultant firms hired. (ii) The total amount paid was $609,682.00.

(b) 1982-83. Yes, outside consultants were hired. (i) There were 60 consultants/consultant firms hired. (ii) The total amount paid was $1,021,565.24.

2. Yes, see list below.

National Revenue, Taxation

(a) Name	(b) Amount	(c) Services Provided
1981-82		
D.N.L. Baylis	$45,848.30	Advice on the taxation of banks.
John W. Hearn	34,126.05	Advice on the taxation of the pharmaceutical industry.
1982-83		
Ultracom Consultants	26,500.00	Two contracts. One to design a simulation model for processing individual tax returns and the other to construct a tax model.
Sperry Univac Computer Systems	30,000.00	To assist in the installation of a large computer system.
Federal Systems of Canada	51,000.00	Two contracts. Advice on computing requirements for the departmental statistical services.
DMR & Associates	54,575.00	Four contracts. For assistance in computer system analysis and programming.
Rowe & Rose	49,789.31	To review and report on complaints concerning taxation in the fishing industry.
I.S.L. International Surveys Ltd.	28,115.00	Two public opinion surveys of the quality of service from the Department.

National Revenue, Customs and Excise

(a) Name	(b) Amount	(c) Services Provided
1981-82		
R.E. Boston	$ 25,088.67	Management consulting
E.L. Burke & Associates	30,500.00	Management consulting
Currie, Coopers & Lybrand	90,784.87	Management consulting
D.G.B. Consultants	27,900.00	Scientific consulting
D.M.R. Associates	87,300.00	E.D.P. consulting
P.T. Dixon Management Consultant Inc.	37,675.13	Management consulting
Federal Systems of Canada Ltd.	20,707.04	Management consulting
Federal Systems of Canada Ltd.	24,000.00	E.D.P. consulting
Murray, Nicholson and Assoc. Inc.	20,182.38	Management consulting
Peat, Marwick & Partners	43,000.00	Management consulting
Woods Gordon Management Consultants	30,609.11	Management consulting
1982-83		
Currie, Coopers & Lybrand	$ 44,000.00	Management consulting
Currie, Coopers & Lybrand	174,575.00	Management consulting
D.G.B. Consultants	24,155.00	Management consulting
D.P.A. Consulting Limited	26,500.00	Management consulting
Peat, Marwick & Partners	36,730.00	Management consulting
P.T. Dixon Management Consultant Inc.	40,584.33	Management consulting
Systemhouse Ltd.	83,625.00	Management consulting
Taylor Partners Information Consultants	24,096.20	Management consulting
Thorne Stevenson and Kellogg	87,000.00	Management consulting
Touche, Ross & Partners	226,670.00	Management consulting
Woods Gordon Management Consultants	79,380.00	Management consulting

VIA RAIL—FOOD AND BEVERAGE SERVICE

Question No. 337—**Mr. Heap:**

1. Were any crew reductions made in the food and beverage service on trains running through Sudbury and Capreol?

2. Does the use of a dispensing cart in the aisle of a moving train meet all relevant federal safety legislation and regulations?

Hon. Lloyd Axworthy (Minister of Transport): The management of VIA Rail Canada Inc. advises as follows:

1. Crew levels on meal service cars vary seasonally and depend on traffic volumes. The daily meal service crew complement on trains 8-7 Winnipeg—Capreol, has been reduced. This change occurred when a café lounge car was replaced by a café coach car.

The other train servicing the route is the "Canadian", trains 1-2. A new type of meal service introduced in February, 1983 streamlined the employees' workload, thereby permitting a crew reduction from seven to five persons during off-peak periods.

2. Yes.

FILM "THE KID WHO COULDN'T MISS"

Question No. 397—**Mr. Howie:**

Did the National Film Board produce "The Kid who Couldn't Miss" and, if so, at what cost?

Hon. Francis Fox (Minister of Communications): I am informed by the National Film Board as follows: The National Film Board produced "The Kid Who Couldn't Miss" at a cost of $514,007.

MARITIME FOREST RANGER SCHOOL

Question No. 411—**Mr. Howie:**

1. Will tenders be called for the construction of the Maritime Forest Ranger School in Fredericton, New Brunswick and, if so, on what date?

2. What is the present status of planning for the project?

3. Were outside consultants, architects, or planners engaged and, if so, what (a) are their names (b) amount was allocated for their services?

Hon. Chas. L. Caccia (Minister of the Environment): 1, 2 and 3. The planning of the project is the responsibility of the Forest Ranger School in Fredericton, N.B. Therefore, all questions should be directed to the School.

The Department of Environment will contribute 50 per cent of the cost of the project up to a maximum of $10.5 million.

VIA RAIL BOARD OF DIRECTORS

Question No. 565—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of VIA Rail Canada Inc. and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Lloyd Axworthy (Minister of Transport): The names and positions of VIA Rail Canada Inc.'s executive are as follows:

Mr. Harold A. Renouf, Chairman of the Board
Mr. Pierre A. H. Franche, President and Cheif Executive Officer
Mr. Réjean Béchamp, Vice-President, Development
Mr. Ray L. Borden, Vice-President, VIA Ontario
Mr. Gilles Dufault, Vice-President, VIA Atlantic
Mr. Gabriel Fortin, Q.C., Vice-President, Corporate Affairs and Secretary of the Company
Mr. Robert J. Guiney, Vice-President, Operations
Mr. John A. Hanna, Vice-President, Finance
Mr. B. Eldon Horsman, Executive Vice-President
Mr. Jean Pierre Laorche, Vice-President, Human Resources
Mr. Léo Moisan, Vice-President, VIA Quebec
Mr. Harold Murray, Vice-President, VIA West
Mr. Howard A. Whiting, Vice-President, Marketing

The names and positions of the members of VIA's Board of Directors are as follows:

Mr. Michael J. Brogan
Manager, Purchasing and Traffic
Chrysler Canada Limited
P.O. Box 1621—Chrysler Centre
Windsor, Ontario. N9A 4H6

Mr. Bernard Clayman
Clayman, Kirshin
Barristers, Solicitors, Notaries
180 Bloor Street West
Suite 303
Toronto, Ontario. M5S 2V6

Mr. Henry Ewasechko
Manager
Operations—Room 241
The University of Alberta
352 General Services Building
Edmonton, Alberta. T6G 2H1

Mr. Pierre A. H. Franche
President and Chief Executive Officer
VIA Rail Canada Inc.
P.O. Box 8116
Montreal, Quebec. H3C 3N3

Mr. Lionel Kennedy Grant
Vice-President
Cornwall Gravel Company Limited
390—11th Street West
Cornwall, Ontario. K6H 5R9

Mr. William P. Kelly
Senior Assistant Deputy Minister
Federal Mediation and Conciliation Service
Labour Canada
Place du Portage
Phase II—11th floor
Ottawa, Ontario. K1A 0J2

Mr. Evan S. Lloyd
Travel Industry Consultant
146 Sunrise Drive
Sydney River
Cape Breton, Nova Scotia. B1R 1N7

Mr. Robert Matteau
Chartered Administrator
Geoffrion Leclerc Inc.
602—6th Avenue

P.O. Box 397
Grand-Mère, Québec. G9T 5L1

Mr. Kyle R. Mitchell
Senior Partner
Dunhill Personnel Consultants Ltd.
220—1155 West Georgia Street
Vancouver, B.C. V6E 3H4

Mr. Giovanni Molina
President
Molina Fer Ornemental Ltée
6543 Magloire Street
St. Leonard, Quebec. H1P 1N7

Mr. Harold A. Renouf
Chairman
VIA Rail Canada Inc.
P.O. Box 8116
Montreal, Quebec. H3C 3N3

Mr. Clarence Surette
Industrial Commissioner
Grand Falls Region Development
Commission Inc.
P.O. Box 566—273 Broadway Street
Grand Falls, New Brunswick. E0J 1M0

Mrs. June A. Westbury
227 Montgomery Avenue
Winnipeg, Manitoba. R3L 1T1

Mr. Jaffray Wilkins
Associate Deputy Minister
Transport Canada
Place de Ville, Tower "C"
Room 2501
Otttawa, Ontario. K1A 0N5

Mr. John Wiebe
President
L & W Feeders Ltd.
P.O. Box 308
Herbert, Saskatchewan. S0H 2A0

Compensation. See Report on Governor in Council Appointees tabled in the House of Commons on November 17, 1983. Compensation for all other positions not listed in the report is regarded as proprietary information to VIA Rail Canada Inc.

[*English*]

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered.

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 363 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 363 shall be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

Question No. 363—**Mr. St. Germain:**

Since April 1, 1981, did any firms and/or individuals receive financial assistance under the Canadian International Development Agency's (a) Industrial Co-operation Program (b) Information Development and Dissemination Program (c) Starter and Viability Studies Program (d) Canadian Technology Transfer Facility Program (e) Canadian Project Preparation Facility Program and, if so, which firms or individuals and, in each case, what amount was received by them under the program?

Return tabled.

[*English*]

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

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

Mr. St. Germain: Mr. Speaker, on October 11, I placed a question on the Order Paper inquiring about federal assistance to Iron Mountain golf course. It was Question No. 5,309. In the new session I resubmitted this question as No. 422. The question remains unanswered, despite the fact that a November 4 interdepartmental memo from Doug Sawyer to the NEED Secretariat Director, Michael Calott, contained the information. That memo was sent to me and accidentally ended up in my constituency office, yet I have received no answer. Can the Parliamentary Secretary reply to that?

Mr. Evans: Certainly, Mr. Speaker. I believe the Hon. Member mentioned October 11. That was in the last session of Parliament. That question died on the Order Paper when the House prorogued.

Mr. St. Germain: Mr. Speaker, if the Parliamentary Secretary had been listening he would have heard me say that I resubmitted it in the new session as Question No. 422.

Mr. Gurbin: Give him the number again. He did not hear it.

Mr. St. Germain: It is No. 422, Mr. Speaker.

Mr. Evans: Mr. Speaker, you can see from the size of this document, that the Government is doing a good job in answering questions.

I ask that the remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Marcel Roy (Laval): For various reasons, Mr. Speaker, I am pleased to speak to Bill C-21 to provide borrowing authority. Since the beginning of this debate, I have heard my colleagues opposite make every kind of unwarranted accusations. I should think that the basic question in this whole debate is whether the Budget will foster the economic recovery. It all depends on the political approach or doctrine which one may have or uphold in this House, and that is what we have been hearing since the beginning. Some Conservatives whom I will not mention, even though I made a note of their riding—my time being limited, I do not intend to single out every unwarranted allegation that has been made—have tried to isolate certain votes, one in particular which this Government adopted to promote investment in high technology, de Havilland and Canadair in this case. However, they remained silent about de Havilland when the Government was blamed for its approach to the future of Canadair. As the Prime Minister (Mr. Trudeau) said in answering a question today, we have to decide whether technology will stay here or be exported to other countries such as the United States.

Mr. Speaker, a number of countries in the world—France, England, Belgium and the United States among others—have developed their aeronautical industry through defence budget appropriations. If we in Canada want to support our aeronautical industry, we will have to spend money and foot the bills. When it was decided to take over de Havilland and Canadair from the private sector in 1975-76 to secure the future of our aircraft industry, I remember very well that

Canadair had 825 employees. Eventually, Canadair ended up with a labour force of 8,000 in that field of high technology.

That is the challenge which the Liberal Government agreed to face in that highly technical field, so as to offer job opportunities to young Canadians now attending school.

Last March 8 in the House, I stressed the importance of developing that high technology sector. In Montreal alone, 12,310 CEGEP graduates of 1982 and 1983 invaded the labour market to seek employment in engineering and science. There are seven engineering schools which specialize in research and have created 2,110 graduates in 1982-83. It is for them that we want to promote high technology, Mr. Speaker.

I was proud to hear the Prime Minister and the President of the Treasury Board say today that, of course, it is imperative to change the structure of Canadair. When he appeared before the Standing Committee on Finance, Trade and Economic Affairs on March 13, the Minister responsible, Senator Jack Austin, spoke of our awareness to make some changes in Canadair. Those changes were explained when the Budget was under consideration. We know that Canadair management was wont to see everything through rose-coloured glasses. Not that we did not try to tell them! They had an overly optimistic outlook on marketability and closed their eyes on obvious operational problems. Even their accountants were riding on cloud nine. In addition, they tried to make the Government look on the bright side, while at the same time glossing over their difficulties. The company was overstaffed and the responsibilities of management were not clear cut. That is why the Canada Development Investment Corporation made it a priority to bring the company back to earth and reduce its operational expenditures. As a result of those measures, the deficit went from $145,100,000 in 1982 down to $83 million in 1983. So, there were two possibilities: either take the approach of the Progressive Conservatives and bail out, or adopt the Liberal philosophy, see what could be done to improve management and maintain jobs in the field of technology. Mr. Speaker, I have here an article published in the Montreal *Gazette* of February 20 and written by Mr. Nick Auf der Maur. It is a biography of the Leader of the Opposition and it says:

● (1530)

[*English*]

Killing of Arrow Still Hurts Today

Twenty-five years ago today, at 11 a.m., Prime Minister John Diefenbaker got up in the House of Commons to announce a momentous decision that still lives with us.

He cancelled the Avro Arrow program, the CF-105 fighter-interceptor that aviation experts say would still be one of the best aircraft in the world if it were flying today.

Arguably, it was a decision that adversely affected Canada's industrial capacity, and wreaked such havoc on our aerospace industries that they still haven't fully recovered.

That day, Feb. 20, 1959, is still known as Black Friday in the industry.

That day, 22,000 Canadians were thrown out of work—14,000 at the A.V. Roe and Orenda engine plants in the Toronto region, the rest from suppliers mostly in the Montreal area.

And an estimated $475 million in development and production costs were simply poured down that drain. (That was roughly the same cost as the St. Lawrence Seaway, built in about the same period, or an estimated $3 billion in today's terms.)

[*Translation*]

It is exactly the same attitude Progressive Conservatives are taking twenty-five years later. They would rather get rid of the problem instead of coping with it. We on the Government side are prepared to support the aerospace industry, and as far as Quebecers are concerned, the questions that have been asked since the beginning of the debate on this Bill are entirely unacceptable. The Progressive Conservatives are denying Quebecers an opportunity to take part in the expansion of our high technology industries. That is the difference between our Liberal philosophy and the philosophy of the Progressive Conservatives. To hear them talk, we ought to close the airport at Mirabel. The Member for York-Peel (Mr. Stevens) has spoken many times here in the House, and the leadership candidate, the Hon. Member for St. John's West (Mr. Crosbie), said today that Canadair should be shut down! What will be left for Quebecers with a Progressive Conservative Government and a balance-the-Budget philosophy? Mr. Speaker, it is a matter of attitude, and when I look at the investments the Government of Canada has made in the Province of Quebec in the last few months, and I am referring to federal investments in major industries in the Montreal area, it really confirms that we have a different approach, especially when we look at the Budget, which has earmarked $996 million for the construction of patrol frigates, $368 million for research and development at Pratt & Whitney . . . That is the kind of funding Parliament is being asked to approve to provide various departments with the money they need and to continue the economic recovery process in Canada. I could go on, Mr. Speaker: $165 million for the Bell Helicopter project; $30 million for the agro-food research centre; $15 million for the office automation research centre in Laval; $10 million for the robotics centre at the Lionel-Groulx CEGEP; and I could go on and on Mr. Speaker. We have $2.843 billion that will be spent by the Liberal Government on developing the high-tech industry in the Province of Quebec. As for the attitude of the Progressive Conservatives who spoke in the House and who regularly question the Government about developments at Canadair, twenty-five years ago that very same group buried the Arrow when Mr. Diefenbaker was Prime Minister. Their Party has not changed. It still has the same philosophy, but we on the Government side feel that we cannot follow their course of action and say no to this challenge. We say that Canadians too must have high technology. We are going to develop the aerospace industry, and the aerospace industry will be to Quebec what the automobile industry is in Ontario. That is the difference between the attitude and the approach of a government with a Liberal philosophy and the attitude and the approach of the Members of the Official Opposition, Mr. Speaker!

[*English*]

Mr. Rod Murphy (Churchill): Mr. Speaker, I realize the next speaker for the Conservative Party wishes me to speed up. He has his birthday party later today and he wants to get to it. Congratulations to the Hon. Member for Saskatoon West (Mr. Hnatyshyn).

I rise to speak on the borrowing authority Bill. I will be making a speech very similar to a speech I made a couple of years ago on another borrowing authority Bill which was before the House of Commons. At that time I pointed out that the Government had no economic direction or strategy for the development of our country. In the two years which have elapsed since I last spoke on a borrowing authority Bill, nothing has changed in the country. We see project after project which are basically short-term make-work efforts and bailout operations by the federal Government. The Government has yet to come up with a concrete economic plan for the development of the country. With regard to interest rates, the Government reacts to what is happening in the United States, allowing interest rates to go up, as they did today. With regard to large scale economic developments, it is not a matter of planning but of reacting to what happens in the private sector.

I cannot support the Government's request for borrowing authority for $29 billion worth of debt for Canadians now and for future generations. Before the Government makes any more requests for borrowing large sums of money we need a plan from the Government stating where it wants to take the country and what it needs the money for. Rather than this, however, we have money going all over the place for small projects. This is increasing our national debt without any direction at all or any plan from the Government for developing the country.

Another reason I object to the borrowing authority Bill before the House is that the Government has been so unfair in levying taxes over the years. The average Canadian citizen pays about 20 per cent of his income in income tax. The average large corporation pays much less. The big five banks pay only 8 per cent of their profits toward federal income tax. In 1982 the Royal Bank and the Bank of Montreal have made hundreds of millions of dollars in profit and did not pay 1 cent in federal income tax.

If one studies the pattern which has developed one will see that industries, banks and financial institutions other than banks owe as much as the borrowing authority Bill is requesting. Deferred corporate taxes for 1980 are $22 billion. These are the latest figures we have. The Bill before us is requesting borrowing authority for $29 billion. If the Government collected all the taxes owing from corporations in the country at the present time we would not have to go into debt for $29 billion. We need economic planning and we need the Government to collect the money owing to it at the present time. We also need the Government to develop a strategy to ensure fair taxation so that banks and large corporations do not make huge profits without paying income tax.

• (1540)

Let me give some examples. In 1981-82, a number of corporations made millions of dollars in profits but did not pay one cent in tax. It is completely unacceptable for an average Canadian taxpayer not to pay his income tax. He goes to jail or is threatened by taxation officials and has all sorts of personal problems. This country has legalized a system which allows corporations and some rich individuals to pay not one cent in tax, even if they make hundreds of thousands of dollars in income. It is a ridiculous situation which the Government has not attempted to address in this Bill. It has not attempted to overcome the unfairness that exists within the tax system.

It is completely unacceptable for the Government to come before us year after year, increasing the national debt as it does so, to say that it does not have to change the tax structure in this country, collect money that it is owed by important corporations or take money from the banks. The Government comes before Parliament continually to ask for $20 billion, $22 billion and $29 billion and thus increases the national debt. Unfortunately, I think Canadians are beginning to accept this simply as the way in which things are done in Canada. I and my Party do not believe that this is the direction in which Canada has to proceed.

In closing I suggest that before the Government attempts to seek borrowing authority of $29 billion it should introduce a tax scheme that is fair to all Canadians so that all Canadians who make money will pay their fair share of taxes, and nothing more. It should tell the House its plans for the country and why it needs to borrow $29 billion. It should ensure that the corporations that owe Canadians billions of dollars will pay that money to the national Treasury so that we will not continue to put not only this generation into debt but future generations of Canadians.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I appreciate the opportunity to participate, albeit briefly, in this very important debate on the Government's borrowing Bill, Bill C-21. I suspect that people have become desensitized to the amount of deficits and the amount of money that the Government spends on their behalf, whether it is by various forms of assistance or various forms of taxation. I think that when the average Canadian is told that the Government is seeking to borrow $29.5 billion to meet its obligations, that figure does not really sink in, but it is $29,500 million. Many people would love to have an income of $29,500 and would consider themselves to be wealthy. The Government is asking the Parliament of Canada to support legislation to borrow an amount in excess of the expenditures that have been authorized by this Parliament. When one considers the amount of money involved, it boggles the mind.

I listened to government Members say how they will stand up for the right of Canadians in terms of Canadair and how they will support this Crown corporation, which has spilled $3 billion of the Canadian taxpayers' money. I have heard them say that they believe that this money should be used to support that enterprise.

I believe that one of the tragedies of this debate, as we get closer to a federal election, is that the back-benchers of the Liberal Party are becoming more concerned about being re-elected and are starting to lash out irrationally and say things out of sheer desperation. They are prepared to act like a bunch of sheep, as they have been depicted by many columnists and others over the years. They are terrified of the prospect that the people of Canada will say to them that enough is enough. Canadians will say that it is time for an accounting, and where were they when this kind of overspending took place. They will want to know where those Members stood within their caucus in terms of asking their Leader and Cabinet about the amount of money that has been literally stolen from the pockets of Canadians.

I see that the great leadership aspirant, the Minister of Employment and Immigration (Mr. Roberts), is here to take his place during his duty hour. This reminds me that Canadians have been given the opportunity recently to see the attitudinal posture of the Liberal Party and of those who aspire to the leadership of that Party and how they approach the management of public funds. Here is a Minister who, with malice of forethought, created a slush fund of $300 million. Was this fund conducted on an orderly basis? Was there some logic to the expenditure of that money on a properly managed basis? The answer is no. The fund was set up purely for partisan political purposes.

I can only surmise that this kind of expenditure of public funds was made for the purpose of creating some type of support within the Minister's caucus so that they would say, "What a jolly good fellow that old John Roberts is, he gave me $500,000 to spend on my favourite project in my constituency".

The Acting Speaker (Mr. Herbert): Order. I must remind the Hon. Member that he should refer to Members of the House by their constituency.

Mr. Hnatyshyn: Mr. Speaker, I apologize for that breach. I will not get involved in a procedural debate. I was just paraphrasing what Liberals were saying about the dear old Minister of Employment and Immigration.

The fact of the matter simply is that we have seen the attitude of the Liberal Government which likes to spend money just before election time. In order to give an idea of how the Liberal Party considers the whole question of financial management, let me hark back to the activities of the Liberal Party the last time it had a convention. The reports indicate that the $23 billion federal deficit in 1982 would look minuscule by comparison if the federal Government were to take into account the Party's resolutions passed in the Liberal Party policy convention. The fact is that if Liberals are given their way, the debt obligations of this country will be placed on the shoulders of our children and our children's children for years to come.

In defence of the Government's overspending in terms of Crown corporations such as Canadair, it says that this money is absolutely essential to salvage this corporation. We in this

Party understand that it is important to take action as a government in order to keep employment levels up. No one has any complaint about that. I simply want to know which members of the Liberal Party stood up to ask what was happening when these enormous and almost criminal overexpenditures on Canadair took place at the expense of the taxpayer? Where is the accountability? What Minister had the courage to stand up and take political responsibility for this very scandalous situation? It is not in the lexicon of the Liberal Party. It does not believe in accepting responsibility. It is always the fault of someone else. What director was reprimanded? What deputy minister was asked to account for the activities of Canadair? What Minister has stood in his place and said that there has been a serious breach in terms of management principles with respect to Crown corporations? There is not one Member across the way who has the political courage to stand up on a question of principle and resign either his portfolio or his seat. It is simply not in their lexicon. That is one of the problems we face now in terms of political responsibility.

• (1550)

My Leader has gone on record with specific and concrete proposals with respect to accountability in Crown corporations. We, as a Party, have taken steps and brought in legislation that would have made Crown corporations accountable. Right now there is less accountability in a Crown corporation than in any private corporation. Private corporations have far more requirements in terms of specifying and protecting the investment of people who have moneys invested with them. Where was the Hon. Member for Ottawa Centre (Mr. Evans)? He was mute. He refused to stand up. He aspires for a Cabinet position. He would not stand up and jeopardize his possibility for advancement. My Leader has brought forward proposals and suggestions on behalf of our Party. These had to do with accountability and management practices for Crown corporations that should have been adopted. Today the President of the Treasury Board (Mr. Gray) brought down his answer concerning Crown corporation accountability in Bill C-24. This legislation, I think it is fair to say, is at first glance a failure in terms of addressing the problems concerning accountability for Crown corporations. This legislation is a continuation of a cover up for which this Government is so famous when it comes to its operation of Government enterprises which are clouded in secrecy.

The Acting Speaker (Mr. Herbert): Order, please. May I request that Members who want to make interjections come out from behind the curtains so they can be identified.

Mr. Malone: Come out of the closet, John.

Mr. Hnatyshyn: Mr. Speaker, I am never distracted by the utterances of Members who do not have the courage to come into the House and participate in the debate. I have never in my life been frightened of a sheep. This is a sheep in sheep's clothing, Mr. Speaker.

Mr. Neil: He is pulling the wool over our eyes.

Mr. Hnatyshyn: I must conclude because you have indicated, Sir, that I have only two minutes remaining.

If the Government is really interested in the accountability of Crown corporations and in one aspect of it that we as parliamentarians are able to deal with on the floor of the House of Commons, Members on the other side would read the position set forward by our Leader and our Party in terms of the accountability of Crown corporations, which rationalizes and clarifies the Government's relationship with Crown corporations. It is based on a return to the system of effective individual Ministerial responsibility. These fellows over there do not know what that term means, Mr. Speaker. They would probably not understand a revised classification system for Crown corporations based on the extent of the corporation's reliance on Government financing and its role in implementing public policy objectives. This document fails to meet that particular criterion. I could go on and on but, I see that my time is up.

If I were a Member of the Liberal Party and a member of that Government—

Mr. Evans: No such luck.

Mr. Hnatyshyn: —I would hang my head in shame, having come to the people of Canada with an unprecedented request for borrowing authority in the amount of $29.5 billion. I say to the Liberals and to this Government that they should be ashamed of themselves.

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, I rise today to address Bill C-21 which requests authority for the Government to borrow funds far beyond what it has need of in the next year and obviously even farther beyond what it needs before the next election.

My constituents sometimes ask me what borrowing authority Bills do. I explain to them that Governments all require parliamentary authority to borrow new money. The question why this Government is now asking Parliament for authority to borrow for the eighth time since the last election is not so easy to answer. First, people want to know how much money these eight requests add up to. Telling them that the Government has forced us to borrow $102.85 billion since 1980 begs another question. The answer is that Government spending is out of control.

Since 1968, Government spending has increased approximately 668 per cent. Since 1980 alone, it has risen by 97 per cent to the point where it is now 25 per cent of our gross national product. What has this done to our requirement to borrow? Well, in 1984, according to the estimates, we will spend 21.5 per cent of Canadians' tax dollars on servicing the national debt. In the year just before the Prime Minister (Mr. Trudeau) and his gang of spenders over there took over, the Government was spending only 11.6 per cent of taxes on paying off that debt. This has caused us to borrow over $100 billion in the last four years. This Government has thrown money at all its problems rather than taking the time to look for real solutions. By doing so, the Government has increased

Government spending from just over $12 billion in 1968-69 to slightly over $100 billion in 1983-84, all at the expense of the taxpayer.

When I explain this to my constituents they cannot understand how little regard the Government has for their hard earned tax dollars. I try to explain the situation to them. Imagine that the Government is a bank, that the Minister of Finance (Mr. Lalonde) is the bank president and Parliament is its board of directors. On this board of directors, the president has a majority of the votes on his side. Each of the eight times in the last four years the Government has needed money, the bank president has asked the board to give him another loan. As loyal friends of the president the majority of the directors, without question, agreed to do so. However, the minority of directors did ask questions, and twice succeeded in reducing the amount of the loan slightly. Because the board, in this case Parliament, was loaded with unswerving and unquestioning followers of the president—the Minister of Finance—the loans were granted. This was done irrespective of the financial position of the loan requestor, the Government, or of the interests of its owners, the people of Canada.

I would like Hon. Members sitting over there on the Government benches to put themselves in the position of the bank manager of one of their local banks. If any company came to you today and made a request to borrow $29 billion, what questions would you ask? First, you would ask for the company's financial position as of its last fiscal year. If that company told you that its deficit last year was about $31.5 billion, I think you would then ask what their net position was at the end of last year. A response giving a net debt of over $150 billion would not, I am sure, dispose you towards lending further funds to that company. If you asked a company what it expects its profit to be over the next five years, as Revenue Canada does of some farmers, and the company told you that it expected its yearly deficit to remain nearly constant and its net debt to almost double, would you not write them off as a bad credit risk, as does Revenue Canada?

I have been through this kind of an ordeal with constituents of mine who were applying for loans through the Farm Credit Corporation and through the Industrial and Regional Development Program. Neither of these institutions would touch a company or an individual in this type of financial position. On a few occasions they have told companies that they must change their management structure, as they obviously were not being run correctly, before they would even talk to them about Government loans.

● (1600)

What we have here is a Government which, if it applied for its own loans, would undoubtedly be turned down if the same criteria were applied to the Government as they are to those whom it is supposed to be helping. Unfortunately, the Government has no new blood. The people of Canada are not about to give the Liberal Party or its ghost of Budgets past, Mr. Turner, a chance to continue running our economy into the ground after the election.

It is amusing to watch the Liberal "lack lustre" leadership race developing. The first nag out of the gate, Mr. Johnston, was obviously trying to dissociate himself from the policies of which he has been a part. On the subjects of the deficit and the borrowing authority, he had the following to say on March 9 on *Canada AM:*

> I think all Canadians understand that governments have to live within their means and that the only way of getting at the deficit is either more taxation or, on the other hand, cutting programs, or inflation, because that's another way governments traditionally have gotten rid of deficits in historic times.

Mr. Johnston also stated in *The Globe and Mail* on the same day:

> The deficit has a very pragmatic restraint which people don't see. I mean, people have to understand that governments simply can't borrow and borrow.

Mr. Evans: Mr. Speaker, I rise on a point of order. It is bad enough that the Hon. Member is reading a speech, which is in violation of the Standing Orders, but he is using the names of Hon. Members in a way which is totally inappropriate. I would appreciate it if he were called to order.

The Acting Speaker (Mr. Herbert): The point of order is accepted. The Hon. Member can mention the name of a Member when he is quoting. He has been making quotations, but I believe he should keep the point of order in mind.

Mr. Scott (Victoria-Haliburton): I am sure the Minister of Finance (Mr. Lalonde) must have shuddered when he heard the suggestion of cutting programs and increasing taxation in an election year. The comment of the Economic Development Minister about not being able simply to borrow and borrow money is foreign to the philosophy of the Liberal Party and certainly goes against the interests of Bill C-21, which asks to borrow billions of dollars more than the Government actually requires before the end of the 1984-85 fiscal year.

In closing, I would like to join my colleagues in repudiating this Bill. There is no need for the Government to borrow money now for use after the 1984-85 fiscal year. Indeed, if government spending were under control, there would be no need to borrow money at all.

Mr. Doug Neil (Moose Jaw): Mr. Speaker, I appreciate the opportunity to participate in the debate this afternoon on Bill C-21 which requests the authority to borrow some $29.5 billion. If we relate that to millions, it is $29,500 million. It would not be so bad if this were the only borrowing Bill that had been before the House during this thirty-second Parliament. If one looks back at the first and second sessions, one realizes that in a four-year period the Government brought in some eight borrowing Bills. These Bills provided for the borrowing of a total of $102.85 billion, an astronomical figure. That figure represents the incompetence and absolute irresponsibility of the present Government, yet Hon. Members on the other side have risen in the debate time after time to defend the Government's position. They see nothing wrong with it. They do not realize the harm which the policies of the Government have done to the country and to the people of Canada. They do not seem to understand that the country is bankrupt. They do not realize that if they continue year after

year borrowing more and more money and spending more than is taken in, we will end up in an impossible situation. That is what has happened over the years.

Many constituents have asked me about government expenditures and government financing. I relate government to a small business or a farming operation because there is no real difference. Government is a business, big business. If any business, whether large or small, spends more than it takes in year after year, it ends up in a bankrupt situation. Of course a government cannot go bankrupt.

When I came here in 1972, the Budget for that year was between $15 billion and $16 billion. The Budget for this fiscal year alone is over $100 billion. The gross debt in Canada now stands at $190 billion. If we net that out, that is take away the assets of the country, we still have a net debt of $150 billion, and the Auditor General has said that the Government has overstated its assets by some $20.4 million.

To service our debt or to pay the interest for which we are responsible costs $20 billion per year. That is more than it cost to run the entire country in 1972. That represents some $800 per capita or some $1,900 per taxpayer. If we analyse the situation, we see that one ouf of every three tax dollars goes to paying the interest on the country's debt. We are leaving an unbearable debt load for our children, a legacy of the Trudeau years.

When our children and grandchildren are our age, Mr. Speaker, will they have the Old Age Security pension? Will they have the guaranteed income supplement? Will they have the Canada Pension Plan? If we continue borrowing at the rate at which we are presently borrowing, all the revenue of the country will be required to pay the interest on our debt. There will be nothing left for social programs for our children and our children's children. What about unemployment insurance? Nation-wide the cost of unemployment insurance is between $11 billion and $12 billion this yeaer. That is more than the combined spending of the four Atlantic provinces for this year.

• (1610)

Paying an individual unemployment insurance does not do anything for our Gross National Product. It is a drain. It is interesting, Mr. Speaker, that time after time in this House of Commons, Government Ministers have stood up and said they are spending x number of dollars and creating thousands of jobs. I hope that someone sometime will sit down and add up all the jobs the Liberal Government said it has created in the last ten years, because it would amount to millions. We do not have enough people in this country to fill all the jobs they say they have created. We would have to bring people from offshore by the planeload and boatload. Despite all these make-work programs and the jobs the Government says it has created over the years, we still have 1.5 million persons unemployed in Canada.

When speaking in the House earlier, the Hon. Member for Willowdale (Mr. Peterson) posed the question, "What would a Conservative Government do under the circumstances?". A Conservative Government would run a good, efficient government. It would not be bribing the taxpayers with their own money. It would not build white elephants like Mirabel. It would not spend $266 million of the taxpayers' money on advertising. It would not spend several billion dollars on Canadair and de Havilland.

I have heard comments from the other side condemning our attitude toward Canadair. I happen to be on the Public Accounts Committee and I have some knowledge of Canadair. It was a disaster, it was mismanagement and it was a waste. An interesting news report came across my desk yesterday issued by Senator Austin. It was regarding the revamping of Canadair. One thing he said was that they were going to reduce the number of vice-presidents in the company from 22 to 12. Imagine having 22 vice-presidents in a company like Canadair, a Crown corporation. This is unbelievable.

We have Centennial Towers where the Government spends $1 million a month on rent. The building has just recently been occupied, and then only three out of ten floors are rented. I see my time is up, Mr. Speaker. I simply want to say that this Party cannot support incompetence and irresponsibility, which is really what this Bill is all about.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Herbert): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Dauphin-Swan River (Mr. Lewicky)—Multiculturalism—Media portrayal of visible minorities. (*b*) Use of visible minorities in advertising commercials; the Hon. Member for Halifax West (Mr. Crosby)—Government decentralization—Announced transfer of Health and Welfare Branch from Halifax to Sydney. (*b*) Impact on employees; the Hon. Member for York North (Mr. Gamble)—National Defence—Frigate construction of program contracts. (*b*) Request that Minister table list of contracts.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21 an Act to provide borrowing author-

ity, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to speak on the Borrowing Authority Act by which the Government is seeking to borrow an additional $29.5 billion. All of us agree that borrowing money is not necessarily wrong. I am sure at one time or another all of us have had to borrow money. The question is, how much and for what will it be used? Let me use the example of an unemployed worker. There is a major difference between that unemployed worker borrowing a substantial amount in order to go to Hawaii for a vacation and borrowing to purchase a car so that he can get to a nearby town to find employment. There is a big difference between this Government's borrowing money so that it can give $8 billion over the next few years to oil companies that will be drilling on Canada Lands, whether or not they drill dry holes, and conversely borrowing money to be used for labour-intensive projects which would help restore our economy to a sound footing, putting people back to work and ending some of the misery of unemployment.

Our Party would be much more open to this Bill if the Government were serious about the major problems affecting Canada today, but we see no indication of that. Where is the Government's commitment to reverse the loss of jobs and the drain this creates on the total economy? Victoria, B.C., in the southern part of my constituency, now has the second highest level of unemployment in Canada. People in that community are suffering deeply from the knock-out punch of the punitive attitude of the provincial Social Credit Government and the neglect of the federal Government. While a great deal of attention has been focused on the punishing attitude of the provincial government and the neglect of the federal Government, the attitude and drift it has taken toward basic resource industries such as forestry and the fisheries is, in the long run, almost as disastrous as the punishing attitude of the Socreds.

Another area of Government neglect about which I would like to speak briefly is the whole area of Indian Affairs. Last week Canadians witnessed the last minute conversion of the Prime Minister (Mr. Trudeau) to at least the rhetoric of aboriginal self-government. There was some surprise when the provinces did not buy this rhetoric as it was presented to them.

If we look at the Prime Minister's proposal, we see that it lacked any real commitment to the aboriginal people. We see that the Government's response to the report of the Special Committee on Indian Self-Government lacked any specific economic commitment to the Indian people. Indian self-government without economic commitment to back it up will be nothing more than a comic opera, a meaningless charade.

Let us look at housing on Indian reserves. Housing is connected to the concomitant problems of sewer and water. These are woefully inadequate on reserves from one end of Canada to another. We can point to some outstanding examples where housing, water and sewage systems are good, but by and large the housing situation across Canada is woefully inadequate. It is tied in with the terrible standard of health that Indian people have to face, the high drop-out rate of Indian children at shcool, unemployment and the loss of culture. When people do not have adequate housing and an adequate infrastructure in their communities, all of these other things tend to go by the board as well.

• (1620)

Across Canada right now, there is the phenomenon of Indian people being forced off the reserves and away from their home communities into the crowded ghettos of large cities. Once those Indians are in the ghettos, the federal Government thinks it is able to wash its hands of them and no longer provides them with basic services. For example, educational services to off-reserve Indian people were terminated last year. Indian people find themselves forced into a welfare system.

This year, the Department of Indian Affairs is saying that it will not be able to fund training programs for the urban training centre in Vancouver. Last December, some attention was directed to the case of Joyce and Birdie Canton, an Indian couple from the Wabigoon Reserve in northwestern Ontario who moved to the City of Winnipeg because their home on the reserve was condemned for health reasons. However, I think it is important to remember that a couple like the Cantons are not the exception to the rule. Rather, they were exceptional only because of the fact that they received a certain amount of media attention because they refused to submit quietly to the indignity of bad housing and welfare when they did not want to do so and should not expect to have to do so.

In 1979, it was estimated that the Indian people across Canada had a housing shortage with a backlog of some 13,000 units. Five years later, our best guess is that there are still some 10,000 housing units urgently needed on Indian reserves. I say that that is the best guess because no up-to-date national survey has been done. This year, approximately 2,400 housing units will be built, and this will keep up only with the necessary replacements needed for deteriorating homes and new family formations. However, it does nothing to address the continuing backlog of 10,000 or more needed housing units. Last year, special recovery funds went toward building an extra 900 units, and it is rather depressing to realize that those 900 units represented the largest single dent that had ever been made in the badklog.

It would be encouraging, Mr. Speaker, to see some of the money that the Government is borrowing used to address this urgent national problem. However, we do not see the Government addressing that problem with any degree of urgency. In addition to the inadequate funding, there is inefficiency in the way in which the Department delivers the funding. Money often arrives too late for the Indian people to take advantage of the short construction season experienced in many parts of northern Canada. When Indian bands receive their funding late, it means that they are stuck with high interest charges.

The Government is committed to Indian control of Indian education, or at least it is committed in its rhetoric to Indian control of Indian education. However, in situation after situa-

tion we find that there is no funding to provide for new schools on Indian reserves, even when it is clearly recognized that they are needed. Building schedules are being constantly pushed back, promises are made and then denied. In Manitoba, some 40 school buildings are needed.

The Government indicates it wants to borrow $29.5 billion, yet government Members have announced plans for the spending only of some $25 billion. The Government wants to borrow $4 billion more than it has planned to spend. We say that government Members should bring in a plan which would indicate to the people of the country where they want to use that money. I would like to suggest some areas which urgently need that money. There should be increased attention paid to the forests and to the fisheries, particularly the fisheries of the Pacific Coast, and increased attention to the need for decent housing and sewage and water systems in the Indian communities.

The Government's approach to the economy has been one of drift, mismanagement and borrowing to make up the difference. I do not think that is good enough any longer. Let the Government do some long-term planning that will help to get the economy moving again. In short, we cannot accept this Bill because it is too large, too loose and we do not know what the Government wants to do with the money.

Mr. Jim Hawkes (Calgary West): Mr. Speaker, standing in the Chamber today, I am reminded of the day that the Prime Minister (Mr. Trudeau) called Members of Parliament nobodies. Far too often, when out in our ridings around the country, we tend to think that what happens in the Chamber of the House of Commons is irrelevant to the day-to-day lives of the people. Today, Mr. Speaker, we are looking at the largest borrowing Bill in Canadian history. We can predict that members of the Liberal Party of Canada will stand up in the Chamber and vote for it. Will that affect the lives of individual ordinary Canadians?

On a day-to-day basis this week we have watched the value of the Canadian dollar drop. During the auction for Treasury notes today, interest rates went up better than one half of 1 per cent. Anyone who bought a home this morning or who yesterday put in his offer to buy, did the paperwork necessary to receive a mortgage, but now finds that he is having his pocketbook tapped this afternoon. One half of 1 per cent on a $50,000 mortgage amounts to extra payments of better than $20 a month of after-tax income out of a wage earner's pocket. If that mortgage is $100,000, one half of 1 per cent amounts to an extra $40 a month. That is $40 a month that people cannot use for food, clothing, entertainment and education.

This situation has been caused by a further four years on top of 11 years of economic mismanagment. It is hurting the country. It is costing the country jobs. It is costing the people anxiety and putting more people in hospitals. How did such a situation come about? Government Members, including all the leadership candidates, are asking Members of the House of Commons to give them permission to borrow $29,550 million. That is a sum so staggering that it defies the imagination.

Let us put that amount in perspective, Mr. Speaker. There are 24 million Canadians, and some of them are in the fortunate position of being able to save money either by putting it in banks or in a variety of money certificates. The amount of money the Government wants to borrow from those who save is 91 per cent of all the money that will be saved in the country this year. This government borrowing Bill does not even include the amounts to be borrowed by Crown corporations, which are an extension of Government.

If the Government will borrow 91 cents out of every dollar that every Canadian saves, that leaves only nine cents for the rest of us to borrow for the purchase of a car or a home. Because of this, what happens to the interest rates, Mr. Speaker? This Bill has not yet been passed, is not yet law, and the borrowing has not even begun. We are only at the beginning stages of this Bill, and already interest rates are up one half of 1 per cent. Perhaps they will rise another 1 per cent, 1.5 per cent or 2 per cent. Everyone who borrows money in the ocuntry will have to pay that extra amount.

Pensioners in the country who are on fixed incomes will have to pay more for the food they eat because the costs run down throughout the entire economy. Rents will go up and the cost of medical supplies will go up as well. If any Member of this Chamber thinks that what we do here does not affect ordinary Canadians, he is pulling the wool over his eyes. This is the largest borrowing Bill in Canadian history.

• (1630)

This year the Government plans to spend almost twice as much as it planned to spend the day it was elected. In four years it has almost doubled its expenditures and it has more than doubled the amount of money it borrows. People do not like high interest rates. They complain that their business went bankrupt because they could not afford those rates, that they had to turn their home back to the mortgage company because they could not pay the interest, or that the finance company repossessed their car. They should hold every single Member of the Liberal Party of Canada accountable because they support Government mismanagement year after year after year. It is the Government's willingness to borrow year after year after year that is causing the problem. Some may say that the blame lies with the Cabinet, but that is not so. Members of this Chamber vote for these measures and so it is the job of government backbenchers and opposition Parties to hold the Cabinet accountable and put some common sense into the legislation. When government backbenchers do not do that job, then the voters of the country have a job to do, and that is, to kick each and every one of them out of this Chamber so that they never have an opportunity to do this sort of thing again.

When I was elected almost five years ago, 17 cents out of every tax dollar went to pay interest on the public debt and 83 cents was left for health care, unemployment insurance and so on. Now, not quite five years later, 31 cents out of every tax dollar goes to pay interest on the public debt. That leaves 69 cents instead of 83 cents to go into health care, pensions, and

all the things people expect the Government to provide. That is a tragedy, Mr. Speaker.

There are 1.5 million people unemployed. Young people want to go to university, but governments are cutting back on funding for universities. People want to go to hospital and cannot because beds are not available. The reason behind all this is the economic mismanagement of the Liberal Party of Canada, and it has gone on far too long and hurts too many people.

The story must be told and the lessons learned, Mr. Speaker. I urge Canadians, wherever they live, to take a good, hard look at the behaviour of their politicians and what they say they believe in and compare it to what they do in this Chamber. What they do is to vote to support that mismanagement and the Cabinet. Unless Members across the way have a change of heart and start to behave differently, Canadians have an obligation to turf each and every one of them out, not only in this election but for the rest of the elections in this century. That is the obligation of Canadian voters.

Mr. John Gamble (York North): Mr. Speaker, I participate in the debate on Bill C-21 with the faint flicker of hope that the government Members may exercise their ancient but rather atrophied power to bring some sense to the Government's spending policies. Bill C-21 is an abomination. It lays an immense burden on the people of Canada today and on future generations. That is spelled out in the rather brief piece of legislation which provides for the Government to borrow $29.55 billion or, as my colleague has just put it, twenty-nine and a half thousand million dollars. That tidy sum for a profligate and spendthrift administration exceeds by $4 billion the entire financial requirements of the Government for a full fiscal year. That is not the full fiscal year that we are now in but the full fiscal year to come. That projection of the requirement was announced in the House one month ago today. Now the Government brings in a Bill asking for $29.55 billion to see it through the entire fiscal year beginning April 1.

I pause here to note that it is rather strange that there existed on February 29 a full $5 billion in unused borrowing authority, and I asked myself why it is so essential that today, before the fiscal year begins, the Government should ask Parliament for authority to spend the entire financial requirement as projected in the Budget of the Minister of Finance (Mr. Lalonde) well in advance of the period yet to begin.

It occurs to me that it might be convenient if the House were no longer required by the Government of the day—if it might be sent into recess while those seeking the hollow grail of leadership of the Liberal Party were permitted to travel the country pursuing their own personal goals. It would also be convenient if the House were muted in its discussion in this place of the waste and extravagance undertaken by the Government. In place of the legitimate criticism that is levelled in the House we might have an expensive advertising campaign initiated by the Government to tell the people of Canada that the days of wine and roses has returned. The contrary is the truth, Mr. Speaker.

Yesterday, as a consequence of a meeting of a committee of this House, we heard that the Government had decided to pump an additional $310 million into Canadair. That is in addition to the $1.4 billion that had been accumulated as a consequence of the guarantees provided to that corporation—guarantees of the Government of Canada over the years and written off, assumed by the Government of Canada in 1983. Senator Austin has told the country that the project undertaken by that company will succeed and that it will be profitable. I wonder what would have happened to the Ford Motor Company if the chairman of the board had said that they would sell Edsels and that Edsels would be profitable.

The problem with the Government and the Crown corporations that it sustains is that there is no relationship between reality and its goals. It is appropriate to think positively and it is wise and prudent to endeavour to achieve the best we can with the instruments that have been given to us. It is foolhardy, however, to pursue goals which result in the further wasting of the finances of the people of Canada. These funds are not the Government's funds. They are the funds of the people of this nation. The people sitting in this House as Members of Parliament have an obligation to the people whom they represent to administer their financial affairs astutely. It is for that purpose that my colleagues and I stand here in our places and endeavour to persuade members of the government Party to come to their senses. Just a smattering of good judgement exercised by them would stop this process.

• (1640)

What is the process with which we are currently involved? It is the borrowing of money, which has the effect of creating an opinion of the way in which this Government has performed, not only in the financial community of Canada but in the financial communities of the world. And what is the judgement of those who can reflect their judgement in a positive sense? As compared to other currencies, our currency is under attack. It is under attack because it is overvalued as a result of the Government of Canada reaching too far into the combined savings and assets of the people of this nation. The Government has shown internationally that it is unequipped to deal with the financial affairs of Canada.

The Minister of Finance stood in his place in the House and explained that interest rates, if they rise, are beyond the control of this Government because interest rates in the United States are increasing. Interest rates will rise, Mr. Speaker, so long as the Government and the Minister of Finance intervene with the Bank of Canada, as they do regularly. The Government, in fact, instructs the Bank of Canada on what price should be paid at the Treasury bill auction every Thursday. We know what the effect of that was today, that is, 10.56 per cent. We know what the increase will signal to the financial community. It will signal that interest rates should also go up on commercial loans and on home mortgages. What will the effect of that be, Mr. Speaker? It will return this nation to the series of bankruptcies and home foreclosures and judicial sales of the assets of the people of this nation, from which we hoped we might extricate ourselves, relying on the financial recovery

of the United States. That will not occur if this Government persists with the spending practices which it has unveiled in Bill C-21.

I urge Hon. Members of the House, if they are concerned about their constituents and about the welfare of Canadians in general, if they really hope to create employment through the resurrection of a stable, profitable business community, and if they hope to keep people who have acquired homes in those homes, to reflect upon the lack of wisdom which is embodied in Bill C-21.

Mr. Howard Crosby (Halifax West): Mr. Speaker, in making some remarks on Bill C-21, the Borrowing Authority Act, 1984-85, it is difficult to place in perspective the effect the provisions of this Bill will have on Canadians and on the economy. Many Hon. Members have stood in this Chamber and tried to indicate the enormity of borrowing $29.55 billion and the effect it will have. Mere numbers do not indicate the harm, economic and otherwise, it will do to Canada. It is a real challenge to try to bring meaning to figures like $100 billion in expenditures, $70 billion in revenues, and the deficit which arises with expenditures at such a high level and revenues at such a low level. It is very important, indeed vital, that we get across to Canadians the relevance of this legislative measure to their daily lives.

We have heard time and time again what the borrowing of this amount of money, over $30 billion, added to the existing national debt, will create for each tax-paying Canadian at the national level alone. It is a debt of $15,000 to $16,000 for each taxpayer. When you add to that the provincial debt which is represented and applied to that taxpayer, you get a figure well in excess of $20,000. Every taxpayer in Canada carries with him on daily basis, in addition to whatever personal debts he or she may have incurred by way of mortgages, car loans, and so on, the government debt in excess of $20,000.

What is the effect of all this debt accumulation, Mr. Speaker? It has a very important effect on all Canadians, but it has an immediate effect on interest rates. Only today we have seen a further additional increase in basic interest rates which will be charged by banks, because the rate for 180-day Treasury bills has risen to 10.95 per cent. That, Mr. Speaker, is plunging us into another series of interest increases which will bring us up not only to the double-digit level, but higher. If that kind of inflationary trend in interest rates and other prices occurs, we can look forward to a termination of any thought of economic recovery. That again will affect each and every Canadian and the way of life to which each and every Canadian is entitled.

What are we going to do about it, Mr. Speaker? That is the real question. We know the disaster of deficit financing over a long period of time. We know about the crushing burden of accumulated debt, not only on the Government of Canada but on individual taxpayers. We must face the problem of what we are going to do about it. For taxpayers, there is not only, as I indicated, the problem of interest rates, but they are also faced with the need and desire on the part of the Government of Canada for additional revenue. This has shown up in two ways: first, in the increase in the tax load for individual Canadians, and, second, in the acceleration and emphasis on tax collection by Revenue Canada.

We have heard time and time again in the House of Commons and elsewhere in Canada about the disastrous effect of overzealous tax collection. I want to point out to Hon. Members of the House and to all Canadians that we now have a very sophisticated tax system. Not only does it deal with direct taxes such as income taxes, sales taxes and the like, but there are very subtle ways of taxing Canadian people. Those subtle ways include changing the method by which tax deductions are assessed and the hidden taxes we find, for example, reflected in the price of gasoline, transportation fuels and commodities which are used by virtually all Canadians. We are hit by taxes from all sides and many of the taxes imposed on Canadians are not even known to them.

I have here an indication, Mr. Speaker, of what each Canadian family with a net income in the area of $22,000 pays in taxes. The global rate approximates 45 per cent. That is to say that a Canadian family with a net income in the area of $22,000 pays $11,000 in taxes. That is inclusive of all taxes paid to all levels of government. The result is that the crushing burden of taxation on Canadian people is coupled with the effect government borrowing has on the interest rates available to Canadian consumers. That is magnified by the collection practices of Revenue Canada, which pounces on these burdened taxpayers and demands, without any justification, every inch of the tax requirement plus, in many cases, something more. Decisions are at all times against the taxpayers, forcing them into appeal procedures which are costly and time consuming and serve to discourage Canadians who might otherwise want to contribute more to the economy and the productive capacity of the country.

• (1650)

Reversing this process is going to be very difficult, Mr. Speaker. However, we cannot stand helplessly and do nothing. I believe Government Members are entitled to ask what we would do. As opposition Members there is an onus upon us to indicate ways in which we would reverse this process. When one looks at the public accounts and at proposed expenditures, it is quite easy to find ways of reversing this process. There have been expenditures such as $900 million on Mirabel which could have been eliminated. Time and time again in the House of Commons we have spoken about the $3 billion which has been virtually wasted on Canadair and its related activities. Yet the Government tries to tell us that expenditure was made in the interest of all Canadians, that it saved the aeronautic technology and provided employment for 1,200 persons. At the same time the Government refuses to provide less than $100 million to the Sydney Steel Company in Nova Scotia to eliminate its public debt and enable it to function on a businesslike basis. That plant would employ over 2,000 steel workers. As well, the Government would be assisting an industry which is basic to an industrialized economy, has export capacity, and has the abilily to provide local employment.

I am trying to point out that it is not the amount of the expenditures which the Government makes, but rather, it is the quality and the kinds of expenditures that are made which count. In that respect, Mr. Speaker, over a period of 15 years the Government has lost track of the purpose of government expenditures. No one disputes that social services are necessary. However, it is in the area of optional government expenditures that the Government has failed completely and miserably. That has led to this deteriorating situation which has resulted in such damage to the Canadian economy. The Government has failed to recognize that some government expenditures are productive and others are not.

I will give you one example which is at a low level but it can be magnified and demonstrated in other areas. The Government spent $2 million on empty office space because the Solicitor General of Canada (Mr. Kaplan) anticipated that there would be a new security agency ready to occupy those premises some months ago. The Government spent $100,000 on a crazy advertising assessment scheme which related to the Special Recovery Program. Those are minor expenditures, but we can find expenditures of much greater amounts which have been documented time and time again in the House.

The point is that we need to clean house. The only way the Canadian people will get the benefit of that housecleaning is to elect another government which can take a new approach, start from square one, look at the purpose of government expenditures and recognize the difference between providing necessary social and health services on the one hand and reviewing the optional expenditures which should only be made by Government when they have a productive result. That does not include pouring money into an industry which has no hope of success. That is only deluding the persons involved in that industry. There is no place for buying votes with programs which have no long-term beneficial result. There is no place for $400,000 expenditures per Liberal constituency.

I will conclude by saying that the public is finally catching on to the Government. People are finally realizing what the policies of the Government have done. It is our duty to bring this message to the attention of the Canadian people.

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, it is always an honour to rise in the House, but to oppose Bill C-21, the borrowing Bill, is truly a great honour for any Conservative or any Member on this side of the House. This should have been called the blank cheque for $29.5 billion detabe. The amount of $29.5 billion is beyond the comprehension of most Canadians. It is a clear indication of the Government's waste, mismanagement, incompetence, irresponsibility and lack of accountability. Yesterday the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin) said we had not done enough research on this. We do not have to do any research, Mr. Speaker. It is so blatant.

I would like to address the lack of accountability, Mr. Speaker. That is why we oppose the Bill in its present form. Early last fall when I came into the House I was asked to attend a meeting. As a matter of fact, I was a member of the Standing Committee on Labour, Manpower and Immigration. We asked about the Special Employment Initiatives Program. We asked what the criteria were to gain access to these funds so that all Canadians could share them. We were never given an answer, Mr. Speaker. It became a slush fund for the corrupt crew across the way. That case and many more could be cited.

No one knows how damaging our huge deficits are to the economy. In the United States they are concerned about the ramifications of the huge deficit. I do not like to compare us with anyone else because we are Canadians. We should compare ourselves only with perfection. Our deficit is devastating. It has been pointed out in the House before, and I do not believe it can be pointed out too often, that every Canadian owes in excess of $6,000. The average family of five owes about $30,000. You could work your hands to the bone to pay off your debts, but you would still have the debt incurred by those people across the way. They blame the recession. Why is it they had a deficit before the recession came, Mr. Speaker? They are to blame, not the recession or anything else. The Liberal Party is to blame. How big is the Canadian deficit? There are more zeros in the Canadian deficit than there are in the Liberal Cabinet. I believe there is a direct correlation between these two groups of zeros.

I would like to dwell on something close to my heart in which I participated, that is, small business. Mr. Speaker, most of the Hon. Members across the way have obviously never produced anything prior to coming here. If they had run any form of business, they would never have presented a Bill such as Bill C-21 in its present form. They would have understood that you cannot borrow your way into prosperity. Every Canadian knows this, whether he is a householder or a business person. Small business is the one sector of our economy that is the most affected. Bill C-21 is what will make interest rates rise again, such as they have today. That will be the death of how many more small businesses? It is small businesses that will create 60 per cent to 70 per cent of the jobs in this country.

• (1700)

Unemployment is the biggest issue on the street today.

The Acting Speaker (Mr. Guilbault): I regret to interrupt the Hon. Member but it is now five o'clock.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Guilbault): Shall all orders and items preceding No. 37 stand by unanimous consent?

Some Hon. Members: Agreed.

Narcotic Control Act

NARCOTIC CONTROL ACT

AMENDMENT RESPECTING THERAPEUTIC USE OF HEROIN

Hon. James A. McGrath (St. John's East) moved that Bill C-221, an Act to amend the Narcotic Control Act (therapeutic use of heroin), be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, the purpose of this Bill, as implied in the title, is to amend the Narcotic Control Act to allow for the therapeutic use of heroin by designated physicians, particularly those in cancer clinics, in order to help alleviate the pain and suffering of those who are terminally ill with cancer. There are 40,000 Canadians who die every year from this terrible disease. In my opinion, many of these suffer terribly and, in many cases, needlessly.

I cannot take credit for this Bill, although I do not hesitate not only to sponsor it but to embrace and support it totally. This Bill was introduced in the House on April 29, last year, by the late Hon. Walter Baker who was the distinguished Member of the House for Nepean-Carleton. He was a Member for 13 years.

He was prompted to introduce the Bill by a personal experience with cancer in his family. Somebody very close to him had contracted cancer and had been successful in overcoming it. But he saw at first hand the suffering that is associated with this dreaded disease and what happens in our cancer clinics. It is one of the tragic ironies that when he introduced the Bill on April 29, 1983, he thought he was in reasonably good health. Less than six months later, he was dead from cancer. He did not know that he had it at the time.

I suppose there is not a Member of the House who has not been touched either directly or indirectly through knowing someone who has had this dreadful terminal disease. Consequently, I suppose we can all speak about it with a certain amount of feeling. I do not understand why the laws of this compassionate nation do not allow for the medical use of heroin for those suffering people. That, of course, is the whole purpose of this exercise here today.

There are 37 countries in the world that do permit heroin to be used for medical purposes to help alleviate the pain and suffering of those who are terminally ill. I hope that the House today will either agree to second reading of my Bill, which is a very simple Bill, or at the very least agree to compromise and allow the subject matter of the Bill to be referred to committee. I anticipate the latter because there have been the usual consultations. I thank the House in anticipation of that, not for my own sake but out of respect for the memory of the late and distinguished Hon. Member for Nepean-Carleton, my friend, the Hon. Walter Baker. That is what he wanted. He wanted the Bill to go to committee. He wanted to have at least the subject matter of the Bill go to committee so that Members could hear evidence and hear expert witnesses and come to a consensus on this very important matter.

There is a division of opinion among certain medical practitioners, but the consensus among those who are most closely identified with the suffering, that is, those selfless people in the nursing profession, is that we should permit the medical use of heroin to ease the suffering of those who are terminally ill. I have not been able to find one nurse in this country who expresses any reservations whatsoever on this subject. Indeed, most of them are militant and ask why in the name of suffering humanity we do not permit the use of heroin, which is many more times effective in alleviating the suffering and pain identified with cancer.

I had a brother who died of cancer. I remember watching the terrible agony he went through before he died. That agony could not be alleviated by morphine or any of the other painkillers because his suffering had become so acute that he had passed the threshold. If they had increased the amount of morphine, it would have been fatal. However, if they had been permitted to give him heroin, his last days would have been more peaceful. There are many in this country who are in the same position.

When my late friend and distinguished colleague introduced this Bill, he quoted from a letter from a Dr. Colin D.B. Cunningham of the Queensway Carleton Hospital in the City of Nepean. I will not quote the entire letter but there is one very important point which he made. I quote the following from *Hansard* of July 1, 1983, at page 25937:

> There is no other drug quite like heroin or as effective as heroin in suppressing pain and discomfort and I feel most strongly that it should be available as a prescription drug to alleviate the terrible pain and suffering of some late or terminal cancer patients and others.

There is also a syndicated column under the pen name of W. Gifford-Jones. The column is called "The Doctor Game". The person who writes that column is a distinguished physician by the name of Dr. Kenneth Walker. I want to quote from one of his columns. This is what he says about nurses:

> They clam that nearly 100 per cent of their patients eventually receive heroin by injection. And that it would be cruel not to have heroin available when needed.

● (1710)

He is quoting here nurses he interviewed in Great Britain where the use of heroin is permitted for medical purposes. Then he goes on to cite a case of a 17 year-old girl terminally ill with bone cancer who was suffering dreadfully. This girl was given 1,700 milligrams of heroin every four hours—five milligrams is the average dose for postoperative pain. The doctor said:

> It would have been impossible to control her pain without heroin. You simply couldn't inject such a huge dose if you were using morphine.

Other instances are cited. I believe that we have an obligation to the suffering people of this country who are terminally ill with cancer. I fail to understand why we cannot amend the Narcotic Control Act to permit doctors, designated physicians and nurses in designated cancer clinics, to apply this pain-killing drug which is so much more effective than the drugs now in use.

I do not profess to be an expert. I am merely putting forth a layman's opinion. But I believe that we, as Members of Parliament, are entitled to determine whether or not the case

can be made for amending the present legislation and permitting the use of heroin in Canada.

I remember the day that my colleague died. There was a great out-pouring of respect, affection and admiration for him. He was a distinguished and dedicated parliamentarian. I would hope that, out of respect for his memory and out of consideration for the hundreds of suffering people in this country today who are terminally ill, the House will agree to get on with the study of this important subject and will hear witnesses. Hopefully, from that will emerge a consensus to amend the parent legislation so as to permit doctors and nurses to use heroin to alleviate the pain of those who are terminally ill.

Some Hon. Members: Hear, hear!

Miss Aideen Nicholson (Trinity): Mr. Speaker, I will speak briefly on this Bill. Like the Hon. Member who has just spoken, I would like to see the House come to a decision to deal with this Bill today, and I do not wish to prolong the discussion unduly. In common with my colleague who has just spoken, I am very much aware of the fact that this Bill was introduced by a very distinguished and well-respected Member of this House in response to family concerns at a time when he himself was very well and could not have expected that he would die shortly of this disease. Cancer is a disease which has probably touched everybody here in one way or another.

In the developed countries, cancer is responsible for approximately 20 per cent of the total number of deaths. Although pain is not inevitable, from 65 per cent to 85 per cent of patients experience moderate to severe pain, and about two-thirds of those dying of cancer experience severe pain.

This is an enormously difficult subject for relatives and friends as well as for the person dying. In our society up to now, insufficient care and thought has been given to the whole question of managing pain in a way that gives the patient dignity and choice.

Palliative care, the hospice movement, which started in London, England, has started to bring a large change in attitude. Terminally ill patients in palliative care are considered in their social context and in the context of their families, and pain is regarded in the total context, involving not only physical but also psychological, social and spiritual factors. The evidence indicates that the best results in pain control are achieved with this approach. Indeed, the careful and intelligent use of drugs enters into it. Drugs are given regularly and at intervals as short as required to prevent pain rather than to treat it repeatedly, aiming at a continuous pain-free state, the aim being that patients remain pain-free, alert, and with no abnormal effects. This approach would allow the dying to be pain-free but also to have quality of life and dignity. This is something we would all want.

The question of the use of heroin in terminal illness is one that has been fraught with controversy. In 1955 we saw the United Nations' decision to try to ban the use of heroin. At the same time there were many physicians who said that heroin was particularly effective in the treatment of pain and that in our concern about the abuse of drugs we were forgetting about the need for their legitimate, controlled use. On the other hand, there are studies that say that heroin does not have any more efficacy in the control of pain than morphine or other drugs, if applied correctly.

The Minister of National Health and Welfare (Miss Bégin) has established a committee which is now studying pain control. It is the advisory committee on pain, which is reviewing all the available information on heroin. The Minister is prepared, if the results of that committee so indicate, to make recommendations about the facility and use of drugs. But it is a very technical matter, as the Hon. Member said. Those of us who are not physicians have impressions but these are not backed by scientific study. The study to be produced by the committee established by the Minister should make an important contribution to our understanding of pain management. I also trust that the subject matter of this Bill will be sent to the standing committee where representatives of the Advisory Committee on Pain and other experts can be heard so that we do whatever can be done as soon as possible to ensure more humane treatment and effective management of pain in those who are terminally ill.

Mr. Neil Young (Beaches): Mr. Speaker, I would like to start my remarks first by thanking the Hon. Member for St. John's East (Mr. McGrath) for giving us another opportunity to speak on this matter. As the Hon. Member for St. John's East already indicated to the House, we are also grateful to the late Hon. Member for Nepean-Carleton, Walter Baker, for introducing this Bill in the first place. The intent of the Bill is certainly one that we on this side of the House support wholeheartedly.

Bill C-221 before us today is identical to the Bill introduced by the former Hon. Member for Nepean-Carleton. When the earlier Bill reached second reading stage on June 1, 1983, the New Democratic Party spoke in favour of the Bill. At that time the Liberal Government talked out the Bill. I hope that the Government, upon second consideration, will not do that on this occasion. As has already been indicated to the House, as I understand it, this will not be the case and the Bill may perhaps be referred to committee.

The purpose of the Bill itself, as Hon. Members know, is to amend the Narcotic Control Act, thus permitting designated physicians, particularly in cancer clinics, to prescribe heroin as a pain killer for terminally ill cancer patients.

• (1720)

Despite its use in other countries, most notably in the United Kingdom, legitimate use of heroin has not been allowed in Canada since 1955. The United Nations World Health Organization recommended in 1947 that member countries ban heroin used medically, as a measure to fight increasing illicit use and addiction. The rationale of the World Health Organization was that such a move would limit the availability to addicts and pushers, and there was widespread belief that a synthetic drug of equivalent potency was just around the corner. Neither prediction has come true, some 30 years later.

Meanwhile, the illicit import and use of heroin in Canada has become a multi-million dollar business on an annual basis. Nothing found in nature or in test tubes comes close to heroin as an analgesic, with the arguable exception of morphine.

It is on this point, the question of whether heroin is a more effective pain-killer than morphine, that the medical profession is sharply divided. Due to the fact that heroin has been illegal in Canada since 1954, doctors, at least in this country, have not had the opportunity to conduct any comparative studies of their own. Research in other countries has resulted in divergent findings.

If the medical community cannot come to a consensus, then I as a non-expert am not about to take up the cause of one side or the other. However, I do believe that the comparative effectiveness of pain-killers merits examination, given that 30 years have passed since the banning of heroin. Also the fact that there are many credible physicians who advocate a change in the law regarding the therapeutic use of heroin adds impetus to the need for a re-examination of the issue.

No two pain-killers are entirely identical. A cancer patient may have an adverse reaction to one drug yet be able to tolerate another. This alone justifies having alternative pain-killers available, especially in the case of terminal cancer patients, many of whom experience a great deal of pain. Surely the principle of the Bill and the heart of the issue is, if I may quote the late Hon. Member for Nepean-Carleton, Walter Baker, "that physicians should be armed with every weapon to look after every case to the extent that is possible". It is time that this matter were re-opened.

The Minister of National Health and Welfare (Miss Bégin) has undertaken two initiatives. The first was the appointment of the Committee on the Medical Management of Severe Pain early in 1983. The committee was directed by the Minister to "draw up a guide for Canadian doctors on treating severe pain and to discuss within this document the optimal clinical use of various analgesic drugs including the medical need for heroin for the treatment of pain associated with preterminal malignant disease". The Committee has met on a number of occasions and, I am told, is now in the process of writing its first report, which it is hoped will be completed by this fall.

Dr. Kenneth Walker, whom many Members will know by his other name of Dr. Gifford-Jones, has led a controversial media camaign to legalize heroin for therapeutic purposes. Dr. Walker has contended that the choice of members of the Medical Management Committee amounts to "loaded dice against heroin". I am not in a position to agree or disagree with Dr. Walker's opinion. However, given the importance of the issue at stake and the weight that would or should be attributed to any medical or scientific opinion emanating from the committee, I think the committee's credibility before the public is critical. Hence, I would like to see the issues surrounding the Bill receive a broader and more open hearing by referring it to the Standing Committee on Health, Welfare and Social Affairs.

The Minister's second response to public pressure was the announcement in May, 1983 of the trial clinical use of heroin. The purpose of these proposed clinical trials would be to measure the effectiveness of heroin versus that of other pain-killers. The trials are to be conducted in ten centres specializing in cancer treatment, and apparently between 300 and 350 patients are to be involved. These tests were supposed to have begun last fall, but now it is hoped that they will begin this summer. This delay concerns me, especially since the trials themselves are to take place over a period of between 12 months and 18 months. I strongly urge the Minister to expedite the start-up of these clinical trials.

Even if it were to be found that heroin for therapeutic purposes should be legalized, there is the question of security and control surrounding the drug. Many legitimate concerns have been raised regarding the appeal that such high-grade heroin would hold for addicts and pushers. However, surely security concerns also apply to drugs now used in hospitals, clinics and pharmacies. No doubt this could be dealt with by access and licencing controls. No matter how valid these concerns are, they should not pre-empt the potential for alleviating pain. Even the Minister herself has accepted the premise that suffering Canadians should have access to the complete spectrum of choices involving relief from pain.

We as Members of Parliament have a responsibility for leading the way in society's attempts to humanize the health care system, particularly as it pertains to the treatment of terminal illnesses. It is for these reasons that I would like to see the Bill sent to the standing committee where public and expert opinion could be vetted and where the scope of the deliberations of the standing committee could be broadened to include matters such as security and control. This should take place concurrently with the clinical trials and the Medical Management Committee. Needless to say, time is of the essence.

As was pointed out earlier by the Hon. Member for St. John's East, according to Statistics Canada the figures for death caused by cancer in 1982 would indicate that in the male population a total of 23,449 died of cancer and in the female population, some 18,515, for a total of both sexes of 41,964. That was in 1982 alone. Also, as the Hon. Member pointed out, Mr. Baker died of that particular disease not knowing that in actual fact he was suffering from it. More recently, within the last several weeks, another Member of the Conservative Party died of exactly the same disease, the late Hon. Member for Calgary East. In my own case, both my parents died of cancer. It is a disease, as has been pointed out, which touches every person in Canada and elsewhere in the world. We as legislators have a responsibility to ensure that people suffering from this dreaded disease receive the kind of assistance which would at least allow them to die with some dignity.

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Provencher): Mr. Speaker, it is a distinct honour to be able to rise in the House this afternoon to associate myself with the comments and the initiatives of the Hon. Member for St. John's East (Mr. McGrath). He has

clearly and well expressed the fact that his work is the continuation of the work of our former late colleague, Mr. Walter Baker. It is also an opportunity to participate in that the Hon. Member for St. John's East presented this Bill and its subject material with the dignity, concern and sensitivity that the subject deserves. In that as well he was following no better example than that of our late colleague.

• (1730)

Members of Parliament often have to take positions on controversial issues, issues where other members of society might say it is easier to take no position at all. This is one of those issues. It is also incumbent on Members of Parliament to make value judgments on issues where our training or experience does not give us any technical background on which to make an assessment. The only background or preparation for that kind of decision is one's understanding of society and one's sensitivity to society and to those events which bind us all as human beings. What we are discussing today binds us all together in the most personal way.

The Bill that my colleague has put before the House has as its central theme making herein available for therapeutic use. It should be understood in that narrow context. I want the public who is watching and those who will read this debate later to understand clearly that what we are doing in this House today is not legalizing heroin. That is important to understand.

It is ironic that in order for this matter to be debated one of the arguments put forward is that it could create heroin addicts, that there might be problems of control in our hospitals, medical clinics and doctors' offices. It is ironic in that that ban being there has not stopped the illicit trade in heroin in billions, when whe are talking about money, nor in the destruction of life. The purpose of my colleague's Bill is the opposite, to enchace life.

I mentioned earlier that I am not a medical expert. What do the experts say? I went back to the Canadian Nurses Association who, as compassionate individuals in our hospitals, deal with this every day. What do they have to say on the subject? I quote one sentence from a document entitled "Statement to the Expert Advisory Committee on the Management of Severe Pain", dated August, 1983, submitted by the Canadian Nurses Association. It reads:

> Although major studies on the conceptualization and treatment of pain have demonstrated that pain can be adequately managed, far too many patients with cancer do not achieve the degree of pain relief that is possible.

That is what this Bill addresses. I know there is a debate going on within the Canadian Medical Association as to whether or not the therapeutic use of heroin would in fact achieve the goals that have been stated by my colleague. That is the reason we want this matter taken to the standing committee, so we can study the subject matter. I will come to that later when I get to that technicality. There is a debate in the medical community, and that is exactly the reason why I would suggest that debate should be brought to the standing committee. Let us look at the evidence. Let us look at the facts. I look forward to that opportunity.

Additionally, I read from an article by Jeanie MacFarlane which formed part of a larger presentation entitled "Pain, New Ways to Manage one of Man's Oldest Mysteries". There is an extensive study on pain and its effects. That has been in medical circles before, but with technology, with the whole question of what I think Dr. Kubler-Ross has brought so well to the public attention, the whole question of death and dying and the dignity that surrounds it, as well as the ethical questions that surrounds that fact of human life that all of us some day will face. It is important to read this sentence:

> It's such a powerful sensation—severe pain is real and naked and incapacitating. It's an equalizer, and it's one of the most dehumanizing things we ever endure.

Maybe nobody of our collective humanists has said it better than the poet John Keats. He said:

> Pleasure is oft a visitant; but pain clings cruelly to us.

I am honoured today to associate myself with the work of my friend and colleague from St. John's East. I will be moving in a minute that the subject matter of the Bill be referred to the appropriate standing committee. I hope that that committee can sit soon. The Parliamentary Secretary to the Minister of National Health and Welfare (Mr. MacLellan) is in the Chamber. He and I both realize that the study of the Canada Health Act will be concluded in the committee on Tuesday next by agreement. He has been co-operative in that committee. I look forward to that continued co-operation in the committee on this subject as well. I look forward to this subject being taken up quickly by that committee, not waiting until summer, and I also hope we will not hear the argument put forward that the Estimates are now before the committee. We could sit extra hours and bring in the experts that we need to hear on this matter.

Having made those comments, I want to move, seconded by—and I believe this to be an expression of further co-operation on this matter and a further recognition of the work of our late colleague—the Hon. Member for Ottawa Centre (Mr. Evans):

> That Bill C-221 be not read a second time, that the order be withdrawn and the subject matter referred to the Standing Committee on Health, Welfare and Social Affairs.

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

Some Hon. Members: Agreed.

Motion (Mr. Epp) agreed to.

The Acting Speaker (Mr. Guilbault): Accordingly, the order is discharged, the Bill is withdrawn and the subject matter thereof is referred to the Standing Committee on Health, Welfare and Social Affairs.

Order discharged and Bill withdrawn.

● (1740)

Mr. Evans: Mr. Speaker, I rise on a point of order. Given that we have found unanimity on this item of Private Members' Business which is before us, may I suggest that perhaps you could call it six o'clock and we could move on to the adjournment debate?

The Acting Speaker (Mr. Guilbault): Shall we call it six o'clock?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

MULTICULTURALISM—MEDIA PORTRAYAL OF VISIBLE MINORITIES. (B) USE OF VISIBLE MINORITIES IN ADVERTISING COMMERCIALS

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I want to pursue a question I raised in the House on January 25 concerning media portrayal of visible minorities. This particular question is based upon a study conducted by Dr. Gary Granzberg of the University of Winnipeg which concluded that prime time television misrepresents, stereotypes and discriminates against blacks, Asians and native Indians. The study calls for the Canadian television networks to find ways to portray minority groups more accurately.

I would also like to acknowledge the fact that the President of the CBC responded regarding the serious statements which had been attributed to the Manitoba regional director of the CBC when commenting on the Granzberg study even though I did not find the President's comments totally satisfactory.

The multiculturalism directorate had previously conducted its own studies in areas such as the presence and portrayal of non-whites in English-language television advertising as well as the attitudes of the general public toward visible minorities in television commercials. These studies have always resulted in the same sort of conclusions, so there is no real need for the Government to wait until parliamentary committee and other reports are presented. By now, the federal Government has a good idea of the problems existing in the media's portrayals of visible minorities since the recommendations of these studies are very similar. Now is the time for the federal Government to act.

On another occasion, I made reference in the House to the excellent example set by Radio-Quebec with its *Planète* series on television. That series is perhaps a good model of multiculturalism in action. Documentaries have been made on some 20 various ethno-cultural groups in those various languages and shown to the people of Quebec. Of course, as an example I could specifically refer to the show about the Ukrainian holocaust. The *Planète* series is shown on prime time.

I would ask why the Minister is not acting on the conclusions of these various reports in order to see that guidelines and instructions are given for more adequate presentations in this regard. In other words, why is the Government not acting on this particular measure at this time?

[*Translation*]

Mr. Robert Gourd (Parliamentary Secretary to Minister of State (Multiculturalism)): Mr. Speaker, in answering my hon. colleague, I can inform him that this is not true. The Government is not taking any action, and on the contrary, as my colleague, the Hon. Minister, said previously in the House on January 25, it was not the Ministry of State that ordered the study. It had simply given a grant to a professor last year, and the professor's decision to publish the results of that study had nothing to do with the Ministry.

● (1745)

[*English*]

I also understand that the CBC has clarified the statement attributed to its regional director in Manitoba. He indicates that he did not recall using remarks referring to financial disaster in connection with any affirmative action programs in relation to the media.

On the issue raised by this question, it would be inappropriate for me to comment at this time, given that the Special Parliamentary Committee on Visible Minorities will undoubtedly be considering this topic as part of its report, which I understand will be tabled shortly in Parliament.

GOVERNMENT DECENTRALIZATION—ANNOUNCED TRANSFER OF HEALTH AND WELFARE BRANCH FROM HALIFAX TO SYDNEY. (B) IMPACT ON EMPLOYEES

Mr. Howard Crosby (Halifax West): Mr. Speaker, it is my purpose and intention to review in greater detail a matter which I raised in the House on March 8, 1984 by way of a question to the President of the Treasury Board (Mr. Gray). That matter concerns the transfer of employees of the Income and Securities Branch of the Department of National Health and Welfare from their current location in the Halifax area to the City of Sydney in Cape Breton. The chain of events that resulted in this proposed transfer of these employees goes back prior to 1979. Let me first mention the circumstances under which it was brought to more recent light.

A report in the Halifax *Chronicle-Herald* referred to a meeting attended by the Secretary of State for External Affairs (Mr. MacEachen) in honour of my good friend and colleague the Member for Cape Breton-The Sydneys (Mr. MacLellan). The Secretary of State for External Affairs congratulated the Hon. Member on the fact that the Treasury

Board had approved the expenditure of $500,000 to enable this transfer.

One of the unfortunate aspects of the whole situation is why this is being done. Is it simply to implement the policy that was established in the past when reasons for it may have existed, or is it being done simply to satisfy the special concerns and needs of members of the Liberal Party who represent these various areas of the Province of Nova Scotia? For that reason it is important to review the history of the matter.

Prior to 1979 the Liberal Government proposed the decentralization of government offices. That would have an understandable effect on government employees who would have to be transferred to these new locations. In 1979 when the Right Hon. Joe Clark became Prime Minister, a review was conducted of these proposals. The then President of the Treasury Board decided that in the interests of economy some of the proposals to decentralize and transfer employees would be scrapped. One of the proposals, namely, that of the previous Minister of National Health and Welfare, to transfer employees of the Income and Securities Branch at three locations across Canada to new locations, was scrapped. In 1979, the idea of moving employees from Halifax to Sydney was not only delayed but was actually abandoned.

The Minister of National Health and Welfare (Miss Bégin) revised that proposal in June 1982, for two reasons. First, she said she wanted to integrate the staff dealing with the Canada Pension Plan, family allowances and old age security, and, second, she wanted to help create jobs.

The Public Service Alliance of Canada has given a full and complete answer to the Minister's proposal with respect to these transfers. It indicated that the transfers would involve $34 million and that the money could be spent more effectively on job creation and other programs. That should have been a complete answer. It was also clear that no benefit was to be derived from this transfer with respect to the more efficient administration of the programs.

• (1750)

As my colleague from Cape Breton and the Sydneys knows, I have the greatest admiration for Cape Breton, and the people in it. However, Halifax is the capital of Nova Scotia. It is the central spot and programs of this kind can be more effectively administered from that location.

However, Mr. Speaker, that is not my only concern. The fact is that there is a human element in this. The transfer involves over 60 employees, most of whom are in the low paid clerical bracket. In fact, over two-thirds of the employees involved earn between $14,000 and $21,000 in their clerical classifications. These are not the kinds of employees who can easily relocate to a totally different part of the Province, into a totally different atmosphere. In most cases, they are members of families who would not be involved in the relocation, second income earners, in some cases, who would prefer to remain with their spouses in the area in which they have perhaps lived their lifetimes. Notwithstanding these human considerations, government officials, aided and abetted by their political superiors, have charged on and sought to effect this transfer.

I stand here to appeal to the Minister of National Health and Welfare, who apparently is the authority involved, and to the President of the Treasury Board (Mr. Gray), to the extent the Treasury Board is involved, to stop this unnecessary action right now. I understand that out of 23 employees involved in this transfer who were advised they must make a decision to move from Halifax to Sydney, 17 have refused to make the move. They have some benefits under Treasury Board regulations but, by and large, those benefits will not be effective because there are no jobs available in the federal public service in the Halifax area, nor, indeed, in the whole of the Nova Scotia and Atlantic regions. They are not going to be able to take advantage to any great extent of vacancies which might occur from time to time. In most cases it will simply result in the loss of their employment. In cases where the employees do make the transfer, they will be going to an environment which may be hostile to them at their particular stage of life.

My final request is an appeal to the authorities in government and in Parliament to end this move, to review the whole situation and decide that it is in the public interest to allow these employees to remain at their present location in Halifax.

Mr. Russell MacLellan (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I take great pleasure in replying to the remarks of the Hon. Member for Halifax West (Mr. Crosby). I can assure him that the employees who are decentralized from Halifax to Sydney will not be going to a hostile environment. In fact, they will be treated most cordially and hospitably, as are all people who visit Cape Breton Island. The employees who will be decentralized number between 75 and 85.

This is a very important decentralization for Sydney. Sydney has a very high unemployment rate, as has the whole industrialized area of Cape Breton. This decentralization will not only create a federal presence on Cape Breton Island, not only create jobs which are badly needed, but because these jobs will be located in downtown Sydney it will help create a catalyst for the redevelopment of the downtown area.

The Hon. Member is right in one thing he said. The President of the Treasury Board under the former Tory administration did cancel the decentralization of Health and Welfare from Halifax to Sydney. When Hon. Members talk about patronage in ridings which are held by Liberal Members, then I feel the most blatant example of patronage which I have seen was the cancellation during the Clark administration of the decentralization to only those ridings in which there were Liberal Members.

The money which would be used for this decentralization cannot be better used, Mr. Speaker. These are permanent jobs and these jobs will have a spin-off with respect to the whole economy of the industrialized area of Cape Breton. The employees who are presently working with income security in Halifax, Mr. Speaker, have been given notice of the decentralized move. The decentralized move is not beginning until

December. They have been assured they will be given first opportunity to other jobs in the federal service in Halifax. I have been assured it is very unlikely that even one of those people will not be placed. On the one hand there is the industrial area of Cape Breton with a very severe unemployment rate, and on the other hand the area of Halifax-Dartmouth which has one of the lowest unemployment rates in the country.

• (1755)

NATIONAL DEFENCE—FRIGATE CONSTRUCTION OF PROGRAM CONTRACTS. (B) REQUEST THAT MINISTER TABLE LIST OF CONTRACTS

Mr. John Gamble (York North): Mr. Speaker, I raise at this time the unsatisfactory response given to me by the Minister of Defence (Mr. Blais) earlier this week when I pressed him with respect to the Canadian Patrol Frigate Program and his commitment made in June of 1983 that two-thirds of the entire project would be awarded to Canadian firms. In replying to my question on Tuesday of this week the Minister said:

I will be pleased to provide the Hon. Member with as much information as can be made available, taking into account some commercial confidentialities that have to be maintained.

My request, very simply, was that the Minister's promise that two-thirds of the contract would be awarded to Canadian firms be maintained and that he identify the contractors which had been selected, so that we might be assured on an ongoing basis that that original promise was being kept. I know there may be a substantial difference between the promise of Government and the delivery.

I am mindful of the comment the Minister made with respect to this project on June 29 that two-thirds of the contract will be supplied by Canadian firms. I draw to the attention of the House a statement which appeared in the Speech from the Throne on December 7, 1983, that small scale entrepreneurs are the unsung heroes of the recovery. Small businesses are a perpetual source of inventiveness, valuable export earnings and vast job creation potential. To assist this sector an expanded "shop Canadian" program was to be launched.

I have had some rather unfortunate personal exepriences in dealing with the present Minister of National Defence when he served in his former portfolio as the Minister of Supply and Services. I approached him on behalf of a constituent of mine, Delavel Turbine Limited of Maple, Ontario. Delavel was among a number of competitors for a contract to be awarded by the National Research Council. Among the competitors were foreign suppliers of a similar product from Switzerland and West Germany. I interceded on behalf of my constituent and asked that special consideration be given because there were 400 employees of this firm whose jobs were substantially at risk in the event that this contract was not won. I pointed out that special subsidies were awarded to the foreign contractors by their governments and it was inappropriate that an award be made in the absence of special consideration of those hidden benefits and subsidies.

On April 18, 1983, I received a letter from the then Minister of Supply and Services, the now Minister of National Defence in which he said to me:

You will have received my reply to an earlier letter on this subject in which I advised that this particular procurement is subject to the GATT agreement on Government procurement with which all signatory countries are bound to comply. My understanding is that it is among the provisions of the agreement that no premiums for domestic content will apply to purchases that are governed by the agreement.

It was impossible, according to the Minister, to intervene on behalf of a Canadian supplier.

• (1800)

We are concerned in this patrol frigate program with a potential expenditure of $3.85 billion for the six ships. In the event that the Government does not on an ongoing basis supervise and examine the awarding of these contracts, I can assure you that by the time the contracts are fully awarded we will find that the Canadian content element will be substantially less than the two-thirds to which reference has been made by the Minister when he served as the Minister of Supply and Services, and by the Minister as he sits in the House today who commented favourably to my request for assurance earlier this week.

When I first came to Parliament I spent about two years serving on the Public Accounts Committee. It is a committee which examines matters after they have taken place. What I discovered with respect to the icebreaker program undertaken by the Government in terms of contract procurement was that mistakes were made that were extremely costly to the Government. But the matter was over. You could not go back and rectify something that had been done.

I am drawing this matter to the attention of the Government so that something may be done on an ongoing basis before all the contracts are awarded and the money is spent, when we begin to lament the inadequacy of representations that have been made to assure Canadian industry that they will get a fair share of this entire project.

One of the great tragedies about our defence procurement policies is that the electronics and the armament and weapon systems on the ships will all be bought off the shelves from a foreign nation. Regrettably, that is the result of the Government of the day failing to maintain an adequate armament industry in this country.

Not long ago the Minister spoke of the fact that he acquired small arms for Canadian soldiers. He indicated that the contract was going to cost twice as much as a similar supply of material in the United States, but that it would be made-in-Canada production. The reason we are in that predicament is that unfortunately our defence industry has shrunk, almost vanished. It is clearly time that we begin to protect Canadian industry. By supervising carefully the awarding of these contracts we will be doing just that.

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, first I would like to say in all fairness that the question as discussed, with specifics

brought to the attention of the House, is unfair inasmuch as I only have three minutes to respond. The question does not cover that which the Hon. Member has raised in the House and on which this debate is based. I would suggest to the Hon. Member for York North (Mr. Gamble) that he should bring the specifics of this question before the Minister of Defence at a meeting of the Standing Committee on External Affairs and National Defence. He should provide the Minister with the details and obtain the answers he seeks from him. He will in that way get the response he wants.

In the meantime I want to talk generally about what is happening in the specific field covered by the question. That is, what is the Canadian content and what are the industrial offsets of the Canadian Patrol Frigate Program which is now in force and which has been in effect for approximately a year.

I want to assure the member that there is no doubt that this is not the first defence contract of this magnitude the Government has undertaken. The ability to negotiate substantial benefits to Canadian industry in this very complex environment is well proven by the efforts involving the new fighter aircaft, the Aurora aircraft program, as well as the Leopard program.

Even though the CPF contract is only beginning, we are fully confident that what the Government set out to do, that is, acquire an excellent weapons system while at the same time maximizing benefits to Canada is achieved. The contractor's commitment to the Government is to achieve at least $1.6 billion, two-thirds in Canadian content and one-third in offset benefits. This represents approximately two-thirds of the contract target price, less federal sales tax. The commitment is to be achieved over the life of the contract and is made up of specific sums for each contract year. The first contract year will end on March 31, 1984.

Keeping in mind that the time for adjournment debate does not permit any further discussion, I will give the Hon. Member the list of the contracts he seeks and, of course, welcome him to the next meeting of the Standing Committee on External Affairs and National Defence at which the substance of his argument can be debated in greater detail.

The Acting Speaker (Mr. Guilbault): Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow morning at eleven o'clock.

At 6.05 p.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Friday, March 16, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

BOY SCOUTS OF CANADA

FOURTH LEAMINGTON SCOUT TROOP—PRESENTATION OF CITIZENSHIP AWARDS

Mr. Robert Daudlin (Essex-Kent): Mr. Speaker, this morning several young Canadians attended in the precincts of this House and obtained their gold and silver citizenship awards in a ceremony that was rather impressive to all who saw it. That they come from the Fourth Leamington Scout Troop is, of course, important to me, but I think they represent the best of what scouting stands for in all of Canada. This is something I am sure is important to all of us in this House.

Their leadership demonstrates that voluntarism is alive and well in Canada, and that we as Canadians can conclude from these achievements that a bright future lies ahead for Canada as a result of what they have achieved and of what the volunteers who are behind them have allowed them to achieve.

* * *

PENITENTIARIES

INMATE UNIVERSITY EDUCATION PROGRAM

Mr. Walter McLean (Waterloo): Mr. Speaker, last year the Solicitor General (Mr. Kaplan) announced that he was terminating innovative educational programs offered in nine federal penitentiaries by four Canadian universities. These programs were of proven worth since only 14 per cent of prison students become repeat offenders, compared to 52 per cent of all prisoners.

Following sustained pressure from Members in all Parties in the House, the Minister reversed his decision and announced he would reinstate the program. However, the Minister's policy on the reinstated program is subverting its goals. He called for bids from universities over the Christmas period, giving them from three to seven weeks to bid for a three-year contract. The main obstacle, however, to an adequate re-implementation of the program is the Minister's insistence on charging fees for the inmates. On the surface, $40 per course does not seem much, but when prisoners earn $3 a day and have to pay for toothpaste and other personal items out of this, it is a lot of money. Not surprisingly, the correctional service is experiencing difficulties in working out arrangements with universities. These difficulties are so great that one official from correctional services recently suggested to the University of Victoria that it sub-contract the first two years of its program to a community college whose courses are free to inmates.

I urge the Solicitor General to re-think his misguided attitude toward the reinstatement of these valuable and cost-effective courses.

* * *

MEDICAL CARE

LICENSING OF FOREIGN TRAINED DOCTORS

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, a serious problem is developing in licensing foreign trained medical doctors to practise in Canada.

The foreign trained doctors to whom I am referring fell into two categories. The first consists of Canadian citizens who were not accepted at Canadian medical schools and received medical training in foreign medical schools.

The second category is composed of foreign born doctors who have fled hostile environments and have received landed immigrant status. In southern Ontario alone there are approximately 600 such doctors, with an estimated 100 coming from Poland. Not all of these are in the refugee class. While most of these doctors have successfully completed the Medical Council of Canada's evaluating examinations, the shortage of residency training facilities seriously impedes their chances of completing their internship requirements to qualify for licensing examinations.

I urge the Provincial Colleges of Physicians and Surgeons and the Medical Council of Canada to initiate whatever measures are necessary to solve this problem so that these foreign trained physicians can commence work in their chosen profession.

* * *

PARLIAMENT OF CANADA

ABSENCE OF CODE OF CONDUCT FOR PARLIAMENTARIANS

Mr. Howard Crosby (Halifax West): Mr. Speaker, what standard governs the public and private affairs and activities of a parliamentarian who holds a seat in the House of Com-

mons or the Senate of Canada? Our new Constitution Act and the Statutes of Parliament offer no real guidance. Indeed, those few obligations that are imposed are couched in language best described as vague and uncertain.

The responsibility for the absence of a clear code of conduct must be borne by parliamentarians, past and present. Yet circumstances are continually arising in which individual parliamentarians must assess their own actions to determine whether they have violated any recognized standard of behaviour.

The process of personal self assessment is difficult for anyone, but for an elected representative sworn to perform parliamentary duties it is a nearly impossible task. Only vague legislative provisions and obscure historic precedents are present as guides. The answer to questions of personal conduct can only be found in the heart and soul of the person who examines his or her own conscience.

• (1110)

It is in that context that Canadians should consider the decision of the Hon. Member for Scarborough East (Mr. Gilchrist) to resign from the House of Commons. I am certain no code of conduct, however strict, enacted by Parliament, would ever require a Member of the House of Commons to resign while judicial proceedings were pending and the verdict not finalized. Nonetheless, the Hon. Member for Scarborough East has imposed upon himself a higher standard of conduct, one dictated by his own conscience and not imposed by any legal authority. No one has the right to stand in judgment on another but, if judgment is rendered, it must be that our colleague acknowledged a higher command—

Mr. Speaker: I regret to interrupt the Hon. Member, but his allotted time has expired.

* * *

DISARMAMENT

PEACE PETITION CARAVAN CAMPAIGN

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, Hon. Members of the House should be aware that a country-wide peace petition campaign has been officially launched. Called the Peace Petition Caravan Campaign, organizers and thousands of participants hope to impress upon Hon. Members, upon candidates for the next federal election, and upon the three political Parties, the urgency of ending the arms race and the critical need to end Canada's participation in it.

The campaign has four stated goals—no Cruise testing, declaration of Canada as a nuclear weapons-free zone, conversion of arms industries to other industrial production, and a free vote in Parliament on those issues.

It is a pleasure to tell Hon. Members of the House and concerned Canadians working for the Peace Petition Caravan that all of us in the New Democratic Party support the campaign and heartily endorse its four goals. In fact, we have been working toward the same goals and publicly advocating them for some time.

In the House it has been the NDP which has twice brought forward motions for no Cruise testing in Canada, motions defeated by the combined opposition of the other two Parties. We have raised, time and again, questions about Cruise testing, and we have brought forward Private Members' Bills to declare Canada a nuclear weapons-free zone. All of us, and all NDP candidates for the next federal election, support the goals of the Peace Petition Caravan Campaign. I urge other Members and other Parties to do the same.

* * *

THE ECONOMY

CONDEMNATION OF GOVERNMENT POLICIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the chickens of the Minister of Finance (Mr. Lalonde) are coming home to roost. His February Budget did nothing to restore confidence in the ability of the Government to run the financial affairs of Canada which, I might remind the House, have been on a downhill skid ever since the days of John Turner.

The Grit ruse of using the recession to disguise its failure to address the underlying cause of high interest rates and inflation, is ended. Today's prime rate of 11.5 per cent, up half a per cent as a result of increases in the bank rate yesterday, foreshadow higher mortgage rates and a consequent decline in residential construction and industrial activity.

Canada is bleeding foreign reserves in a vain attempt to prop up a sick dollar and an even sicker Liberal popularity. Inflation is up again—last month at an annualized rate of over 7 per cent—giving the lie to the Liberal six and five program. How much longer must we tolerate this nonsense? We must have an election, and we must have it now.

* * *

AIRPORTS

HAMILTON CIVIC AIRPORT—EFFECT OF CONSTRUCTION WORK ON HAMILTON FLYING CLUB

Mr. Geoff Scott (Hamilton-Wentworth): Mr. Speaker, once again I wish to draw to the attention of the House the problems of Hamilton Civic Airport. For those Hon. Members who may not instantly recall the runway configurations at Mount Hope, let me outline what is happening as a result of the airport's expansion. Expansion is not the issue. All of us in the greater Hamilton area welcome the upgrading of our dilapidated airport to first-class regional status.

What concerns me and my constituents is the financial hardship this construction is causing members of the Hamilton Flying Club. This club was established in 1928 and is already having trouble keeping its head above water, or above the clouds, as the case may be.

Regional officials of Transport Canada decided to close down the main runways 6 and 24 for four months beginning June 1, 1984. In addition, Transport Canada is closing down the east-west runway. It is runway 24 that the northwest winds favour during the summer months, and that is the peak period for pilot training at Hamilton Civic Airport.

Transport Canada is demanding extra ramp charges and rentals for buildings at the airport, in keeping with the Department's policy when airport development is proceeding. In my view this is highly premature and unfair. Surely Transport Canada should not be trying to kill all flying operations during improvements which benefit the entire Hamilton region. Surely the Minister of Indian Affairs and Northern Development (Mr. Munro), who is aware of the situation, could consult with his colleague, the Minister of Transport (Mr. Axworthy), somewhere along the campaign trail—

Mr. Speaker: I regret to interrupt the Hon. Member, but his allotted time has expired.

* * *

• (1115)

FISHERIES

STORAGE OF LOGS IN COWICHAN RIVER ESTUARY—EFFECT ON FISH HABITAT

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, our Party and everyone else concerned about the West Coast fishery have been very skeptical about the Minister of Fisheries and Oceans (Mr. De Bané) and his policy of trading off fish habitat in one area for so-called enhancement in another. On December 20 the Minister assured the House that there would be a public process whereby all sectors would have the opportunity to put forward their views.

Last week the Department approved one of these trade-offs in the Cowichan area. There was no public process to hear the views of local people or of their elected representatives. They could not even get information about what was happening. Under the agreement, Doman Industries Limited gained the right to store logs on an increased area of the estuary, an action that will adversely affect fish habitat. In exchange it has dedicated 23 acres of farmland for habitat. This will be dyked at public expense, and Doman retains the right to pasture cows in the area.

Trading part of the estuary for a cow pasture cannot be described as no-net loss of fish habitat. It is a sellout of a public resource to private interests. I call on the Minister to reverse this so-called no-net loss policy, and to protect fish habitat so that we will continue to have a fisheries resource on the West Coast.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

CONSEQUENCES OF GOVERNMENT'S POLICIES

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is directed to the Minister of Finance who brought down a Budget about a month ago in which he said: "My budget today is dedicated to building a strong and growing economy." Since that Budget was brought down, every indicator revealed has shown the exact opposite. Today the inflation rate is up again to a 5.5 per cent increase year-over-year. The underlying trend of the inflation rate is even higher; it is over 7 per cent. As the Minister knows, the dollar has depreciated from over 81 cents and is now struggling to remain above 78 cents. Interest rates are up. The prime rate of the banks is going up to 11.5 per cent. The Bank of Canada rate is up. The unemployment rate has been up two months in a row—11.3 per cent, 1,476,000 people.

I could go on and on, with every indicator, capacity utilization, and so on. All are bad. The Minister brought down his Budget about a month ago. These are the economic facts that have been revealed since. What does he plan to do to arrest this trend? What action does he plan to take to bring Canada back into a recovery? What is he going to do? His Budget has obviously been a complete failure.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am very happy to see that the Hon. Member has finally taken time to read the Budget. However, I would like to point something out to him in case he did not read other statistics that came out recently. I remind him that the retail sales for January, the latest figures available, were up significantly. Industrial production is up significantly. We had a record trade surplus in January, higher than in any previous month. In February we created 54,000 new jobs. Employment has been increasing steadily.

The Hon. Member referred to the inflation rate. I forecast in my Budget that in 1984 we would have an inflation rate of around 5 per cent. As the Hon. Member knows, the latest increase is due in great part, according to the Statistics Canada statement, to an increase in food products, resulting in particular from bad weather conditions in the United States. This is affecting the cost of fresh produce. These are the facts. Every indication is to the effect that the Canadian economy will know a strong rate of growth this year, with a reasonable level of inflation.

• (1120)

Mr. Crosbie: Mr. Speaker, the Hon. Minister says that 54,000 new jobs were created. The unemployed will say: "Tell it to the marines," and there are 1,476,000 of them. The rate of unemployment has risen.

Oral Questions

MINISTER'S POSITION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Minister might note that in Britain yesterday the banks lowered their prime lending rate to 8.5 per cent from 9 per cent. That is happening in a country with a Government which is attempting to do something about the economy rather than just talk and do nothing.

Inflation is up, the unemployment rate is up, interest rates are up; the Canadian dollar is down, business investment is down, real incomes are down, and of course the Government should be out. There is no trade-off between any of those areas. Normally unemployment would go down if the inflation rate is going up. However, in this whole series of statistics we see no trade-off. Will the Minister tell us what he is going to do now to correct the situation? Every indicator is bad, and there are no trade-offs. What is the Minister going to do?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, after hearing the Hon. Member I think that the main bad indicator is that of the decline in support for the Tories because of their panicky behaviour in this House and elsewhere.

The Hon. Member has a great deal of admiration for the situation in the United Kingdom. I remind him that in that country the unemployment rate is around 13 per cent at the present time, and the inflation rate is higher than it is in Canada. I believe it is around 8 per cent or 9 per cent. That is the great model which a Tory government would propose to the country. I can understand it if the Canadian people are saying to the Official Opposition: "Thank you very much, but we would rather pass and keep you fellows in opposition".

REQUEST FOR GENERAL ELECTION

Hon. John C. Crosbie (St. John's West): Mr. Speaker, if the Minister thinks that the popularity of some other political Party is declining, why does he not persuade the Prime Minister to call an election? Or is he waiting for the new emperor who does not have any fiscal clothing either?

Let me ask the same question of the Minister again. There are 1,476,000 people who are unemployed. The real personal disposable income of every person is down, and the cost of living is going up for everyone. Interest rates are going up and will stop any pretence of economic recovery. You are the Government. You have been the Government for four years and you are a miserable failure. What are you going to do about it? What steps are you going to take?

Mr. Speaker: Order. May I invite the Hon. Member to address his remarks to the Chair, please?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am sorry to see that the Hon. Member is losing his cool again. I must say that one good reason why an election is not being called now is to allow the public to see more and more of what kind of alternative exists on the other side. It is quite clear that, the more they look at it, the less they like it. The Canadian people are becoming more and more aware that the Hon. Member has taken the position that the public should not know where he stands because, as he said: "If you knew what we would do, we would never get elected." It is becoming more and more obvious to the people across the country what that Party would do to the country if it were ever chosen. That is why it is going down the drain.

As far as we are concerned, we have announced a set of policies in the April Budget of 1983, and are pursuing those policies through the Budget of February 15, 1984. They are policies which will ensure consistent, steady and solid growth for the country over the next few years. We will not engage in any knee-jerk reactions. We will provide stable, solid leadership to the country in the economic field, as we will in other fields, and that is what the people of the country want.

REQUEST FOR ESTABLISHMENT OF COMMITTEE TO EXAMINE GOVERNMENT SPENDING PROGRAMS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, it is clear that the world has lost confidence in the Government despite the policies of April and February, because interest rates have risen, the unemployment rate has risen, and mortgage costs have risen. Everything goes up except the value of our currency. In view of this enormous lack of confidence, I wonder if the Minister would accept some advice from the House.

• (1125)

Would the Minister get the President of the Privy Council to appoint a special committee of the House to examine, in the broad range, the spending programs of the Government and the borrowing programs of the Government, so that the House could be responsible for some of the things that are happening and that it could have an input, thus giving the Minister assistance?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the official critic loses his cool, and the assistant, or substitute critic, is verging on the ridiculous.

There is a Standing Committee on Finance, Trade and Economic Affairs; estimates are before that committee; the Committee is sitting, so there is the possibility for examining the Estimates of all Departments before the committees at great length. If the Conservatives have anything to propose, or suggest, they can do it before those committees any time they want, or they can do it in the House. Last Monday we had an opposition day debate on a motion put forward by the Conservative Party, but they did not have a single constructive idea to put forward—not the beginning of an idea.

Mr. Hnatyshyn: You would not know a constructive idea.

Mr. Lalonde: The Conservatives have had plenty of opportunities to express their viess, but we know they have none. That is what the public is finding out, more and more. Those guys have no policies; they do not know whether they are coming or going, and they are just showing their divisions and

their inability to come out with anything worth-while for the country.

Mr. Hnatyshyn: Your nose is growing.

Mr. Blenkarn: Mr. Speaker, through his rhetoric the Minister is trying to patch over the problems the country faces. There is a tremendous lack of confidence, and we are asking for something to restore confidence.

GOVERNMENT'S SPENDING PLAN

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Minister knows that the present committee system does not work effectively in policing the over-all spending program of the Government, nor does it do anything with respect to the over-all borrowing requests of the Government.

What we are asking the Minister to do is to come up with a new program. He has had his six and five program, but that did not work. He has proposed a 4 per cent program, and that did not work. Will he take the House into his confidence and have a special committee of the House go over the over-all spending plan for the Government?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is referring to the situation in Canada. I may remind him about the present situation in North America. He must have noticed that both interest rates and the rate of inflation have increased in the United States. Our two economies are extremely interdependent, and there is certainly no question of a lessening of confidence in the Canadian economy. What is happening now is specifically a North American phenomenon, and the Hon. Member is aware of the close interdependency between the Canadian and American economies. About his suggestion that the Opposition should be able to examine the full range of the Government's spending, that is exactly why annually, the Estimates for the various Departments are referred to the Standing Committees. Today, at this very moment, parliamentary committees are sitting to discuss the Estimates. If the Opposition has any useful ideas to propose, it can easily do so before these Committees or in the House. There have been Opposition days and there will be more. There is Question Period. At this very moment we are having a debate in the House on the Government's borrowing authority and the Opposition has ample opportunity to propose initiatives it would like to take. However, the only suggestion we have received was not made in the House. It was made by the Official Opposition Critic, who said that as far as he was concerned, he would cut family allowances and old age pensions. This was later denied by his Leader. I am very anxious to see when those two will reconcile their differences and we will be able to find out what the Progressive Conservative policy is on this issue.

[*English*]

INCREASE IN RATE OF INFLATION—EFFECT ON INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is also for the Minister of Finance. Over the past three years we have seen the inflation rates of the country increase, and because of this fixation, this traumatization that has occurred around an increase in inflation, the Government has always responded by increasing interest rates. The idea has been to increase interest rates and throw thousands of Canadians out of work in an effort to bring down the rate of inflation. Well, over the past number of weeks and months we have seen a gradual increase in inflation. We see it again today. Can we expect the same kind of behaviour by the Minister of Finance and the Governor of the Bank of Canada in terms of the typical knee-jerk and mindless response to this increase in inflation? Are we going to see interest rates increased?

• (1130)

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Government does not increase interest rates. The slight increase in inflation we have known this month is not one which will lead the Government somehow to direct that there should be an increase in interest rates. This is not how the economy works, and my friend knows it.

The fact is that interest rates had been edging up in the United States before they started edging up in Canada in the last several weeks.

I am confident that the increase in rates we are seeing at the present time is not going to be substantial. I hope it will not be long lasting. The evolution of the situation in the United States, in particular, is being followed very carefully, and there is every reason to believe that we will not see large increases in interest rates over the next several weeks.

REQUEST THAT MINISTER ORDER REDUCTION OF INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Minister of Finance has got to stop hoping that interest rates are not going to increase, and stop wishing for a recovery. It seems to me that the Minister of Finance is at a crossroads. He is at a very important point. With the decreasing value of the dollar, the inclination is for him to increase interest rates. With the increase in inflation, the reaction is again to increase interest rates.

The Minister knows full well that with an increase in interest rates the recovery is not going to be sustained. Will the Minister of Finance take it upon himself to provide some leadership and face this problem, in terms of ensuring a prolonged, sustained recovery by stopping this increase in interest rates and taking some action in directing the Governor of the Bank of Canada to reduce interest rates?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, ever since my appointment I have tried to provide strong,

clear, and responsible leadership on an economic basis. I certainly would not, however, follow the route suggested by my hon. friend, which is not only naive but would be irresponsible in the circumstances.

ROLE OF CHARTERED BANKS—INCREASE IN PROFITS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I think it is appropriate to point out that, because of the policies of the Minister of Finance, as he is trying to keep down interest rates and trying to provide economic leadership, the obvious winners have been the banks. We found out just the other day that in 1983 there were hundreds and hundreds of millions of dollars in bank profits. As a matter of fact, the domestic profits of the Royal Bank of Canada were up 130 per cent in 1983 over 1982, some of the highest in Canadian banking history. Why is it that the Minister of Finance continues to take direction from the banks? Why does he not start paying some attention to the people of this country, and introduce an interest rate policy which reflects people as opposed to bank profits?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the more I hear the Hon. Member the more I think that he should be a member of the Social Credit Party rather than of the New Democratic Party.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I am not saying the Social Credit Party of British Columbia. I mean the genuine Social Credit Party of Major Douglas himself.

I am not taking directions or instructions from the banks. I have consulted with all kinds of groups of Canadians in the preparation of last two Budgets, labour leaders, representatives of business, farmers, consumers, women's groups. This I have done and intend to continue to do. The policies I have put forward are policies which I have arrived at following all those consultations. They are aimed at helping the average Canadian and making sure that we will create jobs over the next few years in the private sector where the jobs should be created, particularly in the small and medium-sized business sector. This is the gist of my last Budget as well as of the previous Budget, and I intend to pursue those policies because I believe those policies are the ones which are going to be best for the country.

* * *

CROWN CORPORATIONS

ROLE OF BOARDS OF DIRECTORS

Hon. Ron Huntington (Capilano): Mr. Speaker, in the absence of the President of the Treasury Board I would like to address my question to the Right Hon. Prime Minister. The new Crown corporation legislation fails to address the priority problem with respect to the role of the boards of directors in Crown corporations. In light of the fact that Governor in Council appointments of chairmen and chief executive officers ignore all the recommendations of the Lambert Royal Commission, of the Auditor General and of the Public Accounts Committee, could the Right Hon. Prime Minister tell us why the Government has not addressed this most essential element in Crown corporation accountability?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the Bill does address the subject, probably not in the way in which the Hon. Member would have done it, but that is not surprising. If the Hon. Member wants to argue the substance of the Bill, we will ensure that he will have a chance to do that early on second reading.

EXEMPTION FROM LEGISLATION OF INTERNATIONAL DEVELOPMENT RESEARCH COUNCIL

Hon. Ron Huntington (Capilano): Mr. Speaker, if the Bill is so good why has it not covered, and in fact ignored, 109 mixed and joint enterprises and their subsidiaries? Perhaps the Right Hon. Prime Minister could also explain why the International Development Research Council has been given complete special exemption?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in the latter case it is because the IDRC is a very special type of corporation. As the Hon. Member probably knows, it is composed 50 per cent, roughly, of directors who are not Canadian citizens. They are nationals of other countries. This was done when the Bill was first passed by this Parliament more than ten years ago. It was to ensure that this agency, which is exemplary in the sense it is being used as an example for other countries which want to follow Canada's lead in establishing a research centre on North-South problems, will not be carrying out the policies of government. This corporation is in a very special situation, and that is why we have treated it differently.

As far as the first part of the question on directors is concerned, Mr. Speaker, the Hon. Member refers to a lot of joint corporations. I do not know the examples he has in mind. However, they are not presumably Crown corporations. They are corporations in which the Government of Canada has some shares, but not the control.

* * *

TRADE

ACCESS FOR NEWSPRINT TO EUROPEAN ECONOMIC COMMUNITY

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my question is directed to the Minister for International Trade. I want to draw his attention to the action by the European Economic Community in restricting duty free access for newsprint from 1.5 million tonnes to 500,000 tonnes. This action has now been referred to GATT. I want to know from the Minister just what the federal Government is doing to state the Canadian case before GATT and to ensure that this

action is rescinded? Would the Minister also tell us whether he realizes just how serious the consequences of this kind of reduction would be to our pulp and paper industry in Canada?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I thank the Hon. Member for his interest in a very serious trading problem for Canada. We have carried on negotiations at all levels, including involvement by myself as Minister, over many months with the European Economic Community in an attempt to reach a settlement which would be reasonable from the point of view of Canada's interests and from the point of view of our producers of newsprint. These producers provide a great number of jobs based on that market, particularly in the Atlantic Provinces and eastern Quebec.

Unfortunately the European Economic Community has been unable to come forward with a proposal which would be accepted. Against that background, I have finally turned to GATT for Canadian rights to be protected. A GATT panel, which will be fully presented with the Canadian case, will make an adjudication upon its merits.

What the European Economic Community has done is to establish an interim quota of 500,000 tonnes. That does not mean that 500,000 tonnes is the total amount that we can ship, or that there may not be some flexibility beyond that point. However, there was not sufficient flexibility to provide a figure which would be acceptable to me, and it is on that basis that I have taken action to protect the Canadian interest.

• (1140)

GOVERNMENT POSITION

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, I would like to know what the Minister has done to assure that GATT deals with this matter expeditiously so it can be resolved. It creates all kinds of uncertainty. As he knows, we ship more than 500,000 tonnes of newsprint to Europe, and the industry cannot absorb the proposed 10.5 per cent import tax. I would also ask the Minister what precipitated this action in the first place. Where is our system flawed in that we did not know this was coming on and we did not take the necessary steps to prevent this from happening in the first place?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, I want to assure the Hon. Member that if he had followed the issue and kept in touch with the unions and companies involved, or with my Department, he would know that we did indeed know the matter was coming on and that we did everything possible, through negotiations over a sustained period of time, to reach agreement with the Europeans. Indeed, we thought we were making substantial progress. Unfortunately they backed down from indications in that direction. I might say that the way the European community operates on some matters seems to indicate it must have agreement of all members, and it is the lowest common denominator, if you like, which may stop it from making a reasonable settlement.

However, this was brought on primarily by the fact that the European community has entered into a special arrangement on trade with the Scandinavian countries which now gives special access to newsprint from that area into the European market. European producers themselves, pressing for some limitation on the amount which can move on a duty-free basis into their area, turned to the NFM situation. We, as the largest supplier outside of Europe, are the ones most affected by what they propose to do. We certainly do have to ship them more than 500,000 tonnes, and I am confident that this year we will do so. I am also confident that our position will be vindicated at GATT.

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EMPLOYMENT

WELFARE RECIPIENT—REFUSAL OF ACCESS TO GOVERNMENT SUBSIDIZED JOB

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for either the Minister of Finance or the Minister of Employment and Immigration, and they can handle it together if they wish. What possible explanation can there be for a person, having run out of unemployment insurance benefits and ultimately being forced on welfare, being refused the opportunity to take a job for which there is a wage subsidy paid? Why would it be that a person on welfare would be considered less acceptable to be employed by an employer receiving a wage subsidy from the Government, than a person who is on unemployment insurance?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I would like to know a little more about the context of the Hon. Member's quesiton. If he is referring to a specific case, I would be happy to look into it. If he is referring to a specific program requirement, I would like to know which program he is referring to so I can look into that.

CASE IN WINDSOR

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, in Windsor the employment branch of the Ministry refused to allow a welfare recipient, who had been employed for eight and a half years as a janitor and ran out of benefits in November of last year, to apply for a job for which a wage subsidy was being paid. He was told: "If you are on welfare, you do not qualify". What possible explanation can there be for a person, having exhausted his benefits and being forced onto welfare, being refused the opportunity to take a job?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, it sounds to me as if either there is some selectivity or distortion. I am not arguing that there necessarily is.

Mr. Riis: It is your program.

Mr. Roberts: Either that is the case, or there has been a tremendous misunderstanding expressed in relation to one of our programs. If the hon. gentleman will give me the details of the person involved, I will check to see if someone has given the wrong information. Without the specifics, I cannot inquire into a specific case.

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CANADA MORTGAGE AND HOUSING CORPORATION

SOCIAL HOUSING POLICY STUDY

Mr. John McDermid (Brampton-Georgetown): Mr. Speaker, my question is for the Minister of Public Works who is responsible for CMHC. A study on social housing policy has been going on within CMHC for quite some time now. Could the Minister tell us the status of that study?

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, the final results of the study were circulated to provincial Governments and interested groups, and MPs, I believe. If not, I will be happy to send it. These organizations have been asked to prepare comments. Some have come forward, but I still have not had a complete enough reaction to be able to indicate when the policy recommendation would come forward. I hope to do that before the summer.

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SPECIAL RECOVERY CAPITAL PROJECTS PROGRAM

HALIFAX WATERFRONT COMPLEX

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of Public Works as well, involving the Special Recovery Capital Projects for the City of Halifax. In April of 1983 his colleague, the Hon. Member for Halifax, announced a $51 million office complex for the Halifax waterfront. Ten months went by, nothing happened, and then the same Member announced a $30 million complex for another part of the city. Can the Minister of Public Works explain just what is going on? Will he take the opportunity to tell us how it comes about that a $51 million waterfront complex shrinks to a $30 million office building in another part of the city? What has happened to all the architectural drawings and processes, not to mention the loss of 1,000 jobs that were promised?

Mr. Regan: That will not save your seat.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, it seems to me that if I were to get a building worth $30 million, or $50 million, or $20 million, or $10 million in my city, I would be very happy and proud. The fact is that there has been some delay because of the difficulty in obtaining the site for the building. However, after difficult negotiations we have had to resort to expropriation, which process is now underway. Meanwhile planning for the building and preparing specifications for tendering are going on, and I expect the matter will be resolved in six or eight weeks.

STARTING DATE INQUIRY

Mr. Howard Crosby (Halifax West): Mr. Speaker, that is a new twist for the Liberal Party. They used to say: "What's a million?" Now they are saying: "What's $20 million?" Why was the project reduced from the $50 million initially proposed, which would have provided 1,000 jobs according to the Hon. Member? I want some guarantee from the Minister, not from the Member for Halifax who has made many promises, that this project will go ahead. I would like to know when it will start, that is to say, when do you start employing people and stop having press conferences?

Mr. McDermid: He has announced it six times.

Hon. Roméo LeBlanc (Minister of Public Works): Mr. Speaker, the project will go ahead with the enthusiastic support and assistance of my colleague, the Minister of State for International Trade, and in spite of the carping criticism of the Hon. Member.

Mr. Crosby: We will see.

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HEALTH

ST. REGIS INDIAN RESERVE STUDY

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, my question is for the Minister of National Health and Welfare who yesterday released volume I of Dr. Selikoff's study on environmental contamination of Cornwall Island. This past January I spoke to an associate of Dr. Selikoff in New York who told me that the study was complete and would be in the hands of the Department by mid-February. It is now mid-March, and I would like to ask the Minister why, one month later, only one part of this report is being released.

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, the study on the contaminants found in the reserve is in fact, up until now, already 18 months late. We have been putting on pressure in all ways, including a letter from the Department of Justice, but I do not want to turn the problem into a legal one. We have no reason to worry, other than the fact that Dr. Selikoff and his team have undertaken maybe too much work at the same time.

• (1150)

What we received yesterday, and that I released immediately, was the first part of the health study giving the results of the fluoride level in the blood of the people living on the St. Régis Reserve. I think it is important to have the first part at least completed and released into the hands of the Indians who are before the tribunal in the United States, and who, I hope, will be able to make use of that study.

REQUEST FOR SPEEDY RELEASE OF REPORT

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, the taxpayers have spent some $1.6 million on this study, and we have waited for it for a total of four years. The Minister has only released the part that relates to the fluoride emissions. What about other contaminants that have been studied, such as mercury, mirex, and PCBs, that have been found in the bloodstream of Indians on that reserve? Can the Minister assure us that she will not keep the remainder of the report under wraps any longer and will release the rest of it to the House immediately?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I suggest that anyone who has worked with researchers is well aware of the problem often associated—too often, unfortunately—with getting a report out of their hands. I think we should not read any bad faith or other problems into it.

The first part is concluded. We released it immediately. We will do the same thing, and continue to press for a report on mirex, PCBs, and mercury, which are the other three contaminants that Dr. Selikoff and his team are studying at the Mount Sinai school in New York.

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THE ECONOMY

GOVERNMENT JOB-CREATION PROGRAMS

Mr. Scott Fennell (Ontario): Mr. Speaker, my question is directed to the Minister of Finance. Talking about ridiculous, I would say that he is the one in this House who is ridiculous. The Minister says the Government has no effect on interest rates; however, 92 per cent of savings goes toward government consumption. Unemployment in the United States has gone down, whereas it has risen in Canada. While the Government has introduced some excellent tax breaks for successful businesses, what will it do to create new employment in new enterprises, to get the country going and create jobs for Canadians?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am very happy to hear the tribute the Hon. Member is paying to the measures that the Government has already announced in the last two Budgets. It is nice to hear this from the Conservative side, and I hope he will have a word with their finance critic to convince him of the value of the measures that the Government has announced.

As far as the creation of new jobs is concerned, I remind my hon. friend that I introduced measures, in the last Budget particularly, to help small and medium sized businesses. The simplification of the taxation field will generate about $150 million in tax savings for that very important sector of our economy.

I also remind him that in the area of support for small business, the investment tax credits and the research and development tax credits are in operation at the present time and available to those who want to get into business. As well, the incentives and support provided by the taxation sector in Canada compare quite favourably with the incentives provided in almost any other industrialized country. In the last Budget we provided $2.4 billion worth of tax incentives to the private sector. That is the sector from which the jobs will be created fundamentally in this country.

We have several billions of dollars in expenditures in terms of job training, direct job creation in the public sector, and for temporary jobs, in order to alleviate the high level of unemployment that we know at the present time. However, it will fundamentally be through the private sector that the jobs will be created.

Mr. Fennell: What the Government is missing is confidence on behalf of investors and entrepreneurs to start new businesses.

EFFECT OF INTEREST RATES ON NEW EMPLOYMENT CREATING ENTERPRISES

Mr. Scott Fennell (Ontario): Mr. Speaker, the fact that interest rates have risen another one-half per cent frightens people off. What will the Minister do about interest rates to provide security and create new enterprises in Canada?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, as the Hon. Member knows, interest rates have come down quite significantly over the last two years, from approximately 22 per cent to 11 per cent. So there has been a very significant decline.

My hon. friend should not panic because there is a slight increase in the interest rates taking place at the present time. For instance, he knows that we have put forward a proposal for mortgage rate interest protection in the housing area. This proposal has been extremely well received by the housing industry, and I hope to be able to come to the House with a specific Bill in the next several weeks which I hope will have broad and strong support from the Opposition so that the legislation can come into effect and, indeed, provide the type of security that Canadians wish, and for which the Hon. Member is asking. This will provide a great deal of security to Canadian home owners and potential home buyers concerned about increases in interest rates.

As far as the general business sector is concerned, the Hon. Member knows that we expect that, both in Canada and the United States, in spite of temporary increases in interest rates there will be a decline in interest rates over the year.

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YOUNG OFFENDERS ACT

NEGOTIATION OF AGREEMENTS WITH PROVINCES

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is directed to the Solicitor General. In two weeks the

Young Offenders Act will be proclaimed and to date there has been no announcement of any appropriate funding arrangements with any of the provinces. Would the Minister apprise the House of whether any agreements have actually been signed and, if so, what the nature of those agreements is?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, no agreements have in fact yet been signed. However, a federal offer has been on the table for well over a year and a half. Last week I did make that offer public. I would be prepared to send the Hon. Member, and any other Members, a copy of the proposal of the federal Government. I think he would agree, after he read it, that it was a very fair and reasonable contribution for the federal Government to be making to a program for which it has no constitutional responsibility at all to contribute to financially. Nevertheless, a very substantial offer has been put forward.

Mr. Hnatyshyn: It is certainly not a question of whether I feel that the offer is generous or otherwise. The problem is with respect to whether the provinces feel that this offer is appropriate.

ROLE OF PROVINCES IN ENFORCING LAW

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, with regard to the offer that he has made—the $45 million, 50-50 split on the operational aspects of the program—what will the Minister do with respect to this program if the provinces do not accept his offer, having stated his intention to proclaim this Bill on April 1? How will he ensure that there will be even handed application of the law relating to young offenders across the country if the provinces are not going to co-operate with the Minister?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I have not heard of any province that is not prepared to co-operate and discharge its responsibility pursuant to a law which this Parliament unanimously passed. The provinces can be looked to, to govern themselves accordingly. I am sure they will recognize, as they must, that in the interest of decent treatment for young offenders, the new law ought to be applied evenly across the country. We look to the courts for the proper application of law, and I do not think the courts will let us down either.

As far as our financial responsibilities are concerned, when the new law is proclaimed, old funding arrangements will cease to be valid in many cases across the country because we had different agreements with different provinces, all of them covering the same basis of contributions. For some provinces the agreements will terminate.

At the moment it is hypothetical to ask what we will do in the event that no agreements are signed before then, because more than two weeks remain and I am optimistic that agreements can be signed before that time.

EMPLOYMENT

YOUTH OPPORTUNITIES PROGRAM—EXTENT OF FUNDING

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question for the Minister of Employment and Immigration is supplementary to that asked by the Member for Ontario. There was $150 million set aside in the Budget for the Youth Opportunities Program. First, could the Minister tell us how that money is to be spent and how much is to go into Career Access? Second, will he tell us if he intends to put the $90 million left over from the SEIP slush fund into Career Access, which now only has a total budget of $300 million?

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, the answer to the first question is that proposals are being prepared for Cabinet consideration on the $150 million that my colleague, the Minister of Finance, provided to augment the Youth Opportunity Fund, bringing it to an over-all total of $1.3 billion. The Cabinet documents for the distribution of those funds are being prepared now, but Cabinet has not yet considered them. Therefore, I cannot give an indication to the Hon. Member of how those funds will be allocated.

• (1200)

The answer to the second part of the Hon. Member's question is, no, I do not intend to make the transfer out of the Special Employment Initiatives Program that he has recommended. I have received recommendations for a large number of projects, many of them coming from Members of the Opposition, which can legitimately be considered within that program.

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FISHERIES

SEAL HUNT—UNITED KINGDOM COMPANY'S BAN ON CANADIAN FISH PRODUCTS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I want to direct my question to the Hon. Minister for Fisheries and Oceans. On March 13, 1984, in response to my question calling for a ban on the clubbing of white coat seal pups, the Minister said that it was not necessary since his Department was in touch "with every single important buyer of Canadian fish" and that not one of them was boycotting our products.

Yesterday one of the directors of Safeway, which has over 100 large stores in the United Kingdom, telephoned me, informing me that his company has asked all wholesale fish suppliers in England not to ship any fish caught in Canada, whether it has been canned, is whole, or mixed with fish from another country. Will the Minister in light of that fact, which contradicts his statement in the House, set the record straight, and now tell this House what he plans to do about this issue, so that our fishermen and plant workers will not soon be unemployed?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I would like to say to the Hon. Member that the situation is monitored on a daily basis. I receive a daily report from our marketing directorate. I do not think it is conducive to the public interest to give a full, detailed report of the situation.

Some Hon. Members: Oh, oh!

Mr. Deans: I think you will regret that one.

Mr. De Bané: I do not think if you really have the interest—obviously you are not from a fishing area, Mr. Deans—

Mr. Speaker: Will the Minister please address the Chair?

Mr. De Bané: Today I had the Davis Report. All of the reports we have show that no buyer has cancelled any contract. On the other hand, because my hon. friend has a very important role as official spokesman for his Party on fisheries, I can arrange for him to have on a confidential basis a detailed report of the situation by my Department's officials. I do not think it is conducive every day in the House to say that we spoke to Mr. So-and-So in this or that company. We can give the Hon. Member a detailed report on the situation of each company. I am sure he is as dedicated as I am to the well-being of our fishermen and our fishing industry. I do not think it is proper for the Minister to give a report every day of where it is at.

Mr. Speaker: A short supplementary.

Mr. Crouse: Mr. Speaker, I thank the Minister for that answer. But in light of the information that has been conveyed to me, it is obvious that his own staff are not giving him the correct facts on this issue. I will accept a briefing.

NEWFOUNDLAND FISHING INDUSTRY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a short supplementary question for the Minister. Since the restructuring of the Newfoundland fishing industry is simply not working, it has done nothing to date to help the 40,000—

Mr. Speaker: Order, please. With respect to the hon. Member, this is hardly a supplementary to his original question. The Chair recognized him, bearing in mind we have gone beyond the normal hour for Question Period. If the Hon. Member has a supplementary question, could it please be short?

Mr. Crouse: The sealers now have no income in Newfoundland, which is directly related to the first question. What does the Minister intend to do to assist not only those fishermen, but those in Nova Scotia, New Brunswick, and Prince Edward Island? These are independent companies that are being threatened by the situation at the present time.

Hon. Pierre De Bané (Minister of Fisheries and Oceans): Mr. Speaker, I do recognize the great interest of my friend in the situation. I reiterate to him my offer to give him a full briefing of the situation as of today. We can keep both the Hon. Member for South Shore and the spokesman for the New Democratic Party informed on a confidential daily basis, if they want. I think we would be shooting ourselves in the foot if we echo daily every piece of information that appears in the press. I can tell the Hon. Member that several companies have reported increased sales to me. However, I reiterate my offer because I know my hon. friend is a very responsible spokesman.

* * *

PETITIONS

MR. FRIESEN—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

MR. OGLE—TESTING OF U.S. NUCLEAR DEVICES

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I have a petition given to me by mothers and children from Ontario and other parts of Canada to the Honourable the House of Commons of Canada in Parliament assembled. The petition of the undersigned residents of Canada, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that our Honourable House will therefore provide a remedy, humbly sheweth that at this critical period in a new cycle of nuclear weapons which could be unverifiable, Canada must give strong support to those parties in European governments who are refusing to accept the Cruise and Pershing missiles.

Wherefore the undersigned, your petitioners, humbly pray and call upon the Parliament of Canada to cancel any agreements for testing US nuclear devices or their delivery systems.

And as in duty bound your petitioners will ever pray.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Order Paper Questions

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 293, 294, 448, 474, 518 and 542.

[*Text*]

PETRO-CANADA

Question No. 293—**Mr. Munro (Esquimalt-Saanich):**

1. With reference to the answer to question No. 4,706 of the First Session of the 32nd Parliament, in relation to Venezuelan Canadian Oils, C.A. and Venezuelan Pacific Petroleums, C.A. (a) on what date was each acquired by Petro-Canada, from whom, at what cost and for what reason (b) for what reason are the Corporations "inactive"?

2. Are G.M.I. Co. (Bahamas) Ltd., Pacific Petroleums (Overseas) Ltd., and Petro-Canada (Norway) A/S in any way associated with Petro-Canada and, if so (a) what is that relationship in each instance (b) for what reason is Petro-Canada unable to provide the information requested in question No. 4,706 (c) how can the information be obtained and on what date will that information be available?

3. In respect of Merit Oil Co. Ltd. (a) what was that Company's relationship to Petro-Canada prior to October 1, 1981 (b) what was the extent of Petro-Canada's interest in that Company prior to October 1, 1981 (c) for what reason was the relationship changed and what happened to Petro-Canada's interest in the Company (d) into what form was the Company changed and at whose instance?

4. In respect of Pacific Petroleums Inc. (a) what was that Company's relationship to Petro-Canada prior to April 8, 1982 (b) what was the extent of Petro-Canada's interest in that Company prior to April 8, 1982 (c) for what reason was the relationship changed and what happened to Petro-Canada's interest in the Company (d) into what form was the Company changed and at whose instance?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

1. (a) Venezuelan Canadian Oils, C.A. and Venezuelan Pacific Petroleums, C.A. were both acquired by Petro-Canada as part of its purchase of Pacific Petroleums Ltd. in April, 1979. The cost of acquiring these two subsidiaries was subsumed in the aggregate cost of acquiring Pacific Petroleums Ltd., i.e. $1,496,389,000 and the reason was because these subsidiaries constituted parts of a larger purchase.

(b) These subsidiaries have been "inactive" since their purchase by Petro-Canada.

2. Yes. (a) G.M.I. Co. (Bahamas) Ltd. and Petro-Canada Norway A/S are wholly-owned subsidiaries of Petro-Canada Inc. which is a wholly-owned subsidiary of Petro-Canada. G.M.I. Co. (Bahamas) Ltd. has recently disposed of its assets and is now inactive. Petro-Canada Norway A/S is active. Pacific Petroleums (Overseas) Ltd. is a holding company acquired in the takeover by Petro-Canada of Pacific Petroleums Ltd.; it was formed to hold permits in the North Sea but has never been activated.

2. (b) and (c)

Company	Date of last Board meeting
G.M.I. Co. (Bahamas) Ltd.	February 25, 1982
Pacific Petroleums (Overseas) Ltd.	January 4, 1977
Petro-Canada Norway A/S	September 6, 1983

3. (a) and (b) Prior to October 1, 1981, Merit Oil Co. Ltd. was a wholly-owned subsidiary of Petro-Canada Exploration Inc. (since renamed Petro-Canada Inc.).

(c) and (d) At the direction of Petro-Canada Exploration Inc., the assets of Merit Oil Co. Ltd. were transferred and Merit Oil Co. Ltd. was dissolved.

4. (a) and (d) Prior to April 8, 1982, Pacific Petroleums Inc. was a wholly-owned subsidiary of Petro-Canada Exploration Inc. (since renamed Petro-Canada Inc.).

(c) and (d) An offer to purchase Pacific Petroleums Inc. was received by Petro-Canada Exploration Inc. and accepted. On April 8, 1982, Pacific Petroleums Inc. was sold to Zapata Exploration Company.

BP REIDENTIFICATION PROGRAM

Question No. 294—**Mr. Munro (Esquimalt-Saanich):**

With reference to the revised answer to question No. 4,751 of the First Session of the 32nd Parliament, on the subject of the BP reidentification program (a) what amount constitutes "a standard agency commission" (b) apart from insertion and design costs, what costs were incurred in running the "series of advertisements designed to inform the public of the BP reidentification program"?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

(a) The requested information is proprietary to Petro-Canada.

(b) Apart from insertion costs of $483,845.74 and production and design costs of $25,116.96, which amounts included the standard agency commission, no other costs were incurred.

The figures provided in the revised reply to question No. 4,751 of the First Session, 32nd Parliament answered September 23, 1983 were cost estimates whereas the above-mentioned figures are actual costs.

REPLACEMENT OR ACQUISITION OF SEAGOING VESSELS

Question No. 448—**Mr. Howie:**

Does the Department of Fisheries and Oceans have any plans for the replacement or acquisition of new seagoing vessels in the calendar year 1984 and, if so, what are they?

Hon. Pierre De Bané (Minister of Fisheries and Oceans): The Department of Fisheries and Oceans (DFO) intends to continue with the orderly replacement and acquisition of new seagoing vessels in 1984. The program includes the five vessels currently under construction, two of which are expected to enter service this year. In addition in 1984 DFO intends to: (a) start the conversion of a large stern trawler into a fisheries research vessel; (b) acquire approximately 25 launches and small craft; and, (c) initiate contracts for the design of four new vessels and the mid-life refit of two vessels.

"OCEAN RANGER" INQUIRY

Question No. 474—**Mr. Howie:**

What is the contemplated completion date of the Royal Commission Inquiry into the loss of the *Ocean Ranger* and what is the estimated cost of the inquiry?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): The contemplated completion date of Part I of the Royal Commission of Inquiry into the loss of the *Ocean Ranger* dealing with causes of the loss is June 30, 1984.

The contemplated completion date of Part II of the Inquiry into related safety and other matters connected with eastern offshore drilling is the spring of 1985.

The estimated cost of the whole Inquiry is $13,500,000.

DEPARTMENT OF THE ENVIRONMENT—CHATHAM-NEWCASTLE AREA

Question No. 518—**Mr. Howie:**

Since January 1, 1983, did the Department of the Environment announce any grants, contributions or assistance for the Chatham-Newcastle area in New Brunswick and, if so, what grants, contributions or assistance was announced?

Hon. Chas. L. Caccia (Minister of the Environment): No.

DEPARTMENT OF THE ENVIRONMENT—FEMALE EMPLOYEES

Question No. 542—**Mr. Howie:**

As of the last date for which information was available, what proportion of the employees of the Department of the Environment were women?

Hon. Chas. L. Caccia (Minister of the Environment): There are 28.25 per cent.

[*Translation*]

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

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

[*English*]

Mr. Hnatyshyn: Mr. Speaker, I rise at this point with respect to the performance which the Parliamentary Secretary indicated yesterday was a very successful performance with regard to the answering of questions. I have put a series of questions on the Order Paper which do not require intensive investigation or research. Indeed, I have received responses from one Ministry that I recall, Revenue Canada, which is preoccupied with other things these days. That Department had the ability to respond to the question concerning names, titles, and positions of all exempt staff for the Minister. The Parliamentary Secretary will know that I have a series of questions on the Order Paper relating to each Ministry of the Crown.

Security Intelligence Service

First, I am anxious to find out about the staff each Minister has. It is important for us to know this to make sure Ministers are attending to their duties. Second, I want to find out in each of those instances whether they receive any income, financial assistance, or benefit other than the designated money available for payment of exempt staff. These are important matters in terms of the Cabinet of the country and they should be answered immediately.

• (1210)

Would the Parliamentary Secretary give me some indication of how soon we might expect answers to these very important questions? There have been abuses with respect to Crown corporations such as Petro-Canada giving exempt staff of the Minister of Energy interest-free loans with respect to residences. I just want to ensure that there is a clean ship as far as the Government is concerned.

Mr. Evans: Mr. Speaker, I will certainly look into those questions. We will have an answer for the Hon. member as soon as humanly possible. However, I would like to add that I have not heard of any cases where the privileges of exempt staff of Ministers were abused. I think the case mentioned by the Hon. Member was in fact an example of executive interchange, if I am not mistaken.

Mr. Nielsen: Nonsense.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

The House resumed from Friday, March 9, consideration of the motion of Mr. Kaplan that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Pierre Deniger (La Prairie): Mr. Speaker, I rise in the House today to defend Bill C-9, which is aimed at establishing the Canadian Security Intelligence Service. My views are based on evidence collected over the last fifteen years. On the basis of this evidence, I believe that it is absolutely necessary to create a civilian security and control system. Two Commis-

sions of Inquiry, the Mackenzie Commission in 1968 and the McDonald Commission in 1977, reached the same conclusion, namely, that the nature of policy operations is not the same as that of security operations. In other words, law enforcement and the duties of a security service are two distinct activities between which there is no comparison and which definitely require totally independent structures. Years of discussion and debate have made it clear that we must give the responsibility for collecting intelligence to an organization other than the Royal Canadian Mounted Police. That is the purpose of the Bill now being considered in the House on second reading. With this Bill, we want to give Canadian citizens the assurance that their individual rights and freedoms will be respected. It puts an end to the status quo and breaks with the uncertainties of the past and those of our present security intelligence system which has no framework, no public mandate, no judicial control and no independent or external review mechanism. In other words, Mr. Speaker, it has none of the controls that are essential to protect our society's rights and freedoms.

Breaking with the old formula was not easy, and the Solicitor General (Mr. Kaplan), who had to take up this challenge, did so with great skill. The Bill we are being asked to approve is aimed at establishing a civilian intelligence service, and the responsibilities of this service were defined to take into account those aspects that are fundamental to the concept of a security service under a democratic system of Government.

Mr. Speaker, in a democracy, a security service must maintain a delicate balance between the security of the State and the protection of democratic values; between the legitimacy of certain State secrets and the public's right to information; between the principle of ministerial responsibility and that of an autonomous service, free from all partisan considerations; and between the need for an efficient service and respect for the rule of law. Mr. Speaker, you will agree that with so many factors to be considered, any attempt to establish a civilian security service becomes a very complex undertaking. Furthermore, individual perceptions of the ideal balance between these multiple factors tend to differ. However, after many consultations, after listening to advice and seeking a consensus, the Solicitor General has come up with an end product that is more than satisfactory. Bill C-9 strikes a balance between democratic principles and the security of the State.

For instance, Mr. Speaker, at the present time, only the Solicitor General is fully responsible for security services. He is the only person outside the service who is kept fully informed of the service's activities. The secrecy that such activities necessarily entail prevent him, of course, from giving complete answers to Parliament, and owing to the confidential nature of security activities, often Parliament is not informed.

However, Mr. Speaker, Bill C-9 will considerably improve the situation. Under the new legislation, judges and not the Solicitor General will issue warrants allowing the service to exercise intrusive powers, and these warrants will be issued on the same basis as warrants issued today under the Criminal Code to authorize electronic surveillance.

Mr. Speaker, the inevitable result will be greater objectivity. After all, judges are not directly concerned by the success of an operation. Furthermore, every application for a warrant must first be approved by the Solicitor General, which means that as in the past, the Solicitor General will be accountable for the activities of his Department.

The new legislation provides further guarantees. There will be an external Security Intelligence Review Committee made up of Canadian citizens.

Mr. Speaker, Bill C-9 is the result of hard work and sustained efforts, and I support it without reservations. That is why I move, seconded by the Member for Ottawa Centre (Mr. Evans):

That the question now be put.

[*English*]

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

Some Hon. Members: No.

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, I am really rather appalled at this procedural manipulation of the House. I want to point out that the Hon. Member who has just sat down is only the third member of the Government benches who has spoken in the whole length and breadth of this terribly important debate about a matter which could affect the civil liberties and security of every citizen of the country. This is merely a procedural manipulation, a half-hearted—and I could use another word—procedure by government Members which will rebound on them completely. If they want to gag the House and rush this Bill through the House, what they are doing is opening up the possibility that every single Member, whether or not he has spoken before in this debate, can now rise again in his place. I would suggest to the Hon. Member and to the Government House Leader, who was obviously behind this rather stupid move, that, if anything, it will delay the passage of this measure through the House.

For instance, one of the main principles missing from this particular Bill, on which I will not speak too long today, is the one about ensuring that employees and operatives of this new agency obey, and strictly obey, the rule of law. I do not intend to talk about that particular absence in the Bill even though it is a terribly important one, simply because some of my colleagues have already spoken about it and there will now be opportunities for them to speak again about it.

There are other measures which are terribly absent from the Bill which should protect and concern us all. One that has not been referred to by any Hon. Member yet—and I want to speak about it in the very limited time I have available to me today—is the terrible lack of control and monitoring in regard to electronic eavesdropping in the country at the moment, and

as certainly would be the case if the Bill were passed in its present form.

● (1220)

I am not contravening my oath of office in indicating some of these concerns. I am not contravening the Official Secrets Act in publicizing some of the things I want to publicize in the House today. Anything I intend to say here today has already been published in Canada by others. I am prepared to back it up by showing anyone the articles, stories or books which are source material for the argument I am making today.

First let me indicate the extent of the problem. To eavesdrop on any person in this country, in any place at any time, no physical intrusion or trespass is necessary. The technology exists, for example, for anyone in the American Embassy on Wellington Street to eavesdrop on conversations taking place in offices in these Parliament Buildings, or vice-versa. One can buy a microphone on the electronic market here in Canada today that is smaller than a 25-cent piece but which can hear whispers through walls almost two miles away. In the early 1960s the Americans were able to listen to Krushchev having a conversation in a limousine by means of a satellite rebroadcast in space. Aimed parabolic microphones can pick up quite clearly conversations taking place ten miles away. Laser devices can be aimed at windows or even walls and can rebroadcast conversations by reproducing those conversations from the smallest measurable vibrations on those flat surfaces. Hundreds of sophisticated tape recorders are turning right now in Canada, recording conversations that have been activated by the use of certain code words or phrases which automatically turn them on.

The eavesdropping of conversations is one of the major and most efficient tools being used today in the battle against crime and the gathering of information of all sorts, both by public agencies and, I suspect, by private organizations. Internally, domestically here in Canada this industry is supposed to be controlled either by judicial warrant for criminal investigation or ministerial warrant for security investigations, or prohibited by law for private or personal use.

I suspect, although I have no proof, that accountable, effective control, supervision or prohibition, as the case may be, is largely illusory in this country. There is simply too much of it going on both within and without the Government. In this Bill, the authorization process for security targeting is moved from the Minister's office to the courtroom. A few monitoring or auditing group will have new inspection powers if they know, can find and put realistic controls and auditing practices on the use of the facilities. Obviously, I remain pretty skeptical but I am willing to see how it works out.

I am concerned that there is still at least one very large gap in this whole process over which neither the Minister nor this Bill seems to envisage any accountable control in any way whatsoever. The impression the Minister attempts to convey is that this Bill, in conjunction with Part IV of the Criminal Code which deals with criminal investigation, specifies that henceforth all legal authorizations for third party eavesdropping or the obtaining of information by electronic or other means will have to be judicially authorized. That quite definitely, quite seriously and quite dangerously is totally wrong.

We have a so-called ultra-secret agency in this country that quite closely works with, feeds into and extracts from both the huge National Security Agency's sprawling facilities and the computer complex in Fort George Mead in Maryland, Washington, and also the large listening and cryptological centre in the United Kindgom that has been in the news lately because of certain spy and union problems.

Canada's agency is mainly operational here in the Ottawa area and is called the Communications Security Agency, the CSE. I am willing to bet that most Members of Parliament here in the House today, and I surmise even some Cabinet Ministers, have never heard of the CSE. In the scheme of things, it is located under the jurisdiction of the Department of National Defence, although it is never listed in the Estimates, never mentioned in any budgetary item in this House or any of its committees and rarely appears on departmental organizational charts. I am also willing to bet that even some Ministers of National Defence have never heard of it.

The purpose of the three or more nation group is to monitor all telephone, telegraph, telex, microwave, or radio emission signals or messages anywhere in the world or in space, and they do it. Sensitive radio receivers tap microwave and satellite transmissions of telephone conversations, for instance, while a computer equipped with limited speech recognition capability quickly filters through thousands of tapes and intercepts by seizing on key words. It would not take too much imagination to believe that four triggering words would be "diplomat, terrorist, bomb" and "explosion". I leave it to Members to think of some of the other trigger words.

Decoding devices and unscrambling gear are obviously an integral part of its facilities. These agencies, Canada's included, obviously not only listen to international wave lengths. By their nature, they have the potential to listen in to everything and anything that hits the airwaves and more, both outside and inside Canada. Computer data banking information is fed by telephone facilities. Telephonic communications are carried on by microwave. Microwaves are intercepted by this agency.

I am not arguing that these facilities for both security and economic purposes are not necessary or useful. I am arguing that this Bill does not seem to recognize either that ministerial knowledge or judicial approval that is designed to lull us into the comfortable belief that all is well and being controlled, authorized and monitored.

There is a terrible potential for abuse in the CSE and its allied and international agencies in other countries. They can, and I am convinced they do, listen in, break into, decodify and store conversations of people in this country with no independent control, supervision or monitoring.

In conclusion, may I say that at a time when more and more personal, private, governmental and commercial communication and transmission is being handled through the airwaves, including easy access to data banks, it is simply appalling that

this Bill, which is designed to allay our fears respecting some elements of personal privacy and civil liberties and at the same time provide an efficient framework for our protection from foreign influences, both hostile and friendly, ignores this rapidly expanding capability. Part II of this Bill facetiously labelled "Judicial Control" is a fraud. I for one will not vote for legislation that is so seriously flawed.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an oportunity to participate in the debate and to oppose Bill C-9. I am a little surprised at the motion of the Liberal Member that the question be now put. Knowing him a little bit, I know that he knows full well what it means. What it means is that Members on this side of the House, on behalf of our constituents and all Canadians, now do not have the opportunity to put forward amendments. We could allow Canadians to have some understanding of what are the major flaws of this Bill by debating them. What effectively happens now is that the Liberal member, after only three Liberal members have spoken on this important legislation, has put a gag order on the House so that the debate will gradually run out by allowing us only 10 minutes to speak. This is a gag being placed on parliamentarians who would either want to move amendments themselves or participate at some greater length in an important debate relating to security service legislation.

• (1230)

Be that as it may, the Hon. Member says that he is a soldier. I am sure that the gun was held to his head by the Solicitor General (Mr. Kaplan) or someone else in order to force him to move such a motion. However, there are three key elements in this legislation which must be scrutinized carefully. Canadians can be certain that this Party at least will fight here in the House, in committee and, if the legislation comes back to the House, again in the House to make sure that changes are made to the legislation or that it is blocked. Those three key areas to which I refer are the proposed mandate, the powers which are to be granted to the security service and the oversight, an area which I would have expected the Solicitor General to be more supportive of. However, he is apparently not.

Let me give a very brief history of this legislation, Mr. Speaker. I think I am the only peace officer in the House and the only person who is not a lawyer who has worked within the criminal justice system. Therefore, I have some idea of the larger venue of crime, and here I am thinking of international crimes such as smuggling and heroin importing. I have been involved in such trials and have some idea of the deficiencies found by the RCMP in terms of dealing with that kind of international crime. I am aware that there is some need for the expansion of a service to help with those deficiencies.

I was present in the House one day when the Solicitor General was berating members of the Official Opposition for not allowing this legislation to move quickly so that the Pope could be protected while he is in Canada. I do not think that that kind of fear-mongering is necessary, proper or realistic for the Solicitor General to be presenting to the Canadian public as a reason why this kind of legislation should be rushed through. Quite clearly, our traditional police forces in the country should be capable, one would hope, of protecting the Pope and others while in Canada. This security service is being proposed for quite another reason, as I think I will be able to reveal as I deal with Bill C-9 as it exists even with minor changes from the previous Bill C-157.

In 1976, it was revealed that the RCMP security service had been involved in a number of criminal wrongdoings in the Province of Quebec. We have been looking at security service matters in one way or another since 1969 with the Mackenzie Commission. However, in 1977, the McDonald Commission of Inquiry was established, one of the most expensive and long standing royal commissions Canada has ever seen. The McDonald Commission sat until 1980 and held hearings across Canada looking into security-related matters. Mr. Justice David McDonald and his commission found that there had been widespread institutional lawbreaking by members of the Canadian security service.

One of the things which I think is very germane to this debate is that to this time, no RCMP security service officers or members have been prosecuted for illegalities outside of the Province of Quebec since the revelations of the McDonald inquiry. I think that that fact really leads into this debate and shows why members of the Official Opposition will have to struggle even harder to ensure that the civil liberties of Canadians are protected. Those liberties were not protected even when the Government across the floor knew and had all of the evidence to show that federal statutes had been broken. No actions were taken. The Solicitor General has indicated that certain actions were taken against individual members, but what was really done has never been revealed either to us as Members of the House or to the general public.

At the foundation of what I have just said is the simple fact that the Canadian judicial system was subverted by the actions taken in the past by the RCMP security service. It is our responsibility as legislators to protect Canadians. The Solicitor General might think that he is the only legislator but my constituents expect me to ensure that legislation is passed in this House which protects their interests as well as the interests of the country as a whole.

Following the rejection of Bill C-157 not only by this Party but by most of the Attorneys General, by civil libertarians, academics, editorialists and a broad section of the Canadian public, the Solicitor General decided to send the Bill to the Senate and have Mr. Pitfield, who had been involved in this matter before, rewrite the Bill a bit. It is interesting to note that when Bill C-157 was introduced, the only Party in the House that publicly opposed the content of Bill C-157 was this Party. The public record will prove that.

Mr. Lawrence: Nonsense.

Mr. Fulton: The Hon. Member says that that is nonsense. However, the public record has been checked and it has been discovered that the only person to my right who had anything

to say about this Bill was Elmer Mackay, the former Member for Central Nova. He is now the senior policy adviser to the Leader of the Official Opposition (Mr. Mulroney). At that time he said that there were too many civil liberty safeguards in Bill C-157, exactly the opposite of what the Tories are trying to say now. However, that was the only public statement that was made at the time Bill C-157 was introduced.

Mr. Lawrence: Where were you? Were you at the Senate committee meetings?

Mr. Fulton: The Hon. Member asks me why I was not present. I am the environment critic for my Party and I have never once seen him or most of the Tory members at Fisheries and Forestry Committee meetings where I happen to be active.

The facts show pretty clearly where the Tories really stand in terms of this legislation. While the Pitfield committee was studying this legislation in the other place, all but one or two of the clauses that are now contained within Bill C-9 were unanimously endorsed by members of the Conservative Party.

Mr. Lawrence: Nonsense.

Mr. Fulton: Again they are trying to sit on both sides of the fence. All one needs to do is look at the number of speakers they have put up to discuss this Bill to date in terms of the number of speakers they are allowed to put up. We can see pretty quickly and accurately the position of Tory members. They support this legislation in the Senate and in certain circles. They pretend to debate against it in the House and yet, when the original legislation was introduced, all they said was that there were too many safeguards in the Bill, exactly the opposite of what was being said by provincial Tory Attorneys General across the country.

Three major parts of this Bill seriously jeopardize individual civil liberties in Canada and are not required in terms of the national security of the country. They are contained within the proposed mandate. Let us look at that mandate and see exactly what it means. The mandate is found in Clause 2 under the definition of threats to the security of Canada. Although some people who have looked very carefully at this definition feel that it has been somewhat improved by the Pitfield committee, it is still far too broad and even falls short of the recommendations of the McDonald Commission. Even the Attorney General of the Province of Ontario, Mr. McMurtry, has said that the mandate is dangerously vague. For example, Canadians who might be interested in sending funds to Nicaragua or to the Afghan rebels or who wish to be involved in any kind of activity outside of Canada may well find that their entire organization, be it a church or local community organization, could fall under the intrusive techniques of Bill C-9.

I have two more very brief points to make, Mr. Speaker. One point is related to the powers contained within this Bill. There is a complete absence of political accountability for both the legislation and the RCMP. The most important oversight, Mr. Speaker, is that the proposal put forward by the Solicitor General does not allow for parliamentary scrutiny even by a parliamentary commitee. This would mean that those individuals who are democratically elected in the country and belong to the NDP, the Conservative Party or the Liberal Party and who represent all Canadians are being precluded from this committee. As the Solicitor General well knows, even the proposal that he has put forward, which is terribly flawed and will not protect civil liberties of Canadians, does not allow this little Privy Council group or the Inspector General to have access to the political documents given to it by Cabinet. Again, Mr. Speaker, it is terribly flawed legislation.

Mr. Deputy Speaker: Order.

• (1240)

Mr. Joe Reid (St. Catharines): Mr. Speaker, we on this side of the House have waited for some considerable length of time for an opportunity to discuss Bill C-9 in some detail. The Government has had the opportunity to concern itself with the security service and subject it to close examination and scrutiny for 15 years, but today it attempts to limit the consideration that the Bill deserves.

The issues before us are complex. The Government tries to draw a fine line between the security service, whose responsibility is the protection of the state, while on the other hand it says that we as a democratic nation are concerned with the rights and freedoms of each individual. We are travelling a fine line indeed, Mr. Speaker.

In 1969 the Mackenzie Comission recommended a separate security force. This brought before the Government the question of the "civilianization", as it were, of that security force. The result of the abuses that took place was the establishment of the McDonald Commission and the recommendation, like that of its predecessor, for the separation of the security service from the RCMP. Two years after receipt of that report the Solicitor General (Mr. Kaplan) introduced Bill C-157. All Members of the House are aware of the controversy brought on by that Bill. Protest letters poured in from every imaginable group. With one legislative swoop the Solicitor General managed to offend just about every segment of the country. Too many people were afraid that Canada was to get its very own KGB.

There is a limit, however. A bad piece of legislation cannot be protected forever. Bill C-157 was referred to a Senate committee for study. Time does not permit me to go into the recommendations of the Senate committee, Mr. Speaker. In general, however, the senators were unanimous in their castigation of the provisions of Bill C-157.

After considering the recommendations, the Solicitor General and Senator Pitfield urge early passage in order to prove that the parliamentary process works. What would the result have been if we had been under the same pressure with respect to Bill C-157, Mr. Speaker? Senator Pitfield might be satisfied with Bill C-9, but we certainly are not.

Our concerns lie in three general areas, Mr. Speaker. First, the mandate given to a civilian security service; second, the powers granted to the intelligence service; and third, the accountability that goes with the necessary protection of a

democracy and through Parliament to the people of the country.

A civilian security service—any security service for that matter—holds a high degree of potential for abuse. If we are serious about rights and freedoms in Canada, it is paramount that all Canadians have a very clear understanding of what this proposed Security Intelligence Service is established to do. Bill C-9 is anything but clear on this. For example, the service is to collect, analyse and retain information and intelligence respecting activities which are suspected of constituting a threat to the security of the nation. Canadians are entitled to know what constitutes a threat under this Bill. That concept of a threat to the security of Canada is given a stretched definition indeed, far beyond that which any reasonable Canadian would expect to be necessary.

Will files be taken out on Canadians who support Solidarity, the Sandinistas or the Afhgan rebels? We hope not; it is part of our way of life to express our opinions without presenting any kind of threat to the security of the nation.

More could be said about the mandate, Mr. Speaker, but I want to move on to the broad powers the Act gives to the security service. Quite frankly, those powers are enormous. Once the service obtains a warrant for inclusive surveillance, the individual under suspicion would lose virtually every shred of his or her right to privacy. That person's life would become an open book and subject to scrutiny. His mail would be subject to scrutiny, confidential files could be examined as well as phychiatric reports and income tax returns. What is left of individual rights and freedoms? Wiretapping and eavesdropping are considered fair game.

My final primary concern is the accountability aspect, Mr. Speaker. Accountability is absolutely essential. Canadians learned this lesson well in the 1970s when no one, not even the Prime Minister (Mr. Trudeau) or the Solicitor General of the day, would accept any responsibility for security breaches which took place at that time.

It is a fundamental principle of parliamentary democracy that the buck has to stop somewhere. Bill C-9 allows that proverbial buck to waft in the breeze. Neither the Inspector General nor any review committee envisaged in Bill C-9 would have access to Cabinet documents. Those who concerned themselves with the Freedom of Information Act know how quickly and how well materials can be marked "confidential" or "Cabinet document" and buried, at least for our time.

The Government has had 15 years to consider this legislation. The Canadian people now deserve a fair opportunity to scrutinize Bill C-9 and to offer their recommendations and amendments. We in this Party intend to give Canadians that opportunity.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I would have preferred to speak on Bill C-9 without the rather silly and irresponsible action that was taken by a Member on the Liberal side a few moments ago when he and his colleagues denied the House the right to put forward any reasoned amendments. Notice was certainly given of at least one such amendment from the critic in this Party. It ill behooves a responsible Minister and his colleagues to take that kind of action regarding a matter as delicate, in terms of basic civil liberties, as would be any law which intended to broaden the scope of police or investigative powers within a democratic society.

Henry Ward Beecher once said that "laws are not masters but servants". We would do well to remember that, Mr. Speaker. Whatever agency in Canada is to be responsible for our national security and any investigations in pursuance thereof should take that saying very much to heart.

At the Strasbourg Conference on Parliamentary Democracy last year I had the opportunity to contribute to the debate in the European Parliament and to stress what I thought were some of the dangers that were increasingly evident throughout much of the world, particularly on the subject of the new and sophisticated communications technology which is available. I emphasized, of course, some of the benefits and pluses which this new technology can afford in terms of democratic government and general progress. However, I went on to point out some dangers and I would like to quote from my remarks at that conference because I feel they are very appropriate to the Bill before us. I quote:

● (1250)

> But the same technology that can allow for this option can also be used to centralize control and centralize authority and power à la the Orwellian nightmare society of 1984. I do not think that it is necessary to remind everyone that 1984 is next year. But that nightmare society envisaged by George Orwell is now very much a technical and physical possibility and is one of the threats against which we must guard. Because the power to keep populations under close surveillance is here, as was illustrated at some length in the pages of that important work, we must guard more than ever against the legalization of hitherto illegal though uncommon surveillance practices for security and other reasons. It may—indeed—be preferable to recognize that, from time to time, law enforcement agencies may, in pursuance of their mandates, circumvent or go beyond the law. At least if the perpetrators of excesses are caught, they risk being penalized or prosecuted. But it may be preferable to go that route rather than to brutalize the law itself, because if previously criminal or illegal acts are made legal, their common use will undoubtedly be extended and become the norm rather than the exception, and we go on from there until 1984 will indeed be with us.
>
> While electronic surveillance . . . may be necessary from time to time, especially when so much information and currency is transacted electronically—thus eliminating physical evidence of its use or transmission, it may be preferable to ignore investigative excesses from time to time rather than to codify and legitimize them and thus guarantee their use and encourage excesses that go beyond them.

What I am suggesting, Mr. Speaker, and it is my own opinion, is that sometimes it is better to lift the telescope to your blind eye. You cannot make a constant practice of it, but as I said at the conference last year, it is preferable to brutalizing the law and encouraging regular use of mechanisms which up until now have been illegal. It is better to have a silent understanding that from time to time you look the other way, if excessive methods are required in terms of some imminent danger, rather than to brutalize and corrupt the whole process of liberty as we have come to know it.

There is another saying, which I would like to make note of here, by Doctor Harry Emerson Fosdick: "Liberty is always dangerous, but it is the safest thing we have".

There are three major areas in this Bill: the proposed mandate for the service, the powers which are suggested for it, and the oversight and accountability mechanisms. In terms of the mandate of the service itself, it is again, I regret, not to receive adequate attention due to the action of the government in refusing to allow this House to consider any reasonable amendments.

Mr. Kaplan: Why not move them in committee?

Mr. Kristiansen: Largely, Mr. Speaker, because this place is more appropriate for matters as fundamental to the institution of liberty itself, as is this Bill and the ideas encompassed in it. They are of overriding importance and deserve, because of the nature and type of laws we are discussing, to be discussed openly in the highest court of this land—

Mr. Blais: What is a committee, then? It is open. It is a committee of the House.

Mr. Kristiansen: —and that is what this House of Commons is. What is the Government afraid of?

Mr. Kaplan: We are afraid that the Bill will never move forward.

Mr. Kristiansen: The mandate of the proposed security service is found in Section 2 in the definition "threats to the security of Canada". The definition, although improved by the Pitfield committee, is still far too broad and falls short of the recommendations even of the McDonald Commission. It has recently been denounced by the Ontario Attorney General as being dangerously vague. Canadians who have broken no law whatever but fall within its scope could still be subject to all intrusive techniques of the security service. For example, the church group which sends funds to the African National Congress to support liberation work in Africa, or to a Central American liberation movement, could be targeted and all of its members subjected to the powers of the new agency.

I know that the Minister has said that no one will be subject to investigation unless they are, in fact, going beyond what the law allows. However, we must design laws not only for normal times but for abnormal times. All we have to do is look back to the Prime Minister's "whiff of grapeshot" in 1970 to see what can happen in a society when something other than the normal circumstances prevail. In such times, people and governments panic and do things which in the normal course of events they would never even consider. Our laws have to be designed to deal with the important matter of protection of our liberties, taking into consideration the fact that these laws must serve us and serve the cause of liberty in abnormal as well as in normal times.

In those kinds of times when some event evokes strong emotions, suspicions are rife and people feel insecure. With the kind of easy access to hitherto illegal surveillance made possible by this Bill, can the Minister say that groups who do not at any time go beyond the pale of the law are not going to be investigated? The security service, as a matter of course, will want to find out whether suspected persons are, in fact, counselling or acting within the law, or in breach of the law in a manner which is unacceptable to the Government under its mandate. If these kinds of powers are easily available to it, any security investigative agency is going to check into all kinds of legitimate organizations, as security agencies have done many times in the republic to the south of us. Even without these permissive threats to liberty which are contained in this Bill, we know what our own security agencies in Canada have done prior to this time.

In conclusion, Mr. Speaker, I would like to say that I regret the decision of the Government to rush this matter through and so to try to prevent the House itself from dealing directly with possible amendments—of which there has been notice given—because this issue is basically fundamental to the rights and freedoms of the people of Canada.

Mr. Dan Heap (Spadina): Mr. Speaker, I regret very much the action of the representative of the Liberal Party in trying to terminate this debate. People have waited for a great many years to have this matter come up for public examination. It now seems that the Solicitor General (Mr. Kaplan) will do anything he can to prevent effective public examination. He says, of course, that the Bill should be brought into committee where it can be discussed. However, we all know what a Liberal majority can do under his direction in committee. It can run it through fast, run it through the House again, and no doubt that is his intention, so that it will be out and into law before the election, at which time they hope that people will forget about it, either during the leadership race or at election time.

It is our intention, Mr. Speaker, to do whatever we can within the law to make sure that this Bill is not rushed through without public consideration. Public consideration does not just mean debate within this House. It means that the central issues, the central faults in this Bill, should be recognized by the public.

I understand, Mr. Speaker, that it is now one o'clock.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

Mr. Heap: Mr. Speaker, as I was saying before lunch, this Bill is so flawed that the Solicitor General clearly wants to run it through as quickly as he can before the public recognizes

that the essential faults which aroused so much opposition to Bill C-157 are still here.

Mr. Kaplan: I just wanted you to have two chances to speak.

Mr. Heap: It is not quite so extreme, but essentially as bad. Clearly the Minister has no intention, even in committee, of considering any serious amendments on the matter of the mandate, which is far too vague; on the matter of the broad powers, which are far too broad—

Mr. Kaplan: You can move amendments.

Mr. Heap: —or on the matter of the lack of proper parliamentary review. That is why his disingenuous plea that we send the Bill to committee to be discussed has to be turned down. Once we approve it in principle on second reading, then there is no possibility of stopping the Minister from ramming it all the way through.

On the matter of the mandate, Mr. Speaker, the point is simply that this Bill legitimizes what previously was perhaps unclear or possibly illegal; that is to say, the suppression of dissent, of legitimate criticism and legitimate organized opposition to Government policies. It is legitimate in that it does not involve any action or intention of violent overthrow or illegal subversion. Nevertheless, the experience of the last several decades shows that the present conduct of the RCMP, which will be no different in whatever civilian service replaces the RCMP, has been to use the Public Service to suppress dissent against a government, to suppress opposition.

One example of this, Mr. Speaker, is the widespread use of police photographers to film things like peace demonstrations. The most peaceful, even the smallest peace demonstration is subject to this kind of surveillance. We have the RCMP photographers there, in plain clothes but identifiable and sometimes acknowledging identification, taking pictures of everyone who goes on such a picket at the American Consulate, Queen's Park, City Hall or anywhere. That is a form of mild harassment which ought not to be used by the defenders of the law but is used regularly.

Another example is not so widely known but is much more intensive, and that is the harassment of individuals. I refer to the case of a student some 30 years ago who was registered as an ordinand in an Anglican college in Montreal. This student was actively engaged in a civil rights organization on McGill campus after a building had been padlocked by order of the then Premier of Quebec, Maurice Duplessis, under the infamous padlock law. This allowed him to padlock any building for a year on his say so because he thought it was being used for Bolshevik propaganda.

The city-wide protest against the padlocking of the United Jewish People's Organization hall because an Irish Roman Catholic priest had been allowed to speak about international peace was something that clearly the RCMP thought they had to suppress. So a student was harassed because he was active in a civil rights organization. The RCMP went to his teachers, the principal of his college, the dean of the Faculty of Divinity, and it was made known through the grapevine that if he did not withdraw from that organization he would probably not be recommended for ordination. That is a contemptible abuse of the RCMP's power. Never did they allege this person had done anything wrong, let alone lay any charge or information against him. They merely said they have this man under surveillance and that was enough to intimidate the principal of the college. In turn, although it is regrettable, it was enough to intimidate the student into withdrawing from this organization.

There was also the case of a priest of the Anglican church who, when he moved to another diocese and took up secular work with the agreement of his bishop, found that within a few months the RCMP followed him to that diocese and made the same sort of dishonest insinuation to the man's employer and his bishop in the new diocese. In other words, they were attempting to undermine a person against whom they could make no accusation. This is the kind of dishonest trick which the RCMP has carried on in many cases.

I have given one example which I can document but I have heard of many others. This is the kind of thing which will now be legitimized by this Bill. This Bill will now give the appearance of legality to things like this. That is why this is a very destructive Bill. It will specifically allow, of course, the opening of first-class mail without the knowledge of the sender or recipient and without any possibility of any real control over it. It will specifically allow the infiltrating of groups for the purpose of disruption.

• (1410)

The final fault in this Bill is that there is simply no serious parliamentary review provided for. Members of Parliament are to be excluded from the opportunity of finding out what this service is doing, except such things as the service may choose to tell Members of Parliament. There will be no real opportunity to examine what is actually happening. Even the Mickey Mouse committee that is to be appointed will not have a real opportunity because the most vital documents can be and will be withheld from it. There will be no independent reporting on the doings of this secret service, this Canadian "Gestapo".

Mr. Roberts: That is shameful.

Mr. Heap: What is also very unfortunate about this Bill is that it appears to provide for putting the Canadian security service under the control of a foreign power.

Mr. Kaplan: There is a little difference between the RCMP and the Gestapo.

Mr. Heap: There are the provisions of allowing the service to sign agreements with unnamed governments. In other words, it does not have to report to the people of Canada but it may very well report to some secret service agency of any other government.

Mr. Kaplan: Does all of your caucus think that the RCMP is the Gestapo?

Mr. Heap: That is why this Bill is an affront to the liberties of Canadians. That is why the hyenas across the way are trying to drown out or suppress any opposition.

Mr. Deputy Speaker: Order. It is against the rules to interrupt an Hon. Member who has the floor.

Mr. Kaplan: Mr. Speaker, I rise on a question of privilege. When the RCMP are characterized as the Gestapo—

Mr. Deputy Speaker: Would the Hon. Minister please state his question of privilege?

Mr. Rossi: Say that outside of the House and see what happens to you.

Mr. Howard Crosby (Halifax West): Mr. Speaker, it is difficult to enter a serious discussion of Bill C-9, an Act to establish the Canadian Security Intelligence Service, when one members calls the RCMP the Gestapo and another tells him to step outside the House and the RCMP will descend upon him, in some vague fashion which he does not explain.

Mr. Rossi: That is not what I said.

Mr. Crosby: I do not know whether that confirms the status of the RCMP as the Gestapo or denies it, but it tells us how much serious consideration is given in the House of Commons by the government Party and the New Democratic Party to a very important issue like the establishment of the Canadian Security Intelligence Service.

I want to say that it is a legislative measure that gives me a lot of difficulty. I say that after a 25-year career in the administration of justice in Canada. That includes a ten-year career serving as a prosecutor and dealing on a day-to-day basis with the Royal Canadian Mounted Police, and another ten years dealing with the defence of criminal offenders charged under the laws of Canada.

Let me begin by saying that I stand firmly for the belief that anyone charged with a criminal offence in Canada has a full right to the opportunity to defend themselves. I believe in the principle that no one is guilty unless guilt is established before a legitimate court. We operate under the rule of law in this country. What is at stake in a legislative measure like that proposed by Bill C-9 is the rule of law in Canada. I want to state very clearly that if a new intelligence service will advance the protection of Canadians under the law, I am in favour of it. But if it is another opportunity to deprive Canadian citizens of their traditional rights under the law, then I am against it.

That is the problem we face. We do not know what kind of organization this is. If we could rely on the Solicitor General (Mr. Kaplan) as the paternal authority in this case and as the father of this new intelligence service, if we could place implicit faith in his ability to develop an appropriate and responsible intelligence service, then we would not need to debate this Bill. However, the problem is that the Solicitor General and his colleagues in the Government have destroyed any possibility of that kind of faith in the administration of justice in this country. We must question whether the proposal contained in Bill C-9 is legitimate and whether it is really for the benefit of Canada.

The basic principle at stake involves the question whether the RCMP, which has traditionally for decades dealt with all national police matters in this country, including internal security, should continue to perform that function or whether there should be a new organization. Quite frankly, based on present information and 25 years of experience in the administration of justice in Canada, I would suggest that we stick with the RCMP until we find for certain a better method of controlling security and all national police matters in Canada. The Royal Canadian Mounted Police have developed a tradition over generations that can only be achieved with that kind of history. It has established itself over its long history as an effective police force, as upholders of the legal tradition. Indeed, the motto of the RCMP is to uphold the law. That means law in the broad sense, not just the Criminal Code or particular statutes, but the whole purpose of the law, namely, the reasonable control of private and personal activities in Canada.

If we reject that history and that tradition of fair play in law enforcement that has been established by the Royal Canadian Mounted Police over decades and generations of Canadians, then we must make absolutely certain that what we are substituting will at least uphold that same tradition and, because of the expenditure of public funds involved, presumably improve it.

I must ask the Solicitor General and his Cabinet colleagues what evidence there is to show that this will be the case. What indication is there that the Canadian Security Intelligence Service as proposed in this Bill will be able to accomplish anything, or at least provide an effective service in that area?

There is mention of judicial control in the Bill. Unless the organization has within its own body the essential controls and attitudinal positions that are necessary to protect Canadians from a super force, the judiciary and Parliament will be powerless. It will not be able to intervene effectively.

The injustices that occur in Canada do not come to our attention on the floor of the House of Commons. The injustices that occur in Canada take place on Dorchester Street in Montreal, Yonge Street in Toronto and Barrington Street in Halifax. We never hear of those injustices. That is what injustice is all about. Injustice is not evidenced in the courts of Canada, it is present on the streets of Canada on a day-to-day basis. Unless one is involved in something like legal aid or in the administration of justice in a practical way, one does not even know about it. Do not tell me that some kind of super force created within the legal system of Canada can be subsequently controlled.

In my view, the obligation of all Members of Parliament is to ensure that, before this potential vehicle of suppression is launched, we know exactly what we are creating. Since we do not know, we cannot take the responsibility for creating a security agency that is an unknown quantity, particularly in view of the fact that we presently have a national police force that has proven its worth and merit over a long period of time.

• (1420)

The Solicitor General may say that the Royal Canadian Mounted Police do not want this function, that they think it should be isolated from normal police duties on a national basis and put into a separate organization. All I can say, Mr. Speaker, is, who is running the country? Is it the Prime Minister (Mr. Trudeau) and his colleagues? Or is it the Superintendent of the RCMP? I do not care if the Superintendent of the RCMP does not want to perform this function; that is totally irrelevant. Sure, he wants to get into functions that are more normal police work. He wants the personnel in his force to perform functions more normally related to police activity. But that is no answer.

It is our right and our duty to impose that responsibility on the RCMP whether they like it or not. If the present Commissioner of the RCMP does not want to head a security force, which is an institution, and does not want to take the responsibility for internal and international security in this country, then quite frankly he had better find something else to do because the people of Canada are relying, not on the Superintendent of the Royal Canadian Mounted Police, but on the tradition built up over decades and generations to protect them in the way that they have always been protected. That is to establish a fair balance between the rights of citizens and the protection of citizens. That has been the function of the RCMP for decades and generations. That should continue to be the function of the RCMP, and that is the answer to this question, Mr. Speaker.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a few words on the Bill before the House today. I come from rural Saskatchewan where the RCMP polices many of the communities and small towns, and there have been a lot of questions asked about this Bill.

Mr. Roberts: Would you compare them to the Gestapo, like your colleague?

Mr. Nystrom: I have never compared them to the Gestapo, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Nystrom: I wonder if we could have a little bit of order, Mr. Speaker.

Mr. Deputy Speaker: The Chair is beginning to wonder whether the House would like to dispense with the services of the Chair. I appeal to all Hon. Members to respect the rules of debate. The Chair has recognized the Hon. Member for Yorkton-Melville.

Mr. Nystrom: I think we need the protection of the Chair, Mr. Speaker. I got up to speak and all of a sudden I heard calls of "Gestapo". I do not know what that is about.

Mr. Roberts: Your colleague said that.

Mr. Nystrom: Maybe that is some new Liberalism from the new Liberal leadership candidate, I am not sure. Perhaps he can pursue this in the Question Period.

In any event, I was saying that the RCMP police many of the small towns in Saskatchewan. Their training headquarters is in our capital city of Regina. Many questions are being raised about the new Bill before us as to how it will affect the financing of the RCMP, its role and so on. That is why I am interested in seeing as much political accountability and as much debate as possible in this House as well as seeing a good hearing at the committee stage.

What we are dealing with is a very important topic in any democracy in terms of the policing or security of a democracy. When we look at the establishment of a security force in the RCMP or outside the RCMP, we have to strike a very important balance. That balance is between giving the force adequate powers to do a proper job for the security of the nation and the people, and not giving the police too much power where they actually go overboard in trying to fulfil their mandate. I think it is a crucial balance that we are trying to reach here. It has to be a balance, on the one hand, of protecting individual rights and liberties of the citizens at large, and dealing adequately with genuine threats to the national security of Canada. That is what we must look at.

There is some concern being expressed by groups such as the Canadian Civil Liberties Association whether or not under this Bill the Government is going overboard by giving too broad a mandate, too sweeping a mandate, to the new security service and there would be too little parliamentary accountability. I have a transcript from CTV's *Question Period* which was aired February 5, 1984. Mr. Alan Borovoy, general counsel of the Canadian Civil Liberties Association, was the guest. He was asked what he thought of the legislation that is now before Parliament. He said in part:

> I think that the powers of intrusive surveillance are still needlessly broad. Under the terms of this Bill, as it is now formulated, Canadian citizens could have their conversations bugged, their mail opened, their homes surreptitiously searched, and their confidential records invaded, even though there isn't the slightest suggestion that any lawbreaking is involved.

He went on to say:

> I think, at the very least, there should be a requirement that there be reasonable grounds to believe that there is a serious security-related breach of the law involved. I think, before they could get a warrant for any of those intrusive techniques against a citizen or a permanent resident, they should have to meet that kind of test.

In other words, the test of reasonable grounds. I am not a lawyer nor am I an expert in this area. I have immense respect for Alan Borovoy. I know he is respected on all sides of the House and by my friend, the Hon. Member for South West Nova (Miss Campbell). I was thinking of Central Nova but I knew that was not the riding. I know she feels exactly the same way. Perhaps she is more impressive than the Hon. Member for Central Nova (Mr. Mulroney) in terms of her contributions to debates in the House, and that is not very hard to do.

Some Hon. Members: Oh, oh!

Mr. Nystrom: My main concern is whether by the creation of this new security service we are giving it a mandate that is too sweeping in terms of civil rights, freedoms and liberties. As I said before, I think it is a very delicate balance that we have to strike. From what I have read and from the contacts I have had with ordinary citizens, I feel that what is happening here is that the Solicitor General (Mr. Kaplan) is giving too much power to this security service.

As I look around the House I still see a few Members who were here in October, 1970 when we had the October crisis. The Hon. Member for Winnipeg North Centre (Mr. Knowles) was here, I was here, and the Minister of State for External Relations (Mr. Pepin) was here as well. My mind goes back some 13 and a half years to what happened in October, 1970. There have been some well documented facts that the RCMP and the public authorities went overboard in responding to the FLQ crisis in the Province of Quebec. Just look at the number of people who were arrested, people who were innocent and had absolutely nothing to do with subversion in this country or anything to do with violence. They were picked up and thrown in jail. Their rights were stripped away from them by the invocation of the War Measures Act at that time.

I was one of the 16 Members of Parliament, along with the Hon. Member for Winnipeg North Centre, who stood up in this House and said no, that the Government should not invoke the War Measures Act. I think we were right. I think history has proved us right. I remember seeing an interview given by Robert Stanfield, who was the then Leader of the Opposition. He said that one of his major mistakes in public life was to support the invocation of the War Measures Act. I know at the time he was very bothered and caught up in the public fear and paranoia resulting from what we were being fed by the media and by the Government across the way. He said that was perhaps the most serious mistake he had made in public life. I have immense respect for Robert Stanfield, for his judgment and for his humanitarian feelings. I think what he was saying to us is that often in society we can get carried away if we give too much power to law enforcers or to a special force.

● (1430)

Having gone through that experience once, albeit in extraordinary circumstances or in extraordinary times, I do not want to take the risk as a person representing 70,000 Saskatchewan people of giving a too sweeping mandate or too sweeping scope of powers to a new security service. I cast my mind back to the days leading up to the McDonald Commission and its inquiry into the wrongdoings of the RCMP, to the barn burning by RCMP officers in the Province of Quebec and to other things which occurred at that particular time. Those kinds of issues which some of us in the House have experienced as parliamentarians make us extremely wary of giving a sweeping mandate to any security service.

I say this for a number of reasons, one of which is that we do not have proper parliamentary scrutiny or accountability for what we will create in the Bill before the House today. When it comes right down to it, the only person who will be responsible for ensuring that there is not an over-zealous application of the powers of the law will be the Solicitor General. That is not adequate in a parliamentary democracy; that is wrong. There should be much greater parliamentary accountability built into this legislation as well as into almost every Bill we pass in the House.

It is important that the security service not be there to stifle legitimate consent in the country. It is important that it not be there to harass legitimate protestations or demonstrations against governments of the day. It is important that it be there to stop illegal and violent activities, not to thwart in any way legitimate dissent in Canada. Without the proper kind of parliamentary scrutiny and accountability—and they are not built into the system at this time—I am afraid that the powers under its mandate are too sweeping and too broad. I say that having seen the October crisis and the many occurrences which led up to the inquiry by the McDonald Commission.

I see Mr. Speaker indicating that my time is up. Perhaps I could continue at a later date.

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, I am sorry I have to rise at this point in time to participate in the debate, under the circumstances. I draw the attention of the House to what exactly we are debating. I suggest that it is a motion which was put surreptitiously, in bad faith, by the Deputy Whip of the Liberal Party that the question on second reading be now put.

For those uninitiated in parliamentary procedure, let me describe what this means. Purely and simply it is a motion by an arrogant, unthinking and callous government to impose closure on a debate involving a very serious problem with respect to the security of the country. Simply put, that is what we are faced with by this Government. We have had the opportunity of considering this matter for some three days on the floor of the House of Commons. Granted we have had over eight hours of debate. Also we have had the opportunity of hearing some very interesting points of view. But as was pointed out earlier by my colleagues, we have had no more than three government participants. The purpose of one of those interventions was to move the motion of closure. That is the way in which this Government views this important issue. That is the kind of so-called bona fides with which they approach the issue of a security service in Canada and allow elected Members of the House of Commons an opportunity for full and frank debate about the merits of the legislation. That is an indication of the way in which the Government will deal with what I consider to be fair and reasonable Opposition amendments.

Quite frankly, we can disabuse ourselves of any idea that the Government has any serious intention of listening to the Opposition or to any other interest group, especially on the basis of the way in which it is now operating with respect to the legislation. Government Members say that the Senate has heard representations concerning this legislation. They have said that there have been royal commissions. However, what they are saying to Canadians is that, as far as their elected

representatives are concerned, they are nobodies who have no say in what goes on in terms of this legislation.

I say to the Government and to the Solicitor General (Mr. Kaplan) in particular that they should not have any illusions with respect to the sincerity with which we approach the legislation. In the course of this debate they will find, if and when we are forced by the Liberal majority to terminate the debate on the floor of the House of Commons, that the end is not necessarily in sight. We will not be pushed around. Whether or not the Solicitor General somehow thinks that his colleagues are out seeking the leadership of that Party, I would like to hear from each and every one of the leadership contestants what they think about this kind of tactic. Do they think the Liberal Party with its majority should be forcing through by a form of closure legislation to impose on Canadians a civilian security intelligence agency with some serious defects? As I pointed out to the Solicitor General, this piece of legislation requires much serious work.

I am not here to be an obstructionist. I have been attempting to find some rational middle ground concerning a full and reasonable examination of the matter in committee. The Solicitor General knows that. I have approached him on a number of occasions asking that a special committee be established to take the onus off the Standing Committee on Justice and Legal Affairs which will be faced with an enormous workload. I asked that the special committee have the authority to do some reasonable travel across the country.

I will tell the House why I feel strongly about the power of the committee to travel. I come from a part of the country which is not driving distance from Ottawa. My constituents are concerned about national issues but, in order to participate in the process in Ottawa, they have to travel some 2,000 miles, very often at their own expense. Some people say that they are losing their respect for parliamentary institutions. In Saskatchewan, Alberta and British Columbia, when it takes that amount of expensive travel to make representations in person, no wonder there is a sense that somehow parliamentary institutions are not fulfilling their potential. The idea of travelling to Saskatoon, Regina, Vancouver, Halifax, St. John's or places where serious Canadians want to participate in national debates to make their input known is a service to these people. If the Solicitor General thinks that he should contain the committee in Ottawa, rush through the process and ride roughshod over the Opposition with a Government majority on the committee, as is the case in the House of Commons, I tell him that he is doing himself a disservice.

I felt that we had an opportunity for making reasonable arrangements with respect to committee consideration of the entire issue. I took the Solicitor General to heart when he said on the floor of the House of Commons that he was prepared to listen to Opposition suggestions. What do we get in response to an Opposition suggestion concerning the handling of this matter by committee? We get closure.

Mr. Kaplan: It is not closure.

Mr. Hnatyshyn: I hear the Solicitor General. He knows the effect of the motion that the question on second reading by now put. The Government has the majority and no further amendments can be put. He knows that the callous Government majority will ram through legislation which involves the civil liberties of Canadians.

We have heard much about the Prime Minister (Mr. Trudeau) who is now retiring and the Charter of Rights. This will be his monument to greatness. I ask the House to reconsider what kind of government uses its majority to impose closure on a matter of such serious implication as this to the civil liberties of Canadians.

Mr. Deans: A majority government.

Mr. Hnatyshyn: Yes, it is a majority government. It is a government which is able to exercise once in a while—and on occasions such as this—great and enormous powers with respect to ramming legislation through the House of Commons. I put the Solicitor General on notice that I will not accept the bona fides of the Government with respect to this matter. There is real reason for Canadians to be concerned about the bona fides of this Government with regard to this legislation and its real intention to accept reasoned amendments to the legislation, to accept any suggestion for improvement, whether it comes from the Opposition or important interest groups in this country.

• (1440)

I rise now to address this Bill on a second occasion, which I did not think I would have to do. I do it with a sense of great disappointment. I do not think we have been unreasonable. Everyone from my Party who participated in this debate made an intelligent and worth-while contribution. I do not think anyone can say that we have been obstructionist or that we attempted to speak just for the sake of speaking. What kind of thanks do we get for that approach to this legislation? We get, I am sorry to say, a motion moved which is tantamount to closure. The people of Canada will remember this when they regard this Government at the time of the next election.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, as you will recall, I spoke on Bill C-9 this time last week. I was quite content to have had my say at that time. I thought I made some interesting observations with regard to the principles contained in the Bill. I would have been quite happy to sit quietly in my seat and let the debate proceed to its natural conclusion. However, we find ourselves now faced with a motion that amounts to closure imposed by the Government side. I now feel compelled to speak a second time and to point out the wrongness of what the Government is trying to do to limit debate.

The Hon. Member for Kootenay West (Mr. Kristiansen), in his meagre contribution to the debate this afternoon, continued to talk about the principles of Bill C-9, saying that we should not change anything, that it is okay for all of these illegal things to go on and be engaged in by the security service, so long as we do not know about it. I found that a rather funny

attitude on behalf of that member of the NDP. I could not understand it at all.

It is not my intention to rebut the Hon. Member for Kootenay West, but rather to deal with this serious threat to Parliament that we face this afternoon. The motion is that debate be now terminated, that the vote on second reading of Bill C-9 take place without any further opportunity for discussion. I am unable to understand the motivation of the Government. The debate seemed to be proceeding in an orderly manner. We have had two or three days' debate on the issue. It has not been excessive. Government Members chose not to participate in the discussion. We cannot force them to if they are not interested in the matter before us. Perhaps they have been instructed to keep quiet. I understand that it is not an uncommon practice on the other side of the House.

Had the motion that the question be now put not been introduced in the House today, there was every likelihood of the debate winding down and being terminated by the appropriate time this afternoon. There would have been nothing to get excited about. That is what would have happened. With the introduction of this tricky move, other Members, on this side of the House at least, will want to make the same statements as me and insist that we debate adequately the question whether debate should or should not be terminated. I cannot see any rhyme or reason for that move.

I would like to have seen debate on second reading terminate this afternoon and the Bill sent to committee where it could be studied in detail. That is the correct process, the process now being cut off by the Government. I am unable to understand why the Government wants to cut off orderly debate and initiate another debate on the question of putting the question. The result will be a situation exactly the converse of what the Government wanted. The result of cutting off debate will be to prolong the debate. It is not for me to judge the rightness or wrongness of the Government's tactics.

This is a very important issue, one that justifiably should be debated in detail in this House. We should not set aside debate at the whim of the Government. We have before us a whole new system of dealing with security matters in Canada. The Bill addresses the various checks and balances that are needed if we are to have a security service. It is a very important piece of legislation because it deals with the relationship between the state and its citizens. Because it is so important, it deserves careful debate. Although it is important, it is not particularly urgent.

The principles involved in the Bill go back to the time of the Mackenzie Commission in 1969 and the McDonald Commission in 1981. If there was no urgency in 1969 after the Mackenzie Commission to bring in legislation, why is there now? Why can it not wait another few hours for debate to expire?

As I said before, the present security service in Canada is doing a reasonable job. I do not say it cannot be improved, but Canada will not go down the drain in the next three weeks if this legislation is not passed. It really does not matter whether the existing system is replaced in one, three or six months from now. Although the Bill is very important, it is not that urgent. It is important that we make a very careful study of the proposals and make the correct changes rather then rush into something we might regret later.

So far I have confined my comments to the specific case of closing debate on Bill C-9. I wish to take a few minutes to address what I would say is the general case. Why does the Government always want to cut off and limit debate in Parliament? Why did it use closure 16 times during the first session of this Parliament? Is it just on account of arrogance caused by being in office too long? I will be charitable and surmise otherwise.

I think the real reason this is a consistent practice of the Government is that it has forgotten how to work within the parliamentary system. Instead of legislation being initiated or at least developed within Parliament and parliamentary institutions, nearly all of the new legislation that is brought before us is being generated by and initiated from within the bureaucracy in Government Departments. There have been consultations and discussions but these have not taken place within this Chamber or within parliamentary committees and parliamentarians have not really been involved in that process. They take place within the bureaucracy.

● (1450)

What happens then is that legislation is presented to Parliament in finished form and the Government tries to use its docile and subservient majority to push it through Parliament as a mere formality. Government members want to use Parliament as a formality in the same way as Royal Assent is given to Bills as a formality. In my opinion, Parliament ought not to be just a rubber stamp. We must again become the instrument of legislative initiation. Therefore, Sir, I would suggest that Members should not support this motion and that debate ought to be allowed to come to a natural and not a forced conclusion.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have not spoken on this Bill before, and as my colleague has said, thank goodness I have not because if I had, I would hardly be able to speak again. I do not propose to go over what has already been presented by members of my own caucus.

I know you are aware, Sir, that some time ago the Leader of this Party, in presenting a submission to the McDonald Commission, made it quite clear that this Party and the caucus of this Party supported a civilian security service. But he made it quite clear as well that that support would only be forthcoming if the legislation was properly drafted and contained full safeguards both with respect to oversight and the powers of the agency itself. I do not think anyone denies that there is a need for such an agency to protect the country from spying activities or subversion. The question at the moment is whether or not this particular piece of legislation meets this need and whether or not it provides guarantees that there can be no abuses of the powers that are given.

We have heard some of the comments that have been made by Attorneys General and others across the country and we cannot help but think that we in this Party do not stand alone in opposition to the content of the Bill which we now see before us. We know, for example, that the Attorney General of the Province of Ontario, the province I am pleased to represent and in which I have worked all of my adult life, has said that the new Bill mentions threats to Canada's security by foreign-influenced activities. Mr. McMurtry said that that sort of definition could include automobile companies such as Honda and Toyota that compete with domestic firms. Perhaps he may be going a little far in drawing that kind of an analogy but I think the point that he is making is that the Bill is so badly drafted and its provisions so inadequate as to make it virtually impossible for any reasonable person, faced with having to deal with the Bill and the agency itself, to determine themselves or through those representing them when and how one is seen to be in violation of the protection of Canada.

Although I personally cannot verify it as being entirely accurate but can only assume that it may well be accurate since it has not been refuted by anyone; it has been reported that Members of Parliament from Quebec are not entirely happy with this piece of legislation and that those from the Province of Quebec are really quite concerned about the whole idea of the federal spy agency.

Mr. Cosgrove: Is that Mr. Mulroney?

Mr. Deans: The Hon. Member for York-Scarborough (Mr. Cosgrove) asks if I am referring to Mr. Mulroney.

The Acting Speaker (Mr. Herbert): Order.

Mr. Deans: I assume he is referring to the Leader of the Official Opposition. The truth of the matter is that no one knows if he feels that way or not since he says so little about anything. It may well be that he feels that way, but the fact of the matter is that Members of Parliament from Quebec are reported to be very concerned about the existence of this agency in the form in which it has been presented by the Solicitor General (Mr. Kaplan).

One need not be of any great age to remember the actions taken by the Liberal Government in the Province of Quebec which were subsequently proven to have been totally unnecessary and extremely harmful. I can well understand that, on the one hand, the Attorney General for the Province of Ontario says that the Bill is inadequate in its draftsmanship and that, on the other hand, Members of Parliament from the Province of Quebec are saying that the Bill is undesirable in its present form. I can understand that because they too must be able to read, as I am able to read, the comments made by the Solicitor General and by his officials.

The Solicitor General and his officials have said, and again I am quite sure that this is correct, that the special review committee of three to five Privy Councillors, mostly retired Cabinet Ministers, will be able to report any attempted cover-ups to Parliament. However, government officials admit that the committee, bound by a secrecy oath, would only be able to report to Parliament in the vaguest of terms and would certainly not be able to name anyone. What kind of oversight is that? What kind of protection is that? How does the Parliament of Canada respond to the demands of the people of the country? We who are duly elected should at least have some access, if not total access, to information of this type in order to know about the actions of the agency.

The Minister may say that albeit the agency is given power to break the law, that power is to break the law in minimal ways. Incidentally, the Minister has said that and no doubt believes it is true because I know that he is an honourable man. However, he then goes on to say at another time that security agents could enter the offices of doctors and MPs. One must question if that is a minimal breaking of the law. Is that a suitable kind of action that could be condoned by a duly elected and responsible Parliament? Is it reasonable to give members of the security agency the kind of *carte blanche* that would allow them to enter a doctor's office and rummage through the records and take for their own use those records which they feel would be of help to them in the pursuit of their responsibilities?

Does not that situation open up the whole question of the confidentiality of such records and the protection of individual's rights? Does it not come into conflict with everything that we in Canada have stood for with regard to the right of individuals to maintain the degree of confidentiality necessary to protect themselves from undue or unnecessary harassment?

It seems to me that the legislation, as the Attorney General of Ontario has said, as my colleague from Burnaby (Mr. Robinson) has said and as many of my other colleagues have said, is an inadequate piece of work. It is inadequate because it does not do what is necessary to protect the innocent public from over-zealous or perhaps downright intentional intrusion into their lives.

• (1500)

As I started I end, Mr. Speaker: through our Leader this Party has argued for a civilian security service. We cannot accept a security service established by legislation that does not contain protective mechanisms to guarantee a stop to the kinds of abuses that have been identified as possible by groups ranging all the way from civil liberties associations to attorneys general. For that reason, and that reason alone, Mr. Speaker, we cannot expedite passage of the Bill, nor can we allow the Solicitor General (Mr. Kaplan) to continue with it in its present form.

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I want to thank you for recognizing me so that I can say a very few words on Bill C-9, an Act to establish the Canadian Security Intelligence Service. I must inform the House that this legislation has bothered me for some weeks. I am apprehensive about it; I do not fully understand it; I do not fully understand the need for it; I do not fully understand its purpose, its structure, its powers or its democratic concepts. As a result, I am concerned that the debate, particularly on the principles of the Bill, should be terminated without what I consider to be an

extensive debate. I know there has been a good deal of debate so far, but I think the principles of the Bill should be debated extensively, rather than the details. It is the principle of the Bill that we debate on second reading.

I wish to state very briefly, Mr. Speaker, that I am not in favour of the motion to terminate debate on second reading and move this Bill into committee, and it is my intention to vote against the motion before the House.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I should like to take a few minutes to deal with the background of Bill C-9 which has evolved from Bill C-157, presented to the House some months ago. I should aso like to discuss some of the rights and freedoms that I think the Bill ignores, and I should like to talk about the lack of parliamentary accountability in the legislation.

As many Members of the House will know but some of my constituents may not remember, in 1976 it was revealed that the RCMP security service had been involved in a number of criminal wrongdoings in the Province of Quebec. In 1977, the McDonald Royal Commission was established to inquire into the activities of the security service of the RCMP. It sat from 1977 until 1980 and issued a report which was very critical of the activities of the security service, particularly some of the activities which took place during the 1970s leading up to what is now popularly known as the FLQ crisis in the Province of Quebec.

The Commission found that there had been widespread institutional lawbreaking by the members of the RCMP security service. So far none of its members have been charged in court for any of the illegalities that occurred outside the Province of Quebec. The Government refuses to prosecute for breaches of federal statutes under its jurisdiction. No disciplinary action has been taken against members of the RCMP security service as a result of wrongdoing within the service although a number of trials are presently under way in the Province of Quebec.

The bottom line is whether the rule of law, which is the foundation of our Canadian judicial system, has been subverted. The law must apply to all Canadians, whether security service members or not. That is the position that is at issue today. Those of us who oppose the Bill going to committee say that Canadians should be treated equally before the law. If there are times when the security service or the police forces have temporarily to take action which is contrary to the law, they must do so only after having received an order from a judge permitting such action.

The McDonald Royal Commission report was made public in August, 1981, when the Minister announced on behalf of the Government that it was accepting the key recommendations of the report that a civilian security service outside the framework of the RCMP would be established. The new agency, with its sweeping powers and lack of accountability will be a step backwards, in our view. The Minister appointed a task force to draft legislation flowing from the McDonald Commission report. The Bill which resulted was tabled in May, 1983, as Bill C-157. It rejected many of the key recommendations of the McDonald Commission and was denounced across the country by provincial attorneys general, civil libertarians, academics and a broad cross-section of the Canadian community.

One of the problems with the Bill is in its definitions, particularly for the protection of the individual rights and liberties of Canadians at the same time as for dealing adequately with genuine threats to national security. As the Senate committee under Senator Pitfield said, this is a very delicate balance to reach. We agree that it is a very delicate and necessary balance and we think that this Bill fails to meet the test.

The major problem of the security service has been, and under this Bill would continue to be, the absence of political accountability, which on occasion has led to a failure to distinguish between dissent and subversion among the groups and individuals being investigated.

This Party suggests that the improved version of the Bill which came from the Senate subcommittee still falls short of the recommendations of the McDonald Commission. An example of this was brought to light by Edward Greenspan, a well-known lawyer from Toronto. He believes that the present version of the Bill would grant the agency that would be created the right to tap telephones not only for one year, which was supposed to be a protection for Canadians, but that an extension of the original warrant would result in the service being able to monitor people's telephones forever. There is no limit to the secondary application that the service is required to make once the application for the first year runs out.

Mr. Kaplan: We think he is wrong about that.

Mr. Althouse: Mr. Greenspan has pointed out that he believes that under the Bill Canadians can have their conversations bugged without any suggestion of lawbreaking or foreign control. He believes that there are no guidelines governing how closely judges must scrutinize wiretap applications and that there are no effective controls over the length of the surveillance.

This particular shortcoming of the Bill engaged Mr. Greenspan's interest. He thinks that the evidence would indicate that Canada is becoming a "wiretap happy country" compared to the United States. On a per capita basis, there are 20 wiretaps in Canada for every one in the United States. This would indicate that we have a much higher propensity among our secret service to place wiretaps than is the case across the border, Mr. Speaker.

One of the most serious problems with the Bill is the apparent lack of a watchdog agency to monitor what kinds of activities the secret service is engaged in. There has been an attempt to improve parliamentary accountability with the introduction of a Security Intelligence Review Committee, which would be a very limited committee operating under the auspices of the Privy Council. The members of that Council would be sworn to secrecy and could not report their findings in a general way, so that Members of Parliament, who are not

members of the council, would be denied the fundamental information.

• (1510)

It is rather intriguing to look at the name of that particular group. It is called an "oversight agency", providing an oversight mechanism. I went to the dictionary because I was aware of two ways of interpreting the word "oversight". One definition is supervision, which I hope is the meaning which was intended in the reference in the Bill to an oversight mechanism, because the other definition of oversight is "omission to notice" or "a mistake of inadvertence". I hope that the oversight agency does not see its particular mandate as being to overlook and set aside because of inadvertence a lot of the problems and rules under which the security service is being permitted to operate.

In short, Mr. Speaker, I simply say that we in this Party propose to oppose this particular Bill going to committee for some of the reasons I have outlined. There are many more reasons for opposing this Bill, for example, on libertarian grounds and on the question of adequate parliamentary security, but since my time is up, I will resume my place.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it is no news to Hon. Members of the House that Bill C-9 is an Act to establish a new civilian spy agency to be called the Canadian Security Intelligence Service. This new agency will have special powers to open mail, place wiretaps, make surreptitious entries into people's homes and use government records to obtain confidential information about persons who have committed no illegal act.

While the present Bill has removed some of the injustices which this Party pointed out in the previous Bill C-157, it still does not implement many of the essential recommendations of the 1977 McDonald Commission, which was established as a result of RCMP wrongdoings in the 1970s, and we are still concerned that these wrongdoings went unpunished.

The New Democratic Party cannot support this Bill for a number of reasons which my colleagues have pointed out. However, I would like to put on the record that the most important reasons are the lack of accountability to Parliament, and the broad, sweeping powers to be given to a civilian agency which are unprecedented.

I want to congratulate the Hon. Member for Burnaby (Mr. Robinson) in particular, Mr. Speaker, for having so strongly opposed Bill C-157 and now opposing Bill C-9. His position reflects in general the views of civil rights groups across Canada and certainly of many Canadians who are convinced that both Bills undermine democracy. As usual, the Conservatives are on both sides of the fence trying to cover up their divisiveness by saying "Let us not rush it". Our Party wants to know if they are for or against Bill C-9 and what they would do if they were the government.

My colleagues have spoken at length about the problems which we find with Bill C-9, and I would like quickly to summarize the problem areas. Highly intrusive special warrants may be used against Canadian residents who have done nothing wrong or disloyal, and are not even suspected of wrongdoing. Intrusive techniques such as special warrants may be used against subversive, as distinct from foreign-influenced, activity. This is something which concerns us in that there are the same provisions for domestic activities as for foreign spy suspects. Advocates, protesters and dissenters are included in the security mandate if they transgress some law, however minor. I can tell you, Mr. Speaker, having picketed in many demonstrations, as have many of my colleagues, that we will probably be out there lined up with the first group of suspects.

The "anti-judge shopping" clause makes it easy for the service to avoid having to tell the judge, to whom a warrant application is made, that an early application has been denied. Judicial warrants or authorization from senior officials need not be obtained prior to infiltrating an organization. Confidential solicitor-client communications, tax returns, health records and the confessional, are still fair game. Contrary to the recommendations of both the Pitfield committee and the McDonald Commission, the judge will not have the power to refuse a special warrant where the invasion of privacy proposed far outweighs the value of any evidence.

There is no parliamentary review, contrary to the recommendations of the McDonald Commission. Therefore, there is no ultimate political accountability. Perhaps the most important criticism we have is that the review committee, the only real control in the whole scheme—or supposed control—before it pursues a complaint or conducts an audit, must let the service know that it is coming and what it is looking for. The review committee is not given access to any file anywhere, at any-time. In all three of these major areas, mandate, powers and controls, I feel it is shocking that the Minister and the Government are unrepentant.

I want to say, Mr. Speaker, that in preparing to speak to this Bill, a lot of memories were brought back to those of us who were activists during the late 1960s and 1970s and who were involved many times in the front lines of protests and work for social change. I am most concerned that this Bill will still allow intrusion into the lives of innocent people, people who are social activists, reformers and who wish to demonstrate and sometimes resort to civil disobedience. They will be suspects. We know that the RCMP had over 800,000 files on Canadians, many of whom have committed no illegal act. We do not even know what has happened to these files. Is this to continue under the new civilian security service?

I recall being very much involved with welfare rights groups during the 1970s, Mr. Speaker, militant, anti-poverty groups. I can tell you, Mr. Speaker, that no one would have listened to the poor during those days if there had not been some militant activists who were ready to go out on the front lines. Most people were so beaten down with lack of income that it was difficult for them to organize. I am sure that the names and photographs of those people, myself included, were recorded by the RCMP and probably are still on file. I know of one leader who was harassed by the police, and I do believe him when he claims that a gun was planted in his room deliberately

by the RCMP. This was used to intimidate him to the point where he had to give up all of his activities and go underground.

I know Canadian citizens of Japanese descent who were condemned as spies because of their racial characteristics. They are still living in my riding of Vancouver East. Activists have been particularly suspect. I think particularly of a woman named Kay MacPherson from Toronto who has been a leader in the peace movement in the New Democratic Party and is a very active person on the National Action Committee for the Status of Women. Is she going to be suspect here in Canada, as she was when she tried to cross the United States border to go to a peace rally in Washington? Is this the kind of McCarthyism we are going to have in Canada? Labour groups certainly will be suspect, especially if they protest against any right wing foreign governments. Is a wildcat striker who refuses to handle South African imports really a threat to Canada? Will he be suspect?

● (1520)

In my remaining time, Mr. Speaker, I want to refer to the specific example of a member of the Prime Minister's Office who was once a target of the Canadian secret service. I refer to a column in the Ottawa *Citizen* of February 17 which refers to David Crenna, a former employee of CMHC who joined the PMO after the 1980 election. He was one of 21 government employees appearing on the notorious EPO list circulated to Cabinet Ministers in June, 1971. Apparently EPO stands for Extra-Parliamentary Opposition. The PMO press office confirmed that Crenna, whose title is social policy adviser, was on the list. Of late, he has figured prominently in press stories as the covert agent sent to Washington to get the dirt on the Leader of the official Opposition. Apparently what he got from the SEC were some prospectuses and salaries, and we know about that. The article says:

> Back in 1971, the shoe was on the other foot. This graduate of the London School of Economics was identified by secret service analysts as one of several sources of subversion burrowing into the Canadian bureaucracy.

Here are a few extracts from Mr. Goyer's letter of June 15, 1971, the Minister who was investigating him:

> I have recently received a report containing information which the Security Service has accumulated about the concept of "Extra-Parliamentary Opposition" . . . as interpreted by advocates of the New Left in Canada.

Those vicious New Lefters, Mr. Speaker. It goes on:

> The report also draws attention to the activities of various persons and groups, some of them employees of the Federal Government, who support the EPO concept and who appear to have as their aim the destruction of the existing political and social structure in Canada.
>
> The EPO concept, in the context of the New Left, does not mean legitimate pressure group activity but rather the creation of counter or parallel institutions within society—

Imagine, Mr. Speaker, a counter-culture within Canada being established by an activist now in the PMO. It continues:

> Through such institutions the New Left seeks to organize and radicalize the "underclasses" of society and mould them into a revolutionary force capable of overthrowing the socio-political system . . .

He might even have been against the Liberals in those days, who knows. I use this example because I think it shows how easy it is for our society and people in power to abuse the freedom of individuals. Certainly this new force will add to that risk, not solve the problem.

Mr. Scott Fennell (Ontario): Mr. Speaker, I have one of those difficult ridings to remember. It is difficult for many people to understand where exactly it is. Do I represent the entire province or not? I always like to point out that I represent an area between Toronto and the place where the NDP members enter into Parliament. They are very proud of me in my riding because I am there to defend them against the socialists to my left.

I was shocked and dismayed this afternoon by the Deputy Whip, who I always felt was a gentleman. I do not believe he came up with this idea on his own. I believe it was the Parliamentary Secretary to the President of the Privy Council (Mr. Evans) who did, because that gentleman is evil, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Fennell: He is evil. He is the kind of person who destroys the image of the House of Commons. The people in the gallery have been here today to see what that Party is trying to shove down the throats of Canadians. I do not believe the Solicitor General (Mr. Kaplan) was involved as much as the Parliamentary Secretary. However, I am delighted to be speaking on this Bill because there is very little in it that I can commend. I sincerely believe that the Solicitor General does not understand the Bill.

Mr. Kaplan: Get serious.

Mr. Evans: A point of order, Mr. Speaker. I know the people watching on television can understand the Hon. Member was calling me evil in a jocular way, but it certainly will not show up that way in *Hansard*. I wonder if he would mind clarifying that, because I know he was doing it in a joking fashion.

Mr. Dick: It is a legitimate point of debate.

The Acting Speaker (Mr. Herbert): I would have to check the "blues" to see if there is really a point of order, but perhaps the Hon. Member can consider what he has said.

Mr. Fennell: I do not have Roget's Thesaurus in front of me, but if I did I would call him mischievous.

Mr. Evans: I will agree with that.

Mr. Fennell: I will withdraw the word "evil". Yet I think he understands the point I was making.

As I was saying, before I was so rudely interrupted by the Parliamentary Secretary to the President of the Privy Council, I do not believe the Solicitor General really understands this Bill. In a speech, the Attorney General of Ontario quoted the Minister of Justice of France who said that freedom cannot

defend itself by taking measures which kill liberties. That is what we are talking about, Mr. Speaker. We are talking about the fear of Canadians that this Bill will remove their liberties.

The reason I really want to speak on this Bill, Mr. Speaker, is that I as a Canadian am very proud of the Royal Canadian Mounted Police. It is one of our great traditions and part of our heritage. It is criminal to take the responsibilities they have handled so well out of their hands, yet leave it to them to implement any prosecutions which must be made. There is a secret force to collect the information, yet its members will have to depend on that very fine organization, the RCMP, to implement any action which must be taken. I strongly believe this responsibility should remain with the RCMP.

There is a great danger of our rights being eroded, Mr. Speaker. So many have been in the five years I have been here that I am ashamed of not having been able to stop it. The rights of Members of Parliament have been eroded.

Mr. Kaplan: How?

Mr. Fennell: The Solicitor General knows that we spend hours in committee and no one listens to us.

Mr. Kaplan: I know we passed a Charter of Rights and Freedoms and a Freedom of Information Act.

Mr. Fennell: That is great. I am glad he brought out the Freedom of Information Act.

Mr. Kaplan: It is your ten minutes.

Mr. Fennell: Yes, and I would just like to talk about that. Under the Freedom of Information Act we are supposed to have access to all information. A report was made by an independent agency called the Shielding Corporation, yet the Minister responsible for social development cut 35 pages from the report which he did not want us to see. What good is freedom of information if the Government can select what you are going to see and what you are not going to see? I am glad the Solicitor General brought that out.

What I object to about this Bill, Mr. Speaker, is the power given to this agency which is not responsible to the House of Commons. It can open our mail. If can open a letter from my daughter to myself, from my son, from anyone, and that is infringing upon my right and the rights of 150,000 people who live in my riding. It can go through my medical records. There are many people who go to a psychiatrist, sometimes during their lifetime, in order to get help. This agency will have the right to seek information from doctors and psychiatrists in this country.

● (1530)

This agency will be permitted to go through tax files. In light of the inefficient and corrupt practices of Revenue Canada, it is possible that the information this agency obtains will be inaccurate.

This Bill permits the taping of telephone conversations. Russia has a ship stationed off the Cape of Good Hope that is equipped with a computer to monitor conversations throughout the world through the use of a satellite. Whenever a trigger word, such as "agent" is heard, the computer automatically records that information so that it can be assessed. The same thing takes place in our country.

I also discovered that it is not necessary to bug our phones, our homes or offices. It is possible, through the use of laser beams, to cut into a private conversation which I may be having in my office. Although this agency is to be given those rights, they are not spelled out in the Bill. New technology has changed everything, but we must remember that those practices infringe upon our liberties.

Today many people have personal computers in their homes. The security service will be able to intercept the use of personal computers. This is another infringement on our rights. The interconnecting of computers into main frames to seek information is a whole new subject that must be dealt with. No one should have the right to do that, but this service will.

I suggest that this Bill represents a total invasion of privacy. No one trusts the Government any longer because it has acted so immorally. The actions it has taken have been ill-conceived and have had a serious effect on the economy of this country. No one believes that the Government would bring in legislation for a security service that would do anything but erode the civil liberties of Canadians.

Small business people in this country are having enough trouble without this service being able to listen in on them and then, in some contrived fashion, bring an action against them. That would destroy investment in Canada which creates jobs.

Our Party has taken a strong stand against this Bill, and we will continue to do so. We must remember that this Bill was not conceived in the Justice Committee but was born in the Prime Minister's (Mr. Trudeau) Office. The Government even attempted to sneak it through a Senate committee, but even its own colleagues in the Senate spoke against the Bill. I appreciate the opportunity to speak, and we will hear a great deal more from my colleagues.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I want to take a few moments to intervene on this motion that was put by the Government. I will not dwell on the fact that this motion, in effect, is an attempt to muzzle debate in the House of Commons since no further amendments can be put. The argument against the motion is not so much that other amendments cannot be put, but simply that the Government has shown its complete ineptness by moving such a motion. It does not have a sense of what is happening in this Chamber. If the Government had attempted to co-operate, there would have been a very good chance for this bill to have been passed today. When it deliberately antagonizes the Opposition, the Opposition will take the opportunity to debate this matter.

When I had the opportunity to speak on this Bill last week, I said that the only reason our Party was anxious to continue debate and not have the Bill go to committee was that we wanted the Government to give the committee the right to

travel. However, the Government indicated its fear of being brought down if its members were away travelling. I think the Government would have received some co-operation from us. For instance, if the committee that was travelling was comprised of six government Members, three of our Members and perhaps an NDP Member, we would ensure that two other people in addition to the four who are travelling would not vote in order to ensure that an equal number is away from the Chamber. I put that proposition to the Government last week so that it would not have any fear of being defeated while the committee was travelling. The government Party would not need to be afraid of being defeated during this time when they are seeking a leader. I do not know if they will find any leadership within their corps, perhaps only a few retreads.

The difficulty is that the Government does not want the committee to travel. What is annoying about that is that only the wealthy people in this country will be able to attend the committee hearings as witnesses because they can afford to pay for hotels and air fare. There are average citizens and community organizations from areas like Esquimalt, Vancouver, Edmonton, Winnipeg or Yarmouth in Nova Scotia that might wish and might be able to contribute something if a hearing were held in areas near them. However, they might not be able to afford to come to Ottawa to make their presentations before the committee here, so that it will be only the well-heeled and well-established organizations from which we will hear when the committee sits to discuss this Bill.

The fact that the Government has taken 17 years to bring this Bill forward is no reason for having to rush through it in a day or two or on four Friday afternoons in a row. If the Government wanted to be responsible, democratic and listen to what Canadians felt about this Bill, it would go out of its way to ensure that concerned average Canadians of modest means are able to give their evidence before the committee. In order to do that, it should allow the committee to travel.

I believe the committee should have the right to travel, and even during the dying hours of debate at second reading I hope the Government will reconsider its strident and arrogant position of insisting that everyone must come to Ottawa to give evidence to the committee. I believe this would significantly increase the input into a Bill which gives the potential right to delve into the most minute areas of private life and political activity.

This is a Bill seeking to establish a Security Intelligence Service that can potentially spy on citizens and inquire into the political activities of organizations throughout the country. Since it has the potential for intruding into the civil liberties of the average Canadian, I believe it to be prudent to permit the committee to travel and to hear from Canadians from all over the country.

The fact that the Government has moved a foolish little motion—which it certainly has the right to do—just shows that it certainly does not read the pulse of this Chamber or understand what is going on. But that is not new. The Government has not understood what has been happening for at least four years. Of course, the polls indicate that.

Mr. Pepin: For twenty years.

Mr. Dick: The Hon. Minister of State for External Relations (Mr. Pepin) understands that they have been misjudging the people for many years as well.

Mr. Pepin: Twenty.

Mr. Dick: I don't know. I have not been involved for that long. I am not as old hat as that, but maybe you are.

Mr. Evans: You have not been involved for the last four years.

Mr. Dick: I think I have a pretty good pulse on the people, and I can say that I have a much higher percentage of popular vote in my riding than you have in yours.

Mr. Evans: Do you want to bet?

Mr. Dick: Yes, gladly. However, those are only a couple of comments from that mischievous, sometimes referred to as evil, rather arrogant and boisterous Parliamentary Secretary who wants to try to muzzle the House. Common sense would tell him to travel and learn what the people want. Do not insist on putting those people of modest means to great expense. You would strike a deal with opposition Parties. They do not want to try to bring down the Government when it is searching for a leader—

• (1540)

Some Hon. Members: Oh, oh!

Mr. Dick: —unless the Liberals show continued absolute ineptitude. Their only worry is that they do not have pairs for a committee of six people. I say, "Come and we will strike a deal. We will make sure that because this committee is travelling your Government will not be defeated". If, however, you are incompetent in other areas, then that is another kettle of fish and, of course, if you do prove to be incompetent in other areas, you will not be able to point your finger at this committee having travelled.

I encourage the Government to reflect, to think and to stop its arrogant approach to things. I encourage it to be more democratic, to ask the people and to listen to the people especially, because this Bill can invade the privacy of individuals, it can invade political organizations and it can invade civil liberties and civil rights in that it is a Bill that deals with the Security and Intelligence Service. It is so important that all Canadians from all walks of life and of various means should have an opportunity to make representations. I encourage this Government to reflect and to try, through co-operation rather than the usual confrontational approach, to get along and see if it cannot do things a little more democratically.

Mr. Terry Sargeant (Selkirk-Interlake): Mr. Speaker, like other speakers on this side of the House this afternoon, I am somewhat disappointed by the Government for the trick it has pulled today. I will not call anyone on the other side any nasty names, unlike other Members, but I do not think respect is

shown for the House of Commons when one tries to close off debate on a Bill that is clearly controversial and clearly unpopular among most Canadians.

This is evidence of the hypocrisy of this Government that can bring in a Charter of Rights and Freedoms, to which most of us in this House assented and which most of us find to be a good piece of legislation, while in the same Parliament it can bring in a piece of legislation which will take away or limit some of those rights and freedoms.

In the few minutes available to me this afternoon, I want to relate a personal experience which shows how this Bill would threaten the right of Members of the House of Commons to conduct themselves freely in representing their constituents. This experience took place in the fall of 1979. I had been a Member of the House for a matter of three or four months then. Indeed, the House had been sitting only a few days when circumstances started that led to the whole business that I am going to relate. The first chance I had to ask questions in the House of Commons occurred on October 12, 1979. I raised a couple of questions concerning the new fighter program. At the time they related to both the F-18 and the F-16. I directed these questions to the then Minister of National Defence, the Hon. Member for Victoria (Mr. McKinnon). In one of the questions I raised I referred to a report from a Government Department which indicated that one of the two companies that was the finalist in the competition for the new fighter aircraft had not been dealing in good faith in the opinion of bureaucrats in the Department of Industry, Trade and Commerce. In referring to that report I pointed out that it had never been officially released by the Government. I asked the Minister of National Defence to release it. I mentioned that I had a copy of the report in my possession. In answering my question in the House, the Minister of National Defence said:

> Mr. Speaker, I do not agree with the philosophy of the defence critic for the NDP that this is going to be something that will not be absolutely necessary. We do not enter into these purchases lightly.
>
> As far as the report is concerned alleging that the competition was a sham, I believe the report was not quite the one that it is purported to be. It was leaked some time ago. I did not find it worth while commenting on at the time. It was turned down at the first level of review. I am sorry the hon. member has taken it so seriously. The leaking of reports on a serious matter like this makes it more difficult to carry on negotiations, but negotiations have been carried on in a fair and competitive manner despite the leaking of that report.

That can be found in *Hansard* at page 123. I quoted from *Hansard* to indicate that the Minister said rather clearly that the report was really inconsequential, that it was peanuts as far as the government of the day was concerned.

After this exchange had occurred and about a month and a half later, the home of an Ottawa journalist, the journalist who had been researching material relating to that leaked report, was raided by the RCMP. I rose in the House on November 26, 1979, to question the then Prime Minister about this raid. I asked him to release guidelines which had been promised that would outline the powers of the RCMP in matters such as this. The then Prime Minister told me that this search and seizure of the reporter's papers had taken place under the authority of what he called "informal documents". He told me that these documents were about to be replaced. He also admitted that day that these informal documents:

> —had not been approved by the Government of Canada—the predecessor Government or our own—and, indeed, of whose existence until this affair I did not know.

What we had, Mr. Speaker, was a case where the Mounties at this time were operating without clear guidelines, at least none of which the Prime Minister was aware. I should hasten to point out that they were not acting on their own in this case but under the direction of a very uneasy and clearly embarrassed deputy minister of defence. A day or two later I learned that the RCMP had obtained a warrant to search my office in this building for the leaked material to which I had referred in the House a couple of months earlier, that leaked material being material which the Minister of National Defence had told me was inconsequential. As it turned out it was only as a result of a refusal by the Speaker of the day that the RCMP was not allowed to search my office.

On November 30, 1979 I raised a question of privilege, a part of which I shall read into the record as follows:

> I do not believe that a member of Parliament is above the law, but as you, sir, pointed out to the RCMP when they contacted you, I am not guilty of any wrongdoing and, therefore, there should be no need for such a search. For your support and the support of the House leaders, I offer my thanks . . .
>
> I believe that my rights and privileges will be affected by any search of my office for information it is not unlawful for me to have. Should any search be allowed, my relationship with my constituents will be adversely affected and so, too, will the rights and privileges of all members of this House . . .
>
> Is it the policy of this government, without prima facie evidence, to authorize RCMP officers to set out on fishing expeditions in the offices of members of Parliament?

The question then, of course, was rhetorical for I surely believed that my privileges as a Member of this House could not be so easily violated. Mr. Speaker Jerome upheld my belief.

I would like to believe, Mr. Speaker, that those privileges are still held sacred, but it appears on looking at Bill C-9, that this is not the case. Early in February, 1984 I read in *The Globe and Mail* a report emanating from Ottawa which confirmed my fears. It seems that our current Solicitor General (Mr. Kaplan) has admitted he has no qualms about this new civilian intelligence agency breaking into the offices of Members of Parliament.

Mr. Kaplan: A warrant authorized by a judge.

Mr. Sargeant: If the piece of legislation we are currently debating had been in effect in 1979 and if the Solicitor General who sits across the House from us in 1984 has his way, my office could have been raided, simply on the approval of a judge.

Mr. Kaplan: With a warrant and an affidavit.

• (1550)

Mr. Sargeant: "With a warrant", the Minister says. We are talking about a state of affairs or a historical fact which has been in place since the days of Cromwell when the King

invaded the House of Commons in Westminster and shut down Parliament.

Some Hon. Members: What do you have to hide?

Mr. Sargeant: I hear Hon. Members asking what I have to hide. If Members of the House of Commons are not allowed to act in the best interests of their constituents, if they are not allowed to act freely, and if their offices can be raided by whatever agency a government sets up and gives authority to, clearly the privileges of Members are being violated. Clearly it is violating the historical fact that the House of Commons and the offices of Members who, by extension and the precedent of the Jerome ruling in 1979, are part of the House of Commons. They are taking away a historical right. They are violating a democracy which has been in place for hundreds and hundreds of years.

Sadly, under this particular piece of legislation a very basic tenet of our democracy could be violated or lost. They sit over there today rather smugly, asking what we have to hide, to what we are objecting, and saying that it is all right with a warrant.

Some Hon. Members: What are you afraid of?

Mr. Sargeant: I am afraid of Parliament being violated. They sit there rather smugly, saying that there is nothing wrong with taking away the historical privileges of Parliament.

Mr. Evans: Why don't you send it to committee where that can be investigated?

Mr. Sargeant: I see Mr. Speaker signalling that my time is almost up. I will ignore the rabble across the aisle because I may not be so charitable; I may use some of the unkind language which was used earlier in the debate today.

In conclusion, obviously we have to object to this piece of legislation. It threatens rights in the country. It threatens our democracy. We will oppose it as much as we can.

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I want to take advantage of the last few minutes remaining before four o'clock to speak in this debate on second reading and, especially, to speak to the motion moved by the Hon. Member for La Prairie (Mr. Deniger). First of all, I can give my colleagues opposite the assurance that at four o'clock, we shall proceed with private members business, and that at five o'clock we shall adjourn as usual. I do not intend to take advantage of the absence of Opposition Members today to extend the sitting hours of the House. I therefore ask the Members of the Opposition to listen carefully so that they will understand the nature of the procedure now being debated instead of being unduly concerned about having to sit beyond normal sitting hours.

Mr. Speaker, the legislation now before the House is not new, although it bears the number C-9. It was introduced subsequent to a Bill that was presented during the previous session as Bill C-157, which, after being very substantially amended, was introduced as Bill C-9, the Bill now being considered by the House.

To understand the action taken by the Member for La Prairie, we must realize that the subject matter of the Bill to establish a Canadian Security Intelligence Service was considered by the Senate for two months, and significantly, the Bill was referred to the Senate after the New Democratic Party had systematically obstructed the first reading of Bill C-157, an unusual and very rare occurrence in the House.

Thus, the Government's very first attempt to create this security service met with an entirely negative, irrational and irresponsible reaction on the part of the New Democratic Party, which refused to allow the Government to introduce the Bill. If they had challenged the Bill on second reading, at the time, it would have been clear that they wanted to improve the legislation and make an intelligent contribution. However, it was when the Government first attempted to bring the subject before the House that the New Democratic Party obstructed its attempts systematically, not because it wanted to express its own point of view, but because it simply wanted to create obstruction and prevent the tabling of this Bill. During the previous session, we had to vote on first reading and subsequently refer the subject matter to the Senate. For two months, the Senate heard witnesses and considered the question. The Solicitor General listened, consulted and finally amended, so that the Bill now before the House, Bill C-9, is an improved piece of legislation which takes into account the views of the Canadian people and of those who have an interest in the security of this country.

Therefore, if we understand the nature of the debate and how the Canadian Parliamentary system works, there is no reason to get upset when at this stage, a Government member tries to bring this debate to a logical conclusion, so that the Bill can be referred to Committee, where it can still be amended.

Perhaps Hon. Members will care to recall that before today, twenty-five Members had spoken to Bill C-9 at the second reading stage. That is impressive, considering the fact that on second reading, only the principle of a Bill is to be examined before referring the Bill to Committee, where, after witnesses have been heard, it is examined in detail, clause by clause. The Bill can be amended at this stage. After committee, there is the report stage where once again, amendments may be considered, and finally, there is third reading, before the Bill goes to the other Chamber, to the Senate, for consideration once again at all stages.

What we are seeing here today, is that after twenty-five Members have had an opportunity to express their views, a Member of the Opposition, who is a Member of the New Democratic Party, rises to say that they intend to move an amendment and delay second reading of the Bill for three

months. I think this is unreasonable. It does not make sense, because although this is obviously a way to systematically obstruct a piece of legislation, it certainly does not help the House deal with this legislation in a sensible manner, and make sensible improvements. At this point, the Government had to act responsibly. We have a host of legislative measures on the *Order Paper* and we must also deal with Supply proceedings and the Government's requirement for borrowing certain sums of money which will be needed very shortly. We have all these measures which must be put before the House, and we cannot tolerate that at the preliminary stage of the debate on each Bill, Hon. Members try to cause undue delay and indulge in systematic obstruction.

Therefore, the procedure followed by the Member for La Prairie (Mr. Deniger) is entirely proper. Sir John A. MacDonald used it in the constitutional debate at the very beginning of Confederation. In fact, I referred to it when we used the same procedure in the debate on the Crow.

This procedure quite simply prevents the introduction of amendments on second reading—dilatory amendments, according to the information given by the New Democratic Party—and makes it possible for every Member who chooses to continue to abuse the time of the House to speak for ten additional minutes before the Bill is referred to the committee. I hope that, under the circumstances, Hon. Members will have the decency of not abusing the time of the House and the reasonable procedure we have used. I hope that after hearing 25 Members before today, plus 18 more once I am through, Mr. Speaker, which adds up to some 45 speeches on second reading, as early as Monday we will be able to see the light at the end of the tunnel, so that this very important Bill to establish a Canadian Security Service will be considered in committee by Members on both sides of the House who will hear witnesses, examine every detail of the Bill and introduce amendments if it can be improved. We have already proved that we are reasonable and that we are prepared to accept amendments. We have done that and the door is still open. However, it would be ridiculous at this stage if Members were to prevent the Bill from moving forward and being improved, and that is what we are trying to avoid by using this procedure.

In conclusion, Mr. Speaker, I would urge my colleagues to have a constructive debate on this Bill on Canadian security. The best way to do that, in my opinion, would be to have the second reading vote at the end of the day Monday, so that the committee will be able to consider the Bill and leave the House free to study other measures which are required for Canada's economic and social development.

The Acting Speaker (Mr. Herbert): Order, please. It being four o'clock, the House will now proceed with Private Members' Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Herbert): Shall all orders and items preceding No. 16 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Herbert): Stand.

* * *

[*English*]

IMMIGRATION ACT

AMENDMENT RESPECTING REFUGEE STATUS

Mr. Dan Heap (Spadina) moved that Bill C-219, an Act to amend the Immigration At, 1976 (determination of refugee status), be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

He said: Mr. Speaker, this Bill if passed will save a great deal of human anguish for people who are claiming refugee status and will save the administration of Canada, particularly in the Immigration Department, a great deal of expense and time. This Bill would alter the present system by which those who come to Canada and claim refugee status within Canada are examined in order to determine whether their claim to refugee status meets Canada's law. At present the system is very slow, as everyone will agree. Everybody concerned is very unhappy with the slowness. This Bill proposes a system which has been shown by experiment to be very effective in overcoming these problems.

The Bill is very simple. Section 45 of the Immigration Act would be amended by adding immediately after subsection 4 the following:

—before advising the Minister pursuant to subsection (4), the Refugee Status Advisory Committee shall, by notice in writing, afford the person who claims that he is a Convention refugee an opportunity to be heard and, at any such hearing, that person or his representative may adduce evidence, documentary or oral, in support of his claim.

That is all I am asking. It would not only benefit many thousands of people who must now wait in uncertainty and difficulty, but it would benefit the Immigration Department by removing one of the very serious hindrances to its present operation.

In brief, our refugee procedure is as follows for inland determination of refugee status. A person comes to a port of entry and declares that he is a refugee, or perhaps he has already entered the country on a visitor's visa or a student's visa. Because of changes in his country, at the expiration of his visa he makes a claim for refugee status. That is within the present law. After he makes that claim his case is then heard before an Immigration officer and a transcript is made of his evidence. The Refugee Status Advisory Committee examines

that transcript and any other evidence it may have that bears on the truth or falseness of his claim, evidence which is unknown to the claimant. He does not know what other evidence is being heard before the committee because he is not present at the hearing of the committee which decides his fate. The committee decides on his fate without ever hearing, meeting or seeing the man or woman whose fate they are deciding. I use the word "fate" because when a person is claiming refugee status, he is claiming that if he returns to his home he will be persecuted. Under our law, if he is judged a refugee, he is a person with a well-founded fear of persecution. This means he could well be killed. We are dealing with someone whose life is in danger. Under our present system, that person does not have a chance to stand before the people who are making a life-and-death decision. That person is normally not considered a criminal. There may be a few cases where a refugee applicant is alleged to have done something that places him possibly in a criminal category. I am speaking of the great majority against whom no criminal accusation is made. An innocent person may be judged in such a way as to be sent to his or her death by people who never lay eyes on that person, never hear that person speak, never have a chance to ask that person questions or never give that person a chance to correct any misunderstandings.

That is easy enough when it is all in one language, but some of these people do not speak English and have to work through interpreters. The Refugee Status Advisory Committee does not have a chance to make its own judgment as to whether or not that person is speaking the truth. This puts both the refugee claimant and the advisory committee in a very unjust situation. It is a situation which goes against the principle in our law which is that an accused person, in this case not accused but treated like an accused, has the right to stand before his or her judge and be seen directly. That is fundamental in our court procedure. It should be fundamental in dealing with usually innocent refugees who, if the decision goes against them, may be sent back to persecution, torture or death.

There are some safeguards. There is the Immigration Appeal Board. The refugee claimant who loses his case before the Refugee Status Advisory Committee may appeal to the IAB. If he loses there, he may appeal to the Federal Court of Appeal, or even to the Supreme Court, provided those courts give permission for the appeal to be made. The problem is that even there he will not be able to appear in his own cause. Those courts will examine only the transcript and documentary evidence put before them, usually by those who disagree with the person whose claim has already been judged unfounded.

We have a system which has grown up little by little and has become congealed into law which is not in keeping with the justice of our court system. The system has two main faults. I have described one, that the claimant goes unheard by his or her judges. I can put the word "judges" in quotation marks. They are not formally judges, but they act like judges in this case. He or she has no chance to answer, correct misunderstandings or be directly judged as to truthfulness and untruthfulness. There is a denial of what we consider to be natural justice. That is one fault. The other fault is that the system is amazingly slow. It takes about a year and a half on average from the time the refugee is first examined under oath until the time when the Minister makes the determination on the recommendation of the committee. In the meantime, the refugee claimant is in limbo. He or she does not know what will happen. Refugee claimants may be allowed to work by being given work permits, but their status is very unclear. The status of their spouses and children is very unclear as well. They live for a year and a half in a kind of purgatory or limbo.

• (1610)

On the other hand, there are the cumbersome procedures within our Immigration Department such as the writing of transcripts by contract groups, the distribution and reading of those transcripts and so on. As I said, even with the best will in the world, this process takes an average of a year and a half to resolve.

For several years many requests have been made that this process be speeded up through the use of oral hearings. Amnesty International, a highly respected body with which the Government works closely, has asked for such a procedure. The Inter-Church Committee on Human Rights in Latin America, which is concerned with many, many refugee claimants from Latin American countries, has asked for this procedure. The Inter-Church Committee on Refugees has asked for it as well. In particular, the Government's own report of 1981 has asked for this procedure. I refer to the report entitled *The Refugee Status Determination Process*, a report of the task force on immigration practices and procedures established by the then Minister of Employment and Immigration in September, 1980. The task force reported 14 months later in November, 1981 under the signature of the chairman, W. G. Robinson, a highly respected lawyer who has the confidence of the Government. I shall quote from page xvi of the introduction. It reads:

> Independent material should not be weighed against the claimant unless it has been expressly brought to his attention either at the examination or at a re-examination and he has had the opportunity to respond to it.

That could be carried out in the course of an oral examination. Otherwise we would not know if that was carried out. Further, and this can happen at a refugee claimant hearing:

> A person whose credibility is being impeached should be put on notice and given the opportunity of explaining.

Again, that follows naturally from an oral hearing and would otherwise be very uncertain. The final recommendation is this:

> A refugee claimant should be entitled to a hearing in every case where the RSAC is not prepared to make a positive recommendation on the basis of the transcript. The claimant who is granted a hearing should be given notice of the substance of the objections to his claim. At the hearing, the transcript of the examination should be taken as having been "read in" to evidence.

In other words, Mr. Speaker, for nearly four years this request for oral hearings has been before the Government. This request has been made by the most responsible citizens in the country who deal with refugee matters.

In response, the Government initiated a pilot project 10 months ago in which some refugee claimants were invited to take part. It was a different kind of examination, namely, one at which a member of the Refugee Status Advisory Committee would be present. This is not required by law but it does not contravene the law. So the pilot project was attempted, and what were the results? The sample is small. Something like only 170 people were considered for the pilot project. However, what is very clear is that one of the objections has been quite remarkably answered by this procedure. Instead of taking 18 months on average from the time of the examination under oath to the time of the Minister's decision, this procedure took not much more than two months. The waiting time was cut to one-sixth of the time. That means that about 15 or 16 months of suffering, anxiety and perhaps poverty on the part of the refugee claimant and family were eliminated by this procedure.

Likewise, an immense amount of paperwork and staffing costs for the Immigration Department were eliminated. I do not know if this would result in unemployment for members of the Immigration Commission. I am sure that if some of them were not needed, the Government would be able to find other more useful work for them. It is clearly in the interests of everyone that this experiment, which after 10 months has been successful, should become the law so that every refugee claimant will have the same opportunity as these 170 refugee claimants who participated in the experiment.

One big problem is that the number of refugee claimants has been growing very fast. About two and a half years ago, about 2,000 people in Canada were claiming refugee status and their cases have not yet been finally disposed of. This was considered to have put an intolerable burden on the administration of the Immigration Department and on the country generally because these people had to live somehow while they waited and waited to find out whether they could stay as refugees or be made to leave. It was considered such an intolerable burden that the Government, two and a half years ago, imposed a visa requirement on East Indians. So many people had come in such a short time from India claiming refugee status and it was felt that their claims were generally not well founded. However, it would take so much time to determine if those claims were not well founded that the Government had to take the other course of action of imposing a visa requirement on all visitors from India.

Now the Government has imposed a visa requirement on Guatemalans who are fleeing a well documented brutal oppression under a murderous Government. These refugees are trying to get away from that situation, but our Government has now slammed the door and said that they cannot come to Canada without a visa. The same has happened to people from Guyana who also live under a brutal and oppressive Government. This week the Government has slammed the door and said that refugees from Guatemala cannot come to Canada without a visa.

While many Guatemalan refugees may be in danger of their lives, they cannot come to Canada. Theoretically they could go to the Canadian Embassy in Georgetown and ask for a visa. They could then go home and wait for an answer, but they would also be waiting for the people who threatened them to come and do exactly what they have threatened to do because they were seen to be asking for refugee status in Canada. If we could speed up the time taken by these refugee hearings from 18 months to two months, there would be no need to slam the door on the people who are fleeing bloody dictatorships. The door was slammed on people from Chile, El Salvador and now Guatemala and Guyana.

As I understand it, the opposition to this Bill is simply that the entire refugee procedure needs to be overhauled. I do not doubt that, but after three or four years I hope we can go ahead with this one suggestion. I hope that it might be moved that the substance of the Bill that I have proposed will go to committee so that we could consider there the merits of making this one small change to the law which would save so much time and so much misery.

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, in his very interesting and thought-provoking speech, the Hon. Member for Spadina (Mr. Heap) has identified some of the concerns about refugee status determination with which the Department of Employment and Immigration deals on a day-to-day basis. In a moment I would like to put some of those problems in perspective for him and for other Members of the House.

First let me say that the issues referred to by the Hon. Member are not new to the Minister or to his departmental staff. Indeed, there is a continuing review of policy in this area and it is no coincidence that this process has developed a refugee program which is so highly regarded internationally. However, there are no easy, quick-fix solutions to what has become over the last few years one of the most bedevilling of immigration problems. I am sure that all interested parties, including the Members opposite, want a workable, humanitarian policy that will provide help to those who are truly in need. That means we have to put in place a program that separates those who might abuse the system from individuals who truly need access to a fair refugee determination system.

• (1620)

There is no denying that our system of refugee determination, while admired by officials at the United Nations and in other countries, encounters some problems. A major, very perplexing problem is that it has become increasingly difficult to identify true refugees quickly while enabling the removal of those whose claims are without merit and who seek, for their own reasons, to take advantage of the system. But the trick is to find answers that are not simplistic, that will not worsen the current situation and put an even heavier burden on the resources that we are able to commit to the worthwhile endeavour of aiding bona fide refugees.

The Geneva Convention on Refugee Status defines a refugee as a person who, by reason of a well-founded fear of persecution for reasons of race, religion, nationality, membership in a particular social group or political opinion, is (a) outside the

country of his nationality and is unable or, by reason of such fear, is unwilling to avail himself of the protection of that country, or, (b) not having a country of nationality, is outside the country of his former habitual residence and is unable or, by reason of fear, is unwilling to return to that country.

Because Canada is not located next to a country from which it was anticipated large numbers of refugees would arrive, decision makers, including Members of the joint parliamentary committee and the Cabinet, decided that this country's principal role in refugee programs would be the resettling of refugees already in countries of first asylum. In this way, Canada plays an essential role in helping countries of first refuge to be more generous in their attitude toward people fleeing their homelands for legitimate reasons. Bearing this in mind, the refugee determination process established in Canada was expected to deal only with small numbers of people. This initial assumption has proven to be somewhat ill-founded.

The determination system written into the Immigration Act of 1976 gave the right to anyone facing removal from Canada to make a claim for refugee status. That applies not only to persons trying to enter the country but also to those who have been in Canada for any period of time as a visitor or immigrant. The 1976 amendments also provided for establishment of the Refugee Status Advisory Committee, which has the authority to examine refugee claims and recommend to the Minister whether they are legitimate or unfounded. The Minister was given decision-making powers over the validity of claims and there could be a second evaluation of rejected claims by the Immigration Appeal Board.

The process does not stop there. Refugee claimants have the right to appeal to the courts to contest the legality of the review process by which their claims were heard. They have appeal rights under Section 28 of the Federal Court Act, and decisions by the Federal Court can be taken to the Supreme Court of Canada.

In the meantime, until their status if finally determined, claimants are able to stay in Canada. Canada does not remove or deport individuals awaiting determination of a refugee claim.

What has happened, in fact, is that most claims for refugee status have not been accepted by the Minister as valid, but few have departed from the country within reasonable time limits. And it has proved impossible administratively to move even obviously unfounded cases through the system very quickly. Advocacy groups which have argued that the review process is not sufficiently fair, have encouraged claimants to exhaust all the permissible legal avenues. This has exacerbated the already lengthy refugee determination backlogs.

As delays in the process lengthened, there were systematic attempts at abuse of the refugee determination system. People who were temporarily residing in Canada soon noticed that a way of remaining here and working was to claim refugee status. It was apparent that even the weakest claims took almost as much time to settle as the most complex. Toward the end of 1980, there was an influx of about 2,000 claimants from India whose primary purpose for coming to Canada was economic; to find a job in Canada with the hope of remaining. Nearly all the claims were unfounded, but they clogged the review system. This made the delays even more protracted as it showed others how to manipulate the system by claiming refugee status and thereby avoiding early removal from Canada.

Other countries have faced this dilemma, with increasing numbers of people claiming refugee status at a time of economic distress in their countries of origin. In fact, these individuals were attempting to change their country of residence for purely economic reasons. Recipient countries, like Germany, Sweden and Switzerland, reacted by tightening their refugee restrictions at a time when Canada was liberalizing hers.

The dramatic rise in the number of people coming to Canada in the last 18 months and claiming refugee status has placed a heavy burden on resources of those who must determine whether that claim is legitimate. Worse, it torments those whom the system is designed to help. It exposes genuine refugees to hardship because of the delay in reaching a decision on their claim and impairs immigration controls because of the inability to remove the unsuccessful claimants from Canada. Bona fide refugees can no longer be identified quickly and effectively.

The refugee determination committee can no longer keep pace with the volume of claims being received. For example, in the 30-month period between April, 1981 and October, 1983, the number of cases in the claims-appeals system increased to 9,100 from 2,500, not including another 1,500 cases awaiting entry into the system because of inadequate staff resources to do the initial documentation. While the acceptance rate of claims has risen to 38 per cent from 20 per cent since 1981, fewer than 3,000 rejected claims have been brought to conclusion. At the same time, organized attempts to enter the system have proliferated.

At the Refugee Status Advisory Committee level, efforts have been made to make the system as fair and open as possible. The capacity of the committee was increased through appointment of new Private Members and greater administrative back-up. An oral interview project was begun in June, 1983 to help identify bona fide refugees more quickly. Yet, despite the changes, the committee's backlog had increased to 2,400 cases from 1,600 cases by the end of last year. Some cases have been expedited, but the backlog continues to mount.

Similar problems have been encountered by the Immigration Appeal Board. Only cases of evident merit go before the board for a full hearing. An average period of one year elapses before a full hearing occurs. At the Federal Court, the average delay is now six months for a hearing. Between last August, 15 and September, 26 at the Federal Court of Appeal of Toronto, 94 per cent of the cases heard were immigration cases.

The result is that with three and four years' delays in processing being now routine, we have what amounts to an immigration movement of substantial proportions that has not been managed or regulated by the Government.

What must be concluded, therefore, is that the Bill does not go far enough. The Hon. Member for Spadina proposes oral hearings as an extra feature of the refugee determination process. But what is he trying to achieve? Is the current system unfair? No. Are refugees being sent away? No. Mr. Speaker, the problem is delay, and my hon. friend's Bill will do nothing to deal with that.

I therefore must oppose his proposal.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I must commend the Hon. Member for Spadina (Mr. Heap) for raising this important subject which is certainly deserving of continued study and thought by all of us.

● (1630)

The Hon. Member's Bill deals with people in Canada, not those selected abroad for permanent residence in Canada as is the case with some well known refugee movements, for example, from Vietnam, Hungary, Uganda and so on. The Hon. Member's Bill deals with those who come to Canada and then apply for refugee status. We do have an obligation by virtue of our signature to the Geneva Convention on Refugee Status in 1969, to ensure that people are not sent back to their own countries if their fear of persecution is real. It is essential that they receive a fair hearing and, moreover, it must be seen by others that natural justice prevails.

Oral hearings do have a very general appeal. Claimants certainly feel more satisfied if they have direct access to those making recommendations about their future. I am sure that members of the Refugee Status Advisory Committee, as they examine sworn statements, must sometimes encounter doubts which could be resolved by a simple question or brief conversation with the claimant. Our refugee policies and practices are subject to ongoing review and in fact, as has been said, a modified program of oral hearings was introduced last year in May in Montreal and in June in Toronto. In my view, that program should be extended.

However, before guaranteeing all applicants the right to a hearing, it will be necessary to take other steps to ensure that the refugee determination process, which is already very lengthy, does not become more so for refugees who want to get on with establishing their new lives in Canada.

The Geneva Convention on Refugee Status defines a refugee as a person who, by reason of a well founded fear of persecution, for reasons of race, religion, nationality, membership in a particular social group or political opinion is, first, outside of the country of his nationality and is unable, or by reason of such fear, is unwilling to avail himself of the protection of that country or, second, not having a country of nationality, is outside the country of his former habitual residence and is unable, or by reason of fear, is unwilling to return to that country. This definition has, from time to time, appeared somewhat limiting, and so in Canada we have had on occasion special programs for people who did not meet the definition of the Geneva Convention on Refugee Status but who clearly were in need of special humanitarian and compassionate treatment. The refugee movements from Chile and Lebanon, for instance, are two examples of this kind.

When the new Immigration Act was written in 1976, I was Chairman of the Standing Committee on Labour, Manpower and Immigration, and the question of dealing with refugees was one on which a good deal of time and thought were spent. The determination system which was written into the Immigration Act gave the right to anyone facing removal from Canada to make a claim for refugee status. This applies not only to persons trying to enter the country but also to those who have been in Canada for any period of time as visitors. Those 1976 amendments also provided for the establishment of the Refugee Status Advisory Committee which has the authority to examine refugee claims and which is the subject of the Bill before us today.

As has been said, the 1976 amendments also give the Minister decision-making powers over the validity of claims, allow for a second evaluation of rejected claims by the Immigration Appeal Board, and allows refugee claimants the right to appeal to the courts. Until their status is finally determined, refugee claimants are able to stay in Canada. Canada does not remove or deport people waiting for determination of a refugee claim. By the time all of the avenues of appeal are exhausted, in many cases the final decision takes about three years, and in most cases applicants are allowed to work during that time.

Canada's effort in formulating and administering refugee policy is one which is a very essential reflection of Canada's humanitarian interests. Canada, on a per capita basis, has accommodated more refugees than any other country in the world. Canadians have shown the capacity to care, to reach out to those who are suffering persecution for reasons of race, religion and politics, and to give comfort to the homeless and stateless. We have also shown a concern to ensure that our institutions and administrative practices reflect those humanitarian ideals, and that, I gather, is the spirit of the Bill before us today.

However, we also have to exercise our humanitarian instincts and goals in the context of the protection of the best interests of Canada and of ensuring overall fairness in our immigration policies. Unlike other countries, Canada has not in the past faced the spectacle of large numbers of people claiming refugee status arriving at our border. Our geography, the fact that we are surrounded by sea on three sides, has provided a degree of isolation from turbulence in other lands which gives rise to large numbers of refugees. Air travel has changed that, however, and we live in times when strife and civil unrest are common. We are also living in difficult economic times. It is estimated that 70 million or 80 million people are on the move in the world. They move because of war, revolution, poverty, or simply in the hope of creating a better future for themselves and their children. Some of these people are refugees, some are not.

In February, 1982, the Government made some changes in the system of refugee determination in the interests of greater fairness and openness. The new reforms separated the refugee determination process from immigration procedures to ensure

that refugee cases were assessed on the basis of human rights considerations. The Refugee Status Advisory Committee operates on two overriding assumptions: first, the applicant is presumed to be telling the truth unless there is clear evidence to the contrary and, second, the benefit of any doubt is resolved in favour of the applicant. Under the present guidelines of the Refugee Status Advisory Committee, a person need not be singled out for persecution to be a convention refugee. Highly visible political activity is not seen as a prerequisite for refugee determination. A person may be a refugee even if there is no evidence of past persecution but there are reasonable grounds to fear future persecution. The possession of a valid passport is not a basis for rejecting a refugee claim. The Refugee Status Advisory Committee now allows five panels to operate weekly. The number of private Members has been increased to ten from seven. Departmental officials who serve on the committee are now freed from all other duties in the Department so they can devote their full time to the work of the committee. The research capability has been upgraded so as to improve the information on conditions in refugee producing countries, and full use is made of information from human rights groups such as Amnesty International and church groups as well as government sources.

• (1640)

In May, 1983, in response to recommendations from various sources, and as part of this ongoing attempt to improve the process, a modified form of oral hearings was introduced. As the Hon. Member for Spadina said, the results are impressive. In my view, this should certainly be extended. At the same time, as we try to improve our refugee determination system, more and more of the world's people have become refugees, either from economic hardship or by virtue of war or persecution. Inevitably, people displaced in this way look to the industrialized nations for help. The channel of last resort is that provided by the asylum structures in developed countries like Canada. Even though people who come to Canada and apply for refugee status may finally be refused, the possibility of being able to work here while their claim is heard must look very attractive to people who are undergoing hardships which we can barely imagine.

The more people who use our system, the greater the backlog, the longer the delays. Since 1980 we have witnessed a very large increase in the number of refugee claimants. Recent refugee claimant arrivals—again I am talking about people who arrive in Canada and make their claim here as distinct from those who have been assessed as refugees overseas and who come to Canada with papers for permanent settlement—now average 500 a month, which is double the number for last year. About 9,500 cases are under review for appeal, yet only about one third of those who claim refugee status have their claim upheld.

It is certainly important to shorten the process, and I agree with the Hon. Member for Spadina that there is evidence that oral hearings have shortened the process. The paper screenings are sometimes cumbersome. It is important to shorten the process, particularly for genuine refugees who are left in limbo, unable to get on with establishing themselves in their profession, their trade, unable to get on with making their new life while waiting for the final decision. It is also important for those whose claims are not genuine and who may be able to find some other solution for themselves if their hopes for remaining in Canada are not to be met. So in so far as oral hearings would shorten the period of waiting and would resultin better decisions, I certainly recommend them, but the entire process needs to be reviewed to ensure that all problems which cause delays are dealt with.

[*Translation*]

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, regarding the legislation before the House this afternoon, namely, Bill C-219, I have a few comments to add regarding the clause in the explanatory notes, which says that the purpose of this Bill is to give persons claiming refugee status the right to be heard by the Refugee Status Advisory Committee, before it advises the Minister.

Mr. Speaker, as far as the refugee situation is concerned, I think that in Canada a great deal is being done, and I would like to give a few details. If we consider the circumstances of refugees and Canada's role as a place of refuge for the oppressed and the homeless of this world, we recall the programs set up for the Hungarians, Ugandans, Chileans, Czechoslovakians and Vietnamese, which have given Canada an international reputation. Mr. Speaker, so many people of the nationalities I just mentioned are now living in this country and have been able to tell their former fellow citizens how easy and pleasant it was to live in Canada.

However, this is not the subject of today's debate. The Bill introduced by my hon. colleague, the Member for Spadina (Mr. Heap), namely Bill C-219, is aimed at protecting those who claim refugee status in Canada. It does not concern those who are selected abroad but those who, for whatever reason, entered this country either legally or illegally and are afraid to return to their country of origin because of fear of persecution. Although we do not encourage people to give these reasons for remaining in Canada, as signatories of the 1969 Convention on the Status of Refugees we are obliged to see to it that they are not sent back to their country of origin if their fear of persecution is bona fide. Mr. Speaker, we have had examples, and I am thinking of the world of sports, when two famous hockey players came to Canada in 1980-81, the Stastny brothers, who today are playing in the National Hockey League with the Quebec Nordiques. In their case, the Minister had to make a very quick decision to protect their rights and avoid a situation where they might have had problems in connection with their country of origin.

It is therefore essential that such people be given a fair hearing, while the community must also feel they have been treated fairly. First and foremost, the Government has the obligation to offer persons claiming refugee status in Canada

under the terms of the Convention, an opportunity to apply for recognition of their refugee status. That is why the Refugee Status Advisory Committee, which represents the first stage, and the Immigration Appeal Board, which is the second stage, were established. Appeal Board decisions may be ratified under Section 28 of the Federal court of Appeal Act. Some of these cases, however require hearings.

Mr. Speaker, I am prepared to claim that the protection offered by Canada to persons claiming refugee status is unequalled anywhere else in the world. Basically, a hearing is a well-established legal procedure which offers the person claiming refugee status an opportunity to be heard, and gives the examiners a chance to assess the person's good faith. Most countries use hearings to determine whether the claim is well-founded. The Canadian system provides for selection interviews of refugees abroad, but the hearing itself is not part of the process of claiming refugee status. Both the Refugee Status advisory Committee and the Immigration Appeal Board review the certified transcripts. The IAB will hold a hearing in the event that a claim is sustained. While this Bill is under consideration, that would slow down the process, contrary to the statement made earlier by my colleague from Spadina who was complaining that it takes too much time as it is. I listened to him when he was referring to authentic refugees and to other who seek to use the system to delay their deportation from Canada. Adding a new stage would only complicate matters and we should continue to study this question.

Under the system, there are two distinct examinations and two levels of appeal, and it can take over three years before completing all stages designed to protect refugees from being forced to return to their country of origin. It is practically impossible for an authentic refugee not to have his case heard. The problem is that all applications legitimate or otherwise, must be considered at all levels. The number of people seeking the status of refugee in Canada increases every year, and it has gone from 500 in 1977 to 2,800 in 1982 and 6,300 in 1983. The system as it is today might be able to process quickly 500-odd applications a year, but it is now overburdened as a result of the ever increasing number of applications, even despite the fact that extra staff have been hired.

It can take up to 200 days before the Refugee Status Advisory Board even begins to consider an application, and that is only the first stage in the process. We now have about 9,500 cases pending, and between 1,500 and 2,000 others are waiting for processing. And yet, all decisions—

• (1650)

[*English*]

Mr. Nickerson: Mr. Speaker, I rise on a point of order. It is bad enough being neglected by not being recognized, but now I am forced to hear the hon. gentleman reading from a prepared speech.

I would like to bring your attention to what occurred in the House on March 5, this year, as reported at page 1786 of *Hansard* when the Acting Speaker (Mr. Guilbault) was in the chair. He, quite properly, brought the Hon. Member for Timiskaming (Mr. MacDougall) to order for reading from a prepared speech. He was adamant that that was contrary to the rules of the House, except in certain specific cases, Cabinet Ministers being one, the Leader of an Opposition Party or somebody speaking in a language which was not his own.

None of these criteria apply to the Member who is now speaking. I would request that you direct that he not read from a prepared speech.

The Acting Speaker (Mr. Herbert): The Hon. Member is correct. A Member is not supposed to read his speech. Nevertheless, the person making a speech is allowed to quote, at length, from whatever material he may have available to him in order to make his speech. However, the Hon. Member may take note of the complaint and attempt to read a little less.

[*Translation*]

Mr. Dubois: Mr. Speaker, this point of order was raised because the Hon. Member was not recognized. If he does not rise soon enough to be seen by the Chair, that is not my problem, and as for referring to notes while making speeches, I think that it is essential in the House that we should be able to do so. I shall therefore continue to refer to my notes, Mr. Speaker. If the Hon. Member for Western Arctic (Mr. Nickerson) is agreeable, I can quite easily deliver my speech either way. I find it most pleasing and quite possible to make a speech without any notes. However, in specific instances, such as when refugees are concerned, as is the case of the Bill standing in the name of the Hon. Member for Spadina, a relatively important Bill which we unfortunately cannot support, it is necessary for me to have certain data about the number of refugee claimants and the decisions made in such cases. I find it normal to provide information which is as relevant as possible. This is why I use notes to address this Bill and explain why we are against it. Next time, the Hon. Member will certainly rise more quickly if he wants to be recognized by the Chair.

Mr. Speaker, a claimant who decides today to use all the legal avenues available in Canada could spend well over three years in this country before being returned to his country of origin. It is therefore quite important to make sure that those who are in Canada can express their views as provided by the legislation.

Canada is a most welcoming country. If we were to add a further avenue for appeal to those already in existence, we would only add to the many bottlenecks already slowing down the process without improving in any way on the protection now available to refugee claimants.

The only ones who would stand to gain are those who have a real stake in lengthening the process considering at least 2,000 cases are decided every year, in addition to the number of

applications which have increased over the past several years, we realize that the proposal of our hon. friend from Spadina (Mr. Heap) would only bog the system and would not help in any way those who are claiming refugee status.

The fact is that these delays are detrimental to bona fide refugees. The unfounded claims which create this jam are depriving authentic refugees of the priority they are entitled to and causing great distress. Moreover, the support organizations within the community and the various levels of government which are providing financial assistance are called upon to contribute for long periods of time by true refugees and the others, while all of them are waiting for the committee to hand down its decision.

Many initiatives have been taken these past few years to deal with the ever increasing number of claims and shorten the delays without jeopardizing the process itself in terms of equity and fairness. Thus, it is important to note, given the number of claims, that the Department is taking every possible step to process them as fast as possible and to ensure that on behalf of people who really fear to return to their own country, the Canadian Government take the appropriate steps to solve those problems as soon as possible and to bring about justice, equity and fairness for all citizens.

Therefore, a pilot project of hearings has been implemented in May 1983 in Montreal, and in Toronto in June of the same year. It is a pilot project because first of all, the legislation does not provide for that procedure and also because on one knows whether in such a large country as ours, an effective hearing system along those lines could be implemented at a reasonable cost.

There are many reasons for putting to the test this kind of hearing. When a particular claim is to be examined and when the decision is to be based on the very facts of the case, on their consistency with known events and, more important still, on the credibility of the claimant, the best procedure is to submit the claimant to a hearing during which the validity of his claim can be assessed.

The fact that the claimant was not personally heard has always given rise to criticism from the very moment Canada started considering refugee status claims. Unfortunately, this criticism has not subsided during the recent yers. And considering the number of people involved, certainly a great number of Canadians, Mr. Speaker, would like the process to be accelerated even more.

Finally, various interest groups as well as a working group set up by the Minister concluded in 1981 that, within the appropriate framework, some kind of hearing could prove more effective than the present system, which involves a great amount of paperwork.

Mr. Speaker, here are the objectives of the pilot projects commissioned by the former Minister . . . May I point out that it is now five o'clock, Mr. Speaker?

The Acting Speaker (Mr. Herbert): Order. The hour provided for the consideration of private members' business has now expired. It being five o'clock, this House stands adjourned until Monday next, at 11 a.m., pursuant to Standing Order 2(1).

At 5 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, March 19, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CANADIAN SECURITY INTELLIGENCE SERVICE ACT

MEASURE TO ESTABLISH

The House resumed from Friday, March 16, consideration of the motion of Mr. Kaplan that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, be read the second time and referred to the Standing Committee on Justice and Legal Affairs; and the motion of Mr. Deniger (p. 2178).

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I must say it is with considerable surprise that I find myself speaking again on this Bill, having spoken on it last week; but we were faced with a rather unsettling and unusual procedure on Friday afternoon when the Hon. Member for La Prairie (Mr. Deniger) to everyone's surprise brought in the motion that the question should now be put.

The results of this motion were rather clearly defined by the Hon. Member for Saskatoon West (Mr. Hnatyshyn) when he pointed out that this was simply the most brutal form of closure available to a government to limit debate on second reading of a very controversial Bill. It is rather interesting to make note of what happened shortly thereafter. The House became involved in one of those heated exchanges, where there was a great deal of heat and very little light thrown on the subject.

If we look at page 2184 of *Hansard*, we find the kinds of things that were being said. Hon. Members were engaged in a free-for-all. I am sure some of them would regret having said the words they said. The Hon. Member for Spadina (Mr. Heap) is shown on that page as referring to this group as the "Canadian 'Gestapo' ". He said:

> There will be no independent reporting on the doings of this secret service, this Canadian "Gestapo".

I read *Hansard* this morning to find out what actually happened, and to my surprise the Solicitor General (Mr. Kaplan) said:

> There is a little difference between the RCMP and the Gestapo.

• (1110)

It is not exactly the adjective I would have chosen; "there is a little difference". I would hope that there is an enormous difference between the RCMP and the Gestapo and that it ever remains that way. This is the kind of half-hearted support the RCMP is accustomed to getting from the Solicitor General.

The debate then went on with the President of the Privy Council (Mr. Pinard) explaining the reasons for this motion, which has the effect of closure. It will limit debate quite severely at second reading. If it were not so serious, I would be amused with the Liberal Party. Whatever motion is in front of the House or whatever stage we are at, that is in their minds not a very important stage of the Bill, particularly if they want to impose closure at that time.

One thinks back to 1968 when the Government was defeated on a money Bill. I well recall the Right Hon. Lester Pearson, then Prime Minister, referring to it as a mere defeat on third reading, not of any importance. He very much stressed that it was third reading and did not have the importance of second reading.

A couple of months ago the Government was defeated in committee on a money Bill. Of course, that was of no consequence. That was not important because it was in committee. On Friday the President of the Privy Council said this is not all that important, that after all it is only second reading. He said at page 2917, of *Hansard*, and I quote:

> Therefore if we understand ... how the Canadian parliamentary system works, there is no reason to get upset when at this stage a Government Member tries to bring this debate to a logical conclusion—

Bringing in closure at this stage is not important. He went on to say:

> —considering the fact that on second reading, only the principle of a Bill is to be examined before referring the Bill to committee—

We find second reading is not important. We now find that report stage is not important, third reading is not important, committee stage is not important and second reading is not important. I wonder when Bills in front of Parliament do become important. I guess they become important when they interfere with the orderly progress the Government imagines it goes through to get legislation through the House before they are called to meet their maker. Is it in June that we will be apprised of the election day, probably an election to be held in August or, failing that, in November?

The Government feels it must get this Bill through before it has to adjourn, prorogue or dissolve. One wonders what is the urgency. As I said last week, I am concerned about the appointments that will be made if this Bill becomes law. There

will be people put into such positions as Inspector General; there will be a review committee and a Director. All of these people will be appointed if this Government has its way with this Bill, and it will be for lengthy periods of time. You can bet your bottom dollar that they will be Liberals. They will be in these positions with a certain amount of tenure. The Director will be able to appoint the top 40 men and women in this organization. If they follow the precedent that has been clearly established by this Government, every last one will be a Liberal with some connection, either financial or by service.

Even on the review committee there are to be Privy Councillors. Have you ever thought, Mr. Speaker, what kind of Privy Councillors we have around? For those who are watching, a Privy Councillor is a person who has been a Cabinet Minister. It is supposed to be one who is not in Parliament or in the Senate. They are looking for five. Think of some of the people they might get.

Mr. Friesen: Gillespie.

Mr. McKinnon: Gillespie, yes, indeed. This same Party may well be looking for a sure Liberal seat on June 16 for a very deserving fellow from Bay Street who may want to have a seat, if he has the nerve to face the House and assume the responsibilities of Prime Minister. Among the Members who might be willing to give up their seats is the Privy Councillor, the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand), a former Solicitor General. We all remember his term as Solicitor General. The country will never forget it. Perhaps he would like to do it all over again.

• (1115)

Mr. Friesen: Goyer.

Mr. McKinnon: Yes, there is also Jean-Pierre Goyer. I think that Canadair is about ready to get rid of him, or at least I certainly hope so. I do not know how we can afford to have him run Canadair.

Perhaps the Hon. Member for York-Scarborough (Mr. Cosgrove) is willing to give up his seat and retire to a more dignified life as a member of the review committee. The Hon. Member for Sarnia-Lambton (Mr. Cullen) has been gracing the front benches though not in a role which he relishes, I feel. Perhaps the Hon. Member for York West (Mr. Fleming) would like to give up his seat. As well, so help us, the Hon. Member for Lincoln (Mr. Mackasey) might wish to do so. We must think about him because he has not had a plum for quite some time.

There is as well the Hon. Member for Burin-St. George's (Mr. Simmons). Believe it or not, he is a Privy Councillor.

Mr. McKenzie: He would have all the qualifications.

Mr. McKinnon: He has every imaginable qualification required for him to leave his seat. In fact, he almost has a duty to leave his seat and create a vacancy. There has never actually been a Prime Minister from Burin-St. George's.

What about the Senate? I mean no disrespect by using his British Columbia nickname, but "Senator Foghorn", the Hon. Ray Perrault, might feel that he would be suitable for a review committee seeing that he has recently been relieved of responsibilities which he held up until then.

Mr. Friesen: Iona.

Mr. McKinnon: Iona is not yet a senator but that should not take long to happen. As a matter of fact, she is a Privy Councillor having once been the Minister responsible for amateur sport. She was the one who made the Loto Canada arrangements and provided so much hilarity in the House.

Another thing we have heard from the President of the Privy Council is that the McDonald Commission recommendations have been incorporated in this Bill. This of course is not so. The Senate made several recommendations which the President of the Privy Council would like us to believe have been incorporated in the Bill. The important recommendations of the Senate committee have not been incorporated in this Bill so we are frankly very much in the position of not trusting the Government to be objective or impartial when it appoints the people who will run Canada's security and intelligence agency.

For that reason, as I said the other day, I believe this Bill should be delayed. We should wait for an election when a new government with a new mandate will decide whether this is really the kind of organization Canadians want to have looking after security and intelligence. In closing, Mr. Speaker, I would like to make the point that there is still no sign that anyone on the government side has any idea of the personnel difficulties involved which will affect many employees of the current security and intelligence organization.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to pick up where I left off the last time I was involved in this debate and had the opportunity to make a comment after the Hon. Member for Saskatoon East (Mr. Ogle) had spoken. At that time I wanted Members of the House to reflect upon the historical and philosophical context in which we ought to be considering such matters as dissent and subversion. This is especially important now that the Government is committed to imposing upon the Canadian people through the parliamentary procedures it has now invoked a security service that in our view is so very unaccountable and which gives so much power to the state without any parliamentary accountability.

At that time, Mr. Speaker, I began by calling to the attention of Hon. Members the fact that our very civilization, to the extent that it is called the Judeo-Christian civilization, began on the cross with an event which was very much involved with the question of subversion and dissent. It began with Jesus Christ being crucified by the Romans. Crucifixion was something that the Romans used for the punishment of people seen to be enemies of the state. Right at the beginning of our tradition we have that central question being asked about whether the state was right in that circumstance. Of

course, our whole civilization is based on the premise that the state was wrong in that instance.

• (1120)

If we look at another stream in our civilization, the Greek civilization, we soon come to the figure of Socrates, who was also executed by the state for subversion. He was charged with corrupting the youth of the time, but Socrates had more respect for the Greek polity than his accusers, refusing to go for the escape plan that some of his friends had set up for him. He said that because he had respect for the laws of Athens he would rather drink the hemlock than bring dishonour on his society.

There in the two mainstreams of western civilization, Mr. Speaker, we find two central events in both of which, I think Hon. Members would agree, the state was wrong. The Romans were wrong in the crucifixion of Jesus Christ and the Greek authorities were wrong in the execution of Socrates.

Let me cite a few more examples, Mr. Speaker. During the time of the American revolution, many revolutionaries were charged with sedition and subversion for their attempt to resist the unjust imposition of taxes by the British Government on the 13 colonies. Americans would say now—although perhaps in Canada this is not a safe thing to say given the United Empire Loyalist tradition—that the British Government was wrong in the things it did to people who dared to express the opinion that there ought to be independence for the 13 colonies or perhaps only that the tax laws of the time were unjust.

Another example in our political life and in the tradition of the New Democratic Party in particular is the Winnipeg general strike of 1919. J. S. Woodsworth, someone I think it is fair to say who all now regard as a leading figure in the political history of Canada and who is generally revered not just by members of the political tradition to which he belonged but by many others, was charged with sedition in 1919. The charge was not based on violence or calling into question the state but because he quoted Isaiah. That is why he was charged with sedition. People at the time did not like that. I guess they would not have liked Isaiah either because he expressed strong and harsh criticism of people in authority, of people with power and what they did to others who did not have power.

That is why we are concerned about the power given to the state through this Bill—power given to it anew because the state has always had that power. What we lament is that we had an opportunity, when reforming our security system, to make that power more accountable, to learn from the mistakes of long past and we have not done so.

• (1125)

I am not just talking of Canada's past and Canada's political life, events like the charging of J. S. Woodsworth with sedition; I am referring right back to Christ and to Socrates. When are we ever going to learn from history, Mr. Speaker, that the state ought to be more accountable than what the present Solicitor General (Mr. Kaplan) now proposes in this Bill? When are we going to learn to have some self-criticism built into agencies like security services? Are we never going to learn that the world view of any particular state at any particular time is, in view of everything we have ever learned from history, a limited and self-righteous view of itself which has to have built into it elements of accountability? I fault the Solicitor General for having passed up this opportunity to make Canada an example to all other nations in this regard. There could have been this opportunity if the Minister had been willing to follow some of the recommendations of the McDonald Commission, particularly with respect to parliamentary accountability.

We in the New Democratic Party perhaps know better than others, by virtue of the fact that we come out of a tradition which has been more critical of the prevailing views of society, what the power of suspicion is all about and what the power of the state can be *vis-à-vis* those it regards as potential subversives. We know only too well that over the years legitimate political dissent and ideas—many of which have now become part and parcel of the fabric of Canadian life—when initially advocated were suspected of being the latest advance of Bolshevism into Canadian society. When medicare and pension plans were originally advocated it was thought they were being transplanted into Canadian society by the Bolsheviks.

I listened with interest to the Hon. Member for Victoria (Mr. McKinnon) when he said recently that we did not have a monopoly on our concern in this area, and we do not. There are many people in other policital parties who have a genuine concern about these issues. We want to hear from them and work together with them to change this Bill. However, it remains a fact that it has been a political policy or strategy on the part of the right in this country to question the loyalty of the people on the left, in the sense of their loyalty to their country, implying that their ideas might be subversive. This has been done decade after decade. I say, therefore, to the Hon. Member for Victoria that although he himself may say that although he might not agree with what I would say, he would defend to the death my right to say it, there are others in his political tradition who have not been so eager to defend the rights of people to say what they feel. That is something we ought to be conscious of when we are debating this particular kind of Bill.

We are living in the kind of situation today, Mr. Speaker, with respect to peace groups, where many people are not only loyal to Canada but they observe a higher loyalty to the future of the planet earth and to the future of human life on this planet. They ought not to be considered by this Government, as I know they are, and will continue to be if this particular Bill goes through, as somehow subversive because they question the shortsighted, limited, and as it will be looked back on 100 years from now, insane policies of this Government.

We failed, Mr. Speaker, and the Minister has failed, by imposing this regime on Parliament and on the country. He has missed a great opportunity finally to have done something good in this area.

● (1130)

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I listened with care to the speech of the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) and I have to admit that I agreed with much of what he had to say. It is in the nature of government to be authoritarian.

Mr. Kaplan: He did not say anything about the Bill.

Mr. Friesen: That may be. I still can agree with what he had to say even though he was not talking about the Bill.

Mr. Blaikie: I was talking about the Bill.

Mr. Friesen: Nevertheless, there are a couple of things I would like to point out to the Hon. Member. Toward the end he mentioned the fact that members of the left have historically been subject to intimidation of sorts by members of the right. I think he will understand when I say that I abhor any kind of oppression, whether it be of the right or the left. I think it is wrong. Freedom is the name of the game in our land. We appreciate and thrive on freedom of expression. But he should understand that the right does not have the monopoly on that kind of intimidation.

An example of that is the left-wing of Vancouver City Council. The Council entertained a motion regarding the visit of Mr. Kissinger to Vancouver to the effect that if he were to come to Vancouver, he should not be allowed to speak unless the opposing point of view was presented. Now, that is wrong. It does not matter whether it is the right or the left.

Mr. Blaikie: I agree.

Mr. Friesen: Certainly the right does not enjoy a monopoly on that because I have seen enough left-wing fora where the same kind of oppression, intimidation and shouting down takes place as the Hon. Member ascribes to the right.

Mr. Thacker: And which Party wants more government?

Mr. Friesen: That is right; which Party wants more centralized government and state planning than the Party on the left?

Mr. Sargeant: How about John A. Macdonald?

Mr. Friesen: The second point I would like to make is the Hon. Member's reference to Mr. Woodsworth in the context of the Winnipeg general strike of 1919. I understand where he is coming from on that point. I agree that the paranoia of the day intimidated those who were voicing genuine social concerns about the right of labour unions to demonstrate and speak their mind. It was because of that and knowing the concern the NDP have had historically about that, that I was shocked—and I think that is probably the right word—when I read *Hansard* of last Friday and saw the comments of the Hon. Member for Kootenay West (Mr. Kristiansen). I think the Hon. Member for Winnipeg-Birds Hill would like to take note of what that Hon. Member had to say. I do not want to do injustice to what he said so I will read it verbatim. At first he quoted from a speech he made in an international forum at the Strasbourg Conference on Parliamentary Democracy last year. He said, as reported at page 2182 of *Hansard*:

> It may—indeed—be preferable to recognize that, from time to time, law enforcement agencies may, in pursuance of their mandates, circumvent or go beyond the law. At least if the perpetrators of excesses are caught, they risk being penalized or prosecuted. But it may be preferable to go that route rather than to brutalize the law itself, because if previously criminal or illegal acts are made legal, their common use will undoubtedly be extended and become the norm rather than the exception, and we go on from there until 1984 will indeed be with us.
>
> While electronic surveillance . . . may be necessary from time to time, especially when so much information and currency is transacted electronically—thus eliminating physical evidence of its use or transmission, it may be preferable to ignore investigative excesses from time to time rather than to codify and legitimize them and thus guarantee their use and encourage excesses that go beyond them.

That is the end of his quotation from his speech at the conference. He went on to say on Friday:

> What I am suggesting, Mr. Speaker, and it is my own opinion, is that sometimes it is better to lift the telescope to your blind eye. You cannot make a constant practice of it, but as I said at the conference last year, it is preferable to brutalizing the law and encouraging regular use of mechanisms which up until now have been illegal. It is better to have a silent understanding that from time to time you look the other way, if excessive methods are required in terms of some imminent danger, rather than to brutalize and corrupt the whole process of liberty as we have come to know it.

That is an astounding point of view from the Hon. Member from Kootenay West.

Mr. Sargeant: Why?

Mr. Friesen: Why?

Mr. Blaikie: You would rather brutalize the law, would you?

Mr. Friesen: He says if the law enforcement agencies are going to do their work, then you have to allow them some liberties. Mr. Speaker, that is what brought about the McDonald Commission. He is saying in effect that it was all right in past years for the RCMP to do things that normally would be considered wrong. Given certain exigencies he says it is all right. That is why we had the McDonald Commission and why we had this legislation. We may disagree with certain points of this legislation but that is why we have it. I am curious about that point of view. We have the historical references by that Party to the problems it faced with dissent in the general strike of 1919 and the accusations laid to their former leader, Mr. Woodsworth. I understand that, but the question the Hon. Member raises is: Who decides which laws can be broken?

We have some fairly tense moments in British Columbia now between labour and management. If there were a dispute at Kootenay Forest Products or Cominco, regardless of where the tensions come from, is the Hon. Member saying that there are certain kinds of surveillance of either Party which are going to be okay? What do we do about the protection of our civil rights if the Hon. Member can convince his Party that that is all right? The Hon. Member does not want these laws codified. He is saying that the behaviour should remain in as gray an area as possible so that the intelligence agency has as much latitude as possible to interpret the law as it pleases?

Pray tell, Mr. Speaker, where do we go with that? What happens in any dispute in our country? Is he justifying the break-ins and barn burnings in Quebec ten years ago? Will he endorse wrongdoing in the future? I think the Party to my left deserves to give us an explanation. I suspect not many members of his caucus agree with him. I hope that some time in the debate in the days ahead we get an explanation regarding the points of view expressed by the Hon. Member for Kootenay West.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have an opportunity to raise some points regarding Bill C-9. I am disappointed that we have had the muzzle placed on us by the Government.

Mr. Kaplan: Some muzzle: forty people have spoken.

Mr. Riis: I have been waiting to hear members of the Government speak to Bill C-9. This is an opportunity for Hon. Members to rise and discuss the principle of the Bill. It is a very important Bill to every constituency in this country. If there is a Bill on which we have received the most mail, I suspect most Members would say it is this particular Bill. I have been curious to know what government members have had to say about this Bill, but I believe there have only been two or three government members who have risen to speak about it. So again, we are left in the dark as to why the Government is motivated to bring in a Bill with very serious limitations. When this Bill gets to committee we will certainly be offering recommendations and suggestions on how it may be improved, but I think it is very important that Members be given an opportunity to raise their concerns about the nature of the Bill and its principles.

• (1140)

In a submission to the McDonald Commission the Leader of the New Democratic Party made it very clear that the caucus of this Party supported in principle the idea of a civilian security service. However, there were some very specific limitations on that endorsement. They were that we would support this concept, assuming that it would be properly drafted to ensure proper safeguards with respect to oversight and the powers of the agency itself. With that caveat we were quite prepared to support this concept of a civilian security service.

When one looks closely at this legislation a number of concerns immediately come to mind. One is the obvious problem of the employees of the new agency not being required to obey the rule of law. The agents of the security force will be able to break the law as we know it. This is what led to this whole examination, the McDonald Commission, and the exposure of the RCMP wrongdoings. Presumably that motivated the Government to introduce this Bill to set that behind us in order to get on with dealing with the nation's security, presumably using legitimate and legal methods. However, we find in the Bill that this is not going to be the case.

I have a concern other than that of employees of the agency being allowed to break the law. My concern is what this Bill will mean to the lives of most Canadians. There are already 800,000 files on individual Canadians. What is the status of that set of files today, Mr. Speaker? Are they alive? Are they being expanded? We have yet to receive that information. I suspect there may be Members of the House who would find themselves in those particular files.

That concerns me, Mr. Speaker, particularly when we find in this legislation that the security agency, as a result of this legislation, will have access to all the records of government. They will be able to look at an individual's family allowance records, unemployment documents from over the years, private medical and psychiatric papers which exist, and tax returns from the very beginning to the present day. They can look into confidential legal files which may exist and at journalists' notes of various stories written about individuals or circumstances.

To obtain these materials they can access government documents easily as well as your personal documents. If necessary, they can break into your home to do this. This legislation gives them authority to break into one's home to obtain these documents. They can break into buildings, offices, warehouses, factories and plants as well as one's own home. As the Minister responsible for this Bill has indicated, they would need to have a warrant. A judge would have to indicate that it is okay to break into a home. If past record is any indication, this has simply been a rubber stamp right from the beginning. Last year there were over 800 requests for this type of warrant and not a single one was rejected. It would appear they simply ask a judge and his automatic response is to allow them to break into individual Canadians' homes to look at these confidential documents, if that is what is required and they consider you to be a subversive.

I have some personal concern with this legislation, Mr. Speaker. Not long ago I was told by a number of my friends that the RCMP had been asking about me. They had gone to my employers, my friends and neighbours and asked a variety of things about my behaviour and whether I was a good Canadian citizen. I went to the RCMP. The local inspector was a good friend of mine at the time. I said that I would like to know what was going on because the RCMP undercover agents had been making inquiries about me. He told me there were some documents in customs which I had apparently obtained from the island of Cuba and they were very concerned about these documents, so I suggested we go and look at these documents.

At the time I was teaching school. One of the responsibilities I had was to explain to my students the nature of revolution. I had thought that using some of the posters one finds in the country of Cuba would be useful so I had written to one of the educational institutes in Cuba to obtain a sample of one or two of the major posters found in downtown Havana. That was what was in the package. However, this led to many days of searching by the RCMP, obviously concerned about this very subversive literature which I had written for from the island of Cuba.

That was followed up a few days later by another investigation by the RCMP undercover agents. They were concerned

that I was importing what appeared to be opium from China. I asked why they would think that. They said there was another package in customs for me from China and they were very concerned about it because they notice it had something to do with opium. I suggested we go down again and have a look. We went to the customs office and found that I had written to an educational institution in China for some books about the opium wars. They had sent me half a dozen books explaining various interpretations of the opium wars. This again had led the RCMP to do an intensive search on this obvious importing of some peculiar documents.

From a personal point of view, Mr. Speaker, I am very concerned about what this legislation does and does not do. It is certainly going to result in a great deal more electronic eavesdropping. Canada is now somewhat famous for the amount of electronic eavesdropping which goes on, particularly compared to the United States. It will also allow the tapping of telephones to play a major role in surveillance activities. This legislation will give the government agency the right to tap an individual's phone virtually forever if he is on a list of questionable individuals. This is the kind of blanket eavesdropping and intrusion into the lives of individual Canadians which we must speak out against. We must introduce amendments to this Bill to ensure this does not take place in these massive and sweeping dimensions.

We unquestionably oppose the Bill as it is written, but will be doing everything possible to make it a better Bill once it gets to committee. We are looking forward to moving with some haste to an early clause by clause review in committee.

[*Translation*]

Mr. Jim Hawkes (Calgary West): Mr. Speaker, Friday morning, the Member for La Prairie (Mr. Deniger) was the first to speak. At the beginning of his speech he said, and I quote:

> With this Bill, we want to give Canadian citizens the assurance that their individual rights and freedoms will be respected.

He said these words at the beginning of his speech. However, at the end of his speech, he moved the following motion, seconded by the Member for Ottawa Centre (Mr. Evans):

> That this question be now put.

Mr. Speaker, these two sentences are at odds with each other.

[*English*]

We have a Member of Parliament who stands in this Chamber and begins his speech by talking about the importance of a law because it respects the rights and liberties of Canadians. He concludes that intervention with a motion for closure in this House, to deny the Members of the House, the elected representatives of the people, the right to express the opinions of their constituents. We have a contradiction in that one speech. That should indicate to all Canadians the continuing concern they should have about the conduct of the Liberal Government and the members of Liberal Party. They stand in this Chamber and tell us we have a piece of legislation which the Liberals thought through carefully and brought through the Senate, a piece of legislation that is important to our rights and liberties. For the Liberals to tell us that we should be prepared to support a motion which denies the elected Members of this Chamber the right to speak to this Bill is to tell us through their actions that one cannot believe what they say.

• (1150)

Canadians remember that this is a Party that said 90 days of wage and price controls was a bad idea. Once Canadians elected the Liberals, they gave us three years of wage and price controls. Canadians remember that the Liberal Party is a Party that said an 18 cents a gallon increase in gasoline was too much and four years later the increase is a dollar or very close to it. Canadians should pay attention to the fact that the Government's primary spokesman started by telling us that this legislation was important to our rights and liberties, and that same Member, the Hon. Member for La Prairie, concluded his remarks with an action designed to deny the Members of this House those rights, to deny Canadians the liberty which flows from freedom of speech.

This is a government that should have called an election a month ago. This is a government whose mandate in terms of all Canadian traditions expired a month ago. It is time to allow the Canadian people to decide who should govern this country for the next four years. The Liberal Party instead has decided to cling to power for as long as possible. This Government will have us believe that it has a leadership contest in place with a bunch of new ideas coming down the pipe. The one declared candidate for that leadership who does not presently sit in this Chamber is the person who, when he did sit in this Chamber, started us on the borrowing path. In good times this man of courage borrowed money to bribe voters. That worked in 1974, Mr. Speaker.

Mr. Kaplan: What has that got to do with the security service?

Mr. Hawkes: We pay the price in 1984. The Minister asks what that has got to do with the security legislation. It has a great deal to do with the security legislation because the biggest difficulty with this piece of legislation is that it is sponsored by a government that nobody trusts.

Mr. Stewart: Exactly.

Mr. Hawkes: This legislation is sponsored by a government that has no mandate. It is sponsored by a government that is dealing with our rights and freedoms and nobody trusts it to do it with fairness, justice or equity. The record shows that this is the Government and the Party that attempted to alter the fundamental law of this land, the Constitution of this country, without prior consultation, with a new assertion. Within two weeks of debate we faced closure. After three days of debate on the security legislation we are facing closure again.

This is a government that consistently attempts to deny Canadians the right to speak freely, to speak assertively and to speak at length when necessary. In that kind of an atmosphere,

there is no public will to believe. There is nothing out on the street but suspicion. This could be the best piece of legislation ever put forward, but Canadians will not accept it because it is coming from a government whose mandate has expired and which has demonstrated consistently over four years that it is more attuned to the principle of closure and denial of speech than to anything else.

This proposition is coming from a government that has a borrowing Bill before this House. This Government is attempting to borrow 91 per cent of Canadians' savings, leaving nine cents out of every dollar for other people to borrow. This Government is forcing cost of living increases on the pensioners, on everybody with fixed incomes, on everybody with low incomes. And members of the Government would have us trust them to be fair, equitable and concerned? This just will not wash.

We watch Liberals leaping aboard a bandwagon to support a leadership candidate who is denying everything the Party has stood for. We see members of the Cabinet leaping aboard the bandwagon talking about the importance of charisma and not policy. This gives us a very clear indication of the value system of the members who sit in that Cabinet and we get another set of reasons why we should be careful with pieces of legislation that affect our economy and our rights and freedoms.

Mr. Pinard: You sound scared.

Mr. Hawkes: If that legislation is proposed by a Cabinet that aborts and abandons principles so quickly to get behind the person they think will be the likely winner so that their personal careers can be advanced, then we have, through that action, a clear-cut indication of the value system of those who propose legislation to us.

History tells us, the past four years tell us, that the backbenchers of the Party support blindly, unthinkingly and uncaringly propositions put forward to this House by Cabinet. Liberals are interested in closure because there are flaws in the legislation. If we point them out, they may have to change the legislation.

Mr. Kaplan: Do it in committee.

Mr. Hawkes: With closure the Government will not have to do that. That is why it wants closure. This House should deny the Liberals that closure, Mr. Speaker.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am pleased to participate in this brief debate on Bill C-9. This Bill scares me, not because of the obvious intent at this time on the part of the Solicitor General (Mr. Kaplan), but looking ahead down the road as this Bill is written, more unscrupulous Solicitors General or more unscrupulous Prime Ministers could use this kind of legislation to subvert the Canadian parliamentary system. In a system where we rely a great deal on precedents as well as on written law, I think it behooves every Member in this Chamber today to think twice before he or she votes to support this kind of legislation.

It is true that every democracy must be vigilant against subversion. We must have a strong security system in the country to maintain our democracy. But we should never subvert democracy in order to maintain democracy. In other words, we should never stoop to use authoritarian methods in order to combat potential authoritarianism.

● (1200)

In Bill C-9 there are three major areas—the proposed mandate for the security service, the powers suggested in the Bill for that civilian security service, and the oversight and accountability section. If we take a look at all three of these areas, we find with respect to the first one, that is the mandate of the security agency, that the language is still too vague, too all-pervasive, and encompasses far too much activity for a secret service in a democracy.

For example, church groups sending funds to the African National Congress or Central American liberation movements could come under subsection (c) and be indicted. Moreover, those who are opposed to the testing of the Cruise missile could be indicted under subsection (b). When we keep in mind that the existing security service within the RCMP presently has over 800,000 files on Canadians, this Bill simply gives the proposed new civilian security service an even greater opportunity to build dossier after dossier on people who are not in fact breaking any law within Canada. I just do not like it. It scares me. It is against all principles of natural justice. It is against all principles of basic democratic rights—the right to dissent, the right to oppose, the right to demonstrate peacefully. Why should we have a secret service hiding behind bushes, shrubs and windows taking pictures of those of us who from time to time feel we should demonstrate peacefully against what we think is wrong in a democracy. I do not like this kind of legislation which we on both sides of the House are expected to accept and pass into law. It is not part of our tradition.

In fact, Bill C-9 and the one before it, Bill C-157, came into being because the old security service within the RCMP was using dirty tricks and was in fact institutionalizing lawbreaking. The McDonald Commission indicated that it had to come to an end. However, that is not what the Bill does. Bill C-9—and the Solicitor General (Mr. Kaplan) knows it—will legitimize or make legal all those dirty tricks and the lawbreaking of which the RCMP was guilty back in the 1970s and for which the government of the day, that is the present Government, refused to accept any political or governmental responsibility. It turned a blind eye to it. On the one hand it let the RCMP do what it wanted to do in the security service. When they were caught, all of a sudden the Prime Minister (Mr. Trudeau) said: "I don't know what the hell is going on; they don't report to me". The Solicitor General of the day said: "I don't know what the hell is going on; they don't report to me". The truth of the matter is that the Solicitor General of the day and the present Prime Minister did not want to know what was going on because they would then, in the interests of democracy, have to stand up and say enough is enough. That would mean, of course, that they could not have brought in Bill C-157 legitimizing and making lawful these dirty tricks, and

they could not have brought in Bill C-9 which we are presently debating under closure.

Bill C-9 is being forced through the House. Incidentally, the Solicitor General probably has very little respect for the Chamber in terms of this Bill. Not only has the Government brought in closure, but if we read the Bill in effect it indicates that the Solicitor General and the Government do not trust the House of Commons to act as a safeguard against the powers which the new security service would have, because they would not allow a committee of Members of this House to have access to Cabinet documents in relation to activities of the security service. In other words, the Solicitor General, the Prime Minister and the Cabinet say: "Yes, we trust the security service, but we do not trust Parliament; however, we want Parliament to pass this legislation". As a parliamentarian I say no. If I cannot be trusted, then I am damn well not going to support a Bill which will put implicit trust in a secret organization that is virtually answerable to nobody that is not answerable to the democratically elected representatives of the people. I just do not like it.

Let us look at the powers the Bill will give to the secret service. The agency would have access to all records of government and private records. The only exception would be census records, which were included in the original Bill, Bill C-157. Thus the Government would have access to family allowance applications, unemployment insurance documentation, private, medical and psychiatric records, tax returns, confidential legal files, journalists' notes and all other documentary material. They could break into any place to obtain access to these documents, including one's home. The only requirement to obtain these powers would be a warrant from a Federal Court judge.

Let me talk about judges very briefly, because we are down now to ten-minute speeches. I remind the Solicitor General—I am not drawing an analogy here; I am drawing a historical perspective—that in 1933 when the Nazi party seized power as a result of two elections in Germany, Hermann Goering was charged with the responsibility of gaining control of the judiciary in the State of Brandenburg, which in effect was the City of Berlin. He said that if he could get control of the police and get control of the judges, he would have a dictatorship for his leader, the Führer. Within a matter of months, judges had been taken in and called upon to make decisions which they knew were morally wrong and reprehensible, but under the pressure of the *Gestapolizei* in Brandenburg they were forced to relinquish their independence and their rights on the judiciary. Once they had sold themselves out to the secret service and the secret police of the Nazi party, that was the end of democracy in Germany. It was not done in the ballot box. It was not done by going to the barricades as they had tried in 1923 in Munich, in the infamous Putsch. It was done by very subtly getting control of the machinery of justice.

I am not saying that this is the intent of the Government. I am asking, who knows? In five years' time or in ten years' time that could happen here if it could happen in such a civilized country as Germany which gave the world Bach and Goethe. I will have no part of legislation which gives *carte blanche* to a secret intelligence service without giving the duly elected representatives of the people or a committee thereof oversight and control of that group. Otherwise Parliament is giving up its right to the security of the nation and the democratic rights and freedoms of the citizens of Canada. That is why I am voting no to Bill C-9.

Some Hon. Members: Hear, hear!

Mr. Jack Shields (Athabasca): Mr. Speaker, indeed I am alarmed today to have to speak on Bill C-9. I spoke on this Bill once before, on February 13, at which time I had an opportunity in a very constructive way to point out some of its shortcomings. Upon returning to the House of Commons after the weekend, I found that the Hon. Member for La Prairie (Mr. Deniger) in his speech on Friday had the following to say:

> Mr. Speaker, Bill C-9 is the result of hard work and sustained efforts, and I support it without reservations. That is why I move, seconded by the Member for Ottawa Centre (Mr. Evans):
>
> That the question now be put.

As I said, I was given an opportunity to take part in the debate in February. I was given approximately ten minutes to outline some of my concerns. I probably covered a quarter of the remarks I intended to make at that time. I can understand a government or a minister bringing in closure on a Bill that is very political. For example, I could understand the Minister of Energy, Mines and Resources (Mr. Chrétien) bringing in closure on the National Energy Program. I did not like it, but I can understand it. However, I cannot for the life of me understand why a motion was brought in on Friday to limit debate on a Bill that will affect fundamentally every man, woman and child in this country for generations to come.

• (1210)

Under Bill C-9, we do not have the type of security that exists, for example, in the United States where there is freedom to gain information. All of the points on Bill C-9 that were discussed in the Senate and the Senate committee before the Bill came to the House of Commons have not been addressed. Some very valid points were made. Why is the Liberal Government so worried about open discussions in this House?

Since coming to Ottawa I have learned that when a contentious Bill comes before the House of Commons, it sometimes takes two, three or four weeks of debate before Canadians right across Canada understand what is actually being proposed and they can have some input through their individual Members of Parliament. It takes a long time for the information to be disseminated among the hinterlands, to all constituencies. We have seen this time and again. When this process occurs, the committees are armed with much more material and much more thought goes into their deliberations.

I used to think that debate in the House of Commons was a waste of time. When Members opposite would get up to speak, or Members on this side, other Members engaged in conversa-

tions or did work at their desk. I later realized that virtually every Member of this House reads the debate daily at his or her leisure. That is why the debate is printed in *Hansard*. I mention that to show the importance of having the remarks on the record.

This Bill involves a contentious issue. We will be forced to vote on it through a form of closure. That is fundamentally wrong. We are dealing with a cornerstone and foundation of a democratic society. This Bill will allow a judge to issue warrants for surveillance. The police will be able to intrude into the lives of individuals in such a way as postal surveillance. How is a judge to determine when a warrant for surveillance should be issued? Will it merely be based on the fact that it is requested by the security service? Every time they ask for a surveillance warrant, will it be issued? What kind of criteria are in place to discourage any service violating a person's fundamental right to privacy? That is a concern.

The Senate very clearly called for a balance between the gravity of a threat to security and intrusion into an individual's privacy. It will be up to the Minister to approve or reject the application for a warrant. The Minister moves in secrecy. He has Cabinet secrecy as well as departmental secrecy. When issuing a warrant, he is in no way accountable to the House of Commons. With no reflection on the present Minister, I say that no one in Cabinet or in this House of Commons should have such vast power. There is something wrong if a Member of this House would accept that thesis.

What power will the security service have? Should it have *carte blanche* mail-opening privileges? Will it have access to confidential medical and psychiatric records? Will the security service have *carte blanche* access to personal records? We do not know because that is not clear in the Bill. Should there be an annual report on warrant activity, as is the case with the Official Secrets Act? That is not part of Bill C-9. Is it not appropriate for the Government to table in the House of Commons an indication as to how many warrants are issued to the security service and, indeed, in some cases why they were issued?

One point that is very disturbing has been made by the provincial attorneys general. That is the connection between the security service and illegal activities. Canada is a federation of provinces with an attorney general in each province. However, the security service will operate completely independently of the provinces. Provincial attorneys general will not be informed of what takes place under their jurisdiction. There is much that is fundamentally wrong with this Bill, therefore, debate at second reading must continue before the Bill goes to committee.

I see you are signalling that my time is up, Mr. Speaker. I urge all Members to consider very carefully what is being done because it will reflect on the people of this country for generations to come.

Mr. Ted Miller (Nanaimo-Alberni): Mr. Speaker, I had hoped to speak on this Bill some time ago. However, with the interest of the New Democratic Party in opposition to a number of points in this Bill, it is only today that I have the opportunity to stand in the House and make my personal comments, which, by the way, are the NDP position. I am somewhat concerned and surprised that I am doing this on a motion for closure which was moved last Friday.

The interest shown by the NDP in enunciating very strong reservations about the intent of the Bill warrants a longer debate on second reading than we have had up until now. As well, I think it would have been instructive to have heard some of the back-bench Liberal members indicate their concerns about the Bill, if they have any concerns. It is obvious that they cannot feel a great deal of commitment to the concerns of their constituents. If they did, we might have heard them making some representations to the Minister asking for greater control over the proposed Canadian Security Intelligence Service.

● (1220)

I think that, by and large, my constituents are supportive of a secret intelligence service of some nature within the Canadian Government. Whether that service is the RCMP or a civilian service really does not make a great deal of difference to my constituents. They do feel that there is a need in any country, including Canada, to have the ability to determine whether or not foreign nationals are undermining the autonomy and security of the country. They would in fact support a service with the ability to detect that kind of thing before we find ourselves in a dangerous situation. I think my constituents also feel that the security service would be there to protect them from foreign nationals rather than being involved in the surveillance of Canadian nationals who do not pose any threat to Canadian security.

I would think that if I were to take a survey, my constituents would be somewhat in favour of the intent of Bill C-9 if in fact that Bill offered them some protection. However, in the 1960s and early 1970s, my constituents were quite confident that the RCMP intelligence services did not exist to investigate my constituents themselves and were somewhat complacent about the role played by the RCMP in terms of wiretapping and surveillance activities. At the time of the McDonald Commission, my constituents found out about the RCMP wrongdoings which occurred in 1970 and that the RCMP was found to have files on 800,000 Canadians. I think that that was a surprise to all Canadians.

The fallibility of the present Criminal Code and the intelligence service operated by the RCMP is indicated by the fact that 800,000 Canadians, many of whom had not undertaken any illegal activities, were on file with the RCMP. We have no idea whether those files still exist or have been destroyed as was recommended. We have no idea how those files were used against any individual who was investigated by the RCMP and how that use might have affected 800,000 lives.

I am concerned by the fact that this Bill does not define "threats to the security of Canada" in a way which is specific enough to prevent the RCMP or a civilian security service from investigating groups which are dissenting from govern-

ment policy. I am thinking particularly of the commitment of the people who live in the riding of Nanaimo-Alberni to disarmament and the activities which those people feel obligated to carry out when protesting the present Government's attitude toward the Cruise missile guidance testing.

Without fully considering and understanding this Bill and the powers proposed to be given to the Solicitor General (Mr. Kaplan) and the secret intelligence service, my constituents would probably think that those powers may be warranted and necessary. However, they would not feel that those powers were warranted or necessary if they in fact thought that they themselves were going to be victims of wiretapping, surveillance, first-class mail openings or security access to family allowance and medical records, as provided for in this Bill.

The Minister has always been critical of Members who talk about the widespread powers granted by this Bill and has indicated that investigations and wiretaps are only allowed under a Federal Court judge's warrant. We have seen many applications under the Criminal Code for such warrants and very few if any of those applications are turned down. This Bill does not provide the kind of protection required by Canadian citizens if in fact the powers in this Bill are warranted at all.

We in the NDP believe that the powers in this Bill remain too broad and ill defined to be acceptable when protecting the civil liberties of all Canadians. While the Bill was based upon the contention of the McDonald Commission that policing and intelligence gathering should be separated, the Government has not accepted suggestions for the careful definition of the mandate for the service. As indicated by Roy McMurtry, the Attorney General of Ontario, the definitions within the Bill are dangerously vague. We in this Party accept that very important criticism.

Canadian citizens may still be subject to the all-intrusive techniques of the security service provided for in this Bill. It must fall upon Parliament to design a security Act which, while protecting the national security as we all desire, will also protect the freedoms of law-abiding Canadian citizens. We must protect against the recurrence of 800,000 court files being collected by the RCMP security service because of inadequate legislation, instruction and surveillance by elected government and ministers.

It is interesting to note that Conservative members are once again sitting on their hands while this Bill works its way to committee and possible enactment without safeguarding Canadian citizens by more narrowly defining the mandate of the service. We do not see the Conservative Party mustering the number of speakers from which we would expect to hear in this debate.

Mr. McDermid: How would you know? You just got here.

Mr. Miller: Members opposite seem to think that this Bill would be quite adequate if it were to be brought in by a Conservative government. I would like to read the comments of the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) as reported on page 1304 of *Hansard*:

> As the Hon. Member for Lethbridge-Foothills (Mr. Thacker) said, if this legislation had been introduced verbatim by a previous Government, such as the St. Laurent Government, the Diefenbaker Government or the Pearson Government, it probably would have raised very few eyebrows because there was a sense of confidence in those Governments and the leadership at that time.
>
> The problem we face today is a crisis of confidence in the leadership of the Government. It is not only incompetence that bothers us, though there are plenty of examples of rank incompetence by the Government. What really bothers the Canadian people is that the Government enjoys the use of power, Since it derives so much pleasure from power, there is no discipline, constraint or self-control in the use of power.

If Conservative members think that this Bill is not good, then it will not be good under a Liberal Government, a Conservative Government or a New Democratic Party Government.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I now join other Members in rising with some alarm, because I was away on Friday of last week. I was in my riding attending a nomination and indeed my own nomination. To return to the House—

Mr. Riis: How did you make out?

Mr. Thacker: Well, I am sure Hon. Members will be surprised to hear that I won the nomination.

Some Hon. Members: Hear, hear!

Mr. Thacker: The Minister of National Health and Welfare (Miss Bégin) is certainly surprised. She will be even more surprised when she finds out that I won by acclamation.

I find that in my absence the government side has been up to its old tricks again. It is trying to deny the House and Canadians sufficient time to discuss this new Bill. While government Members are saying that this Bill has, in a sense, been before the House for a long time, it has not. This Bill originated with Bill C-157 which did not even come before the House. It was shipped off to the Senate when civil libertarians and ordinary citizens across the country began to raise a hue and cry. The Senate committee made over 200 recommendations for changes to Bill C-157. The Bill then went back through the government bureaucratic process and now out has popped Bill C-9. Government Members are saying that that has corrected everything.

• (1230)

That simply is not the case, Mr. Speaker. As Members of the House we know that it takes weeks and weeks for the essence of a Bill to sink in. Ordinary Canadians are busy earning a living and cannot devote their full time to the study of a Bill as we do. While it is quite proper that we are alarmed, I think we need to give ordinary Canadians more time on this.

Here I am, Mr. Speaker, speaking for the second time on this Bill because I find that the Government is not prepared to give Canadians that time. It would appear that their own personal and political party interests are going to take precedence over the national interest. A Bill of this magnitude and importance should be given plenty of time for debate and reflection in the House, in committee and by Canadians at

large. Bill C-9 is over 50 pages long, covers two separate Acts and amends a dozen other statutes. It is very complex.

Essentially we have opposing interests here—national security versus individual freedoms. The Bill raises the question of why all this has come up in the last few years. I suppose it is primarily because of the FLQ incident in Quebec and the dramatic over-reaction by the government of the day which became alarmed. It got the RCMP to do all sorts of things that it would never have done and had never done because the Government wanted to get the goods. Now the Government is proposing a new Bill because of the actions of a police force that it encouraged to break the law. I do not believe for one second that the high command of the RCMP or individual officers broke that law without the express or implied consent of high government leaders. I believe that might go right to the office of the Prime Minister (Mr. Trudeau) who told them to get the goods.

Then there was the invocation of the War Measures Act largely as a result of barn burning and break-ins done by the actual agents, the national police force, under the political influence of the government of the day. It is an absolutely absurd situation and it is very, very dangerous. That is why I said in my first speech on Bill C-157 that the essential problem is that people do not trust the Liberal Government today, nor have they since it came into office in 1968. That is for very good reason, Mr. Speaker. That is why I said that people did have an essential trust of Prime Minister St. Laurent and of John Diefenbaker, because those gentlemen demonstrated that they would never play fast and easy with the deeply held emotions of Canadians.

That is essentially what Manitoba is today—a Premier and Parties that are prepared to play fast and easy with deeply held feelings. That is what Lebanon is. That is what Northern Ireland is. Extremist groups are formed, governments take extreme positions on issues and then oppositions are forced to take extreme positions. You must be very sensitive when playing around with issues that you can say rationally should be A, B or C. Ordinary Canadians feel strongly about some of these things and we have to be sensitive to them.

When it comes to a question of national security versus individual freedoms, Mr. Speaker, no one doubts in these modern times that we must have a national security service. That is not the issue. We have one now in the RCMP. The question is what are the sufficient checks and balances to individual freedoms. We have just entrenched a lovely, well-worded Charter of Rights and Freedoms, but it is not worth the powder to blow it apart if it is not respected in the practice of the Government. From time to time we all use the example of the Soviet Union, which has a fine written charter of human rights but it is not worth anything because of the way the law is administered and abused there. That is what Canadians feel about this Government and that is why they are going to put it out of office. They cannot trust it and with very good reason.

The underlying principle that we need more debate on is: How we can maintain free debate and discussion in society in the face of what the Bill states will occur, which is secret investigations and record-keeping on people? The very fact I am nervous that if I telephone my friend the conversation might be picked up, or that if I go out to a public meeting someone from the security service may be making notes and putting the information on file, restricts my feeling of freedom to discuss the issues frankly. When the issues are not discussed frankly that is when society and democracy as we know it goes down the tube.

Our friends in the NDP say members of this Party are not rising to speak in the debate, but we are rising because we feel strongly about this matter. We want them to rise because we want to know what they feel. Why are members of the Government not rising to answer my question about these investigative measures and the record-keeping that make us feel so uneasy that we do not discuss the issues frankly and fully? That is the question I am anxious to hear government Members address.

Mr. Rod Murphy (Churchill): Mr. Speaker, I wish to speak about this legislation which I consider to be very dangerous. That is not because I disagree with the need for a security force to counteract terrorism or the actions of legitimate subversives. However, I believe this legislation grants a blank cheque to a security service which would be able to continue the present practice of infringing the rights of many Canadians.

Although members of the Conservative Party have spoken, they have not done so in proportion to their numbers in this House. For every member of the New Democratic Party who speaks, only one Conservative speaks, yet they have three times as many Members as this Party has in the House. I am not surprised by that attitude. They complain that the Bill is facing closure yet they do not put up many speakers. There is a basic contradiction in that approach.

Speaking about Bill C-157, the previous Bill which was similar to the one before us, Elmer MacKay, the former Member for Central Nova who now occupies a high policy advisory role in the office of the Hon. Member for Central Nova (Mr. Mulroney), said that there are too many civil liberty safeguards in the present legislation. This was the view of someone who now sits in the office of the Leader of the Conservative Party, someone who is advising the Conservative Party on policy. It is no wonder that members of that Party are not getting up to speak and that they are quietly approving the legislation.

I should like to contrast that with the remarks of Alan Borovoy, the general counsel of the Canadian Civil Liberties Association, who said about the legislation that the powers of intrusive surveillance are needlessly broad. Under the terms of this Bill as it is now formulated, Canadian citizens could have their conversations bugged, their mail opened, their homes searched and their confidential records invaded, even though there is not the slightest suggestion of any lawbreaking involved.

• (1240)

This legislation is in front of us, Mr. Speaker, for a very good reason. During the 1970s it became very obvious that there was too much surveillance going on, too much lawbreaking going on, within the existing security set-up in this country. We found out through the McDonald Commission that there were files on over 800,000 Canadians. For every 30 citizens, man, woman and child, there is a file on one person. I do not believe, Mr. Speaker, that there are that many subversives in this nation. I do not believe there are that many people who even think about committing subversive acts. I do not believe that those average Canadians are a threat to the security of this nation. What this large number of files points out is that we do not have proper supervision of our security services in this nation.

What was suggested in a presentation before the McDonald Commission by our Leader, the Hon. Member for Oshawa (Mr. Broadbent), is that we must have adequate supervision, that there should be an all-Party parliamentary committee which would have a supervisory review role in determining whether or not our security service is acting on behalf of Canada or infringing the rights of Canadians.

This legislation which is now before us was described by one Conservative Member of Parliament as being too interested in the civil liberties of Canadians. This Bill which is before us in an infringement on the very rights of the average Canadian. We in this House have an obligation to speak up for Canadians. We have an obligation to make sure that passage of this very important legislation is not just granted by the quiet acquiescence of the majority who obviously have more votes. These are the same Members who are afraid to get up and speak in this House.

This is a very important piece of legislation. It is a threat to the civil liberties of most Canadians. That does not mean that everyone is going to have a Mountie or a security service person sneaking through their bedroom at night. However, it does create the potential danger to many Canadians of having their files opened by this agency without any adequate review of its actions.

American citizens have a committee in the United States representing different parties which has access to information on the actions of their security service. The West Germans, who are in a much more difficult situation because of the closeness of their border to a nation which is not necessarily friendly, also have that access. Surely if those nations can have all-party review of their security service, then the Canadian Government should be willing to allow that same review by a committee of this House. Obviously, Mr. Speaker, that would be a select committee. It would not be a committee on which, I suspect, every Hon. Member of Parliament would be serving; it would be a committee composed of the best people from all Parties. Government would still be in a position to choose from the persons suggested by the various Parties. It would be a very important committee, it would show the respect of the Government for the House of Commons and it would indicate to Canadians that they could have more faith in their security system.

The legislation which is before us now has been condemned by the Canadian Civil Liberties Association and by the Conservative Attorneys General. It has been criticized by many throughout this land.

Mr. McDermid: What about the New Democratic Party Attorney General?

Mr. Murphy: The New Democratic Party Attorney General in the Province of Manitoba has condemned this legislation as well and has been in the forefront of the fight against unjust attacks on human rights. He is well known as a leading lawyer, teacher and instructor of lawyers and as a leading civil libertarian in this nation.

I realize, Mr. Speaker, with the closure motion before us that I have only a few seconds left to speak. I implore Hon. Members of the other two Parties of this House—we are certainly putting up every member of our caucus—to look at this legislation. Look at what you believe to be right in protecting the rights of Canadians. Do what you believe to be right in protecting the legitimate national interests of Canada. Certainly we need adequate protection from subversion and acts of terrorism, but let me tell you, Mr. Speaker, we can only protect ourselves in a democratic society if we ensure that the policeman is also policed. We can only do that if we have adequate safeguards with respect to actions which can take place, and which have taken place not 80 years, 90 years or 100 years ago, but in the last decade. When those illegal actions take place, those unwarranted actions, Hon. Members of this House of Commons should have access to that information through a select all-Party committee. Through that committee they would be able to inform the Canadian public of actions which were unwarranted. That committee could make sure that steps were taken to ensure that the rights of those 800,000 Canadians are being observed by those who are supposed to protect Canadian rights.

This is an important Bill and I believe we are running the risk of passing this legislation without any due concern for the rights of Canadian citizens. Ten years from now someone is going to ask where the Members of Parliament were when Bill C-9 was passed. Where were the Liberal Members who were in the majority at that time? Where were the Conservative Members when this legislation was passed through the House of Commons?

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

Some Hon. Members: Question.

• (1250)

[*Translation*]

The Acting Speaker (Mr. Herbert): Mr. Deniger, seconded by Mr. Evans, moves that—

[*English*]

Mr. Manly: Order, Mr. Speaker.

The Acting Speaker (Mr. Herbert): Do you have a point of order?

Mr. Manly: I wish to speak in the debate, Mr. Speaker.

[*Translation*]

The Acting Speaker (Mr. Herbert): As I started to say, the question is as follows: Mr. Deniger, seconded by Mr. Evans, moves that this question be now put.

[*English*]

Mr. Robinson (Burnaby): Mr. Speaker, I rise on a point of order. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) was on his feet and should have been appropriately recognized.

The Acting Speaker (Mr. Herbert): I am sorry to correct the Hon. Member for Burnaby (Mr. Robinson) but I asked twice whether the House was ready for the question. Then I put the question.

[*Translation*]

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

Some Hon. Members: Yes.

Some Hon. Members: No.

The Acting Speaker (Mr. Herbert): Will all those in favour of the motion please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Herbert): Will all those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

[*English*]

And the division bells having been rung:

Mr. Speaker: Order. It being 6.15 p.m., the sitting is suspended until nine o'clock tomorrow morning.

At 6.15 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 9 a.m., Tuesday, March 20, Mr. Corbin in the Chair.

• (1110)

[*Translation*]

And the division bells having stopped at 11.10 a.m.

Security Intelligence Service

The House divided on the motion (Mr. Deniger) which was agreed to on the following division:

(*Division No. 21*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dion
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Fisher
Fleming
Flis
Foster
Fox
Frith
Gauthier
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid (Kenora-Rainy River)
Roberts
Robinson (Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—127.

NAYS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Blenkarn
Bradley
Broadbent
Carney (Miss)
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Coates
Cook
Cossitt (Mrs.)
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
Domm
Ellis
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gurbin
Gustafson
Halliday
Hawkes
Heap
Hees
Jarvis
Jelinek
Jewett (Ms.)
Keeper
Kilgour
Knowles
Korchinski
Kristiansen
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
Malone
Manly
Mayer
Mazankowski
McCain

Messrs.

McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Ms.)
Mitges
Mulroney
Munro
(Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Ogle
Orlikow
Patterson
Riis
Robinson
(Burnaby)
Roche
Sargeant
Schellenberger
Shields
Siddon
Speyer
Stewart
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Wright
Young—94.

[*English*]

Mr. Speaker: I declare the motion carried.

The next question is as follows. Mr. Kaplan, seconded by Mr. Whelan, moved that Bill C-9, an Act to establish the Canadian Security Intelligence Service, to enact an Act respecting enforcement in relation to certain security and related offences and to amend certain Acts in consequence thereof or in relation thereto, be read the second time and be referred to the Standing Committee on Justice and Legal Affairs.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Shall I dispense with the bells?

Some Hon. Members: Agreed.

The House divided on the motion (Mr. Kaplan) which was agreed to on the following division:

(*Division No. 22*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dion
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Fisher
Fleming
Flis
Foster
Fox
Frith
Gauthier
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hopkins
Hudecki
Irwin
Isabelle
Ittinuar
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lachance
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Regan
Reid
(Kenora-Rainy River)
Roberts
Robinson
(Etobicoke-Lakeshore)
Rooney
Rossi
Roy
Savard
Schroder
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—128.

NAYS

Messrs.

Althouse
Benjamin
Blackburn
Blaikie
Blenkarn
Bradley
Broadbent
Carney (Miss)
Clark
(Brandon-Souris)
Clarke
(Vancouver Quadra)
Coates
Cook
Cossitt (Mrs.)
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
Domm
Ellis
Epp
Fennell
Forrestall
Fraser
Fretz
Friesen
Fulton
Gamble
Gurbin
Gustafson
Halliday
Hawkes
Heap
Hees
Jarvis
Jelinek
Jewett (Ms.)
Keeper
Kilgour
Knowles
Korchinski
Kristiansen
Lambert
La Salle
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Malone
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McKnight
McLean
McMillan
Mitchell (Ms.)
Mitges
Mulroney
Munro
(Esquimalt-Saanich)
Murphy
Murta
Neil
Nickerson
Nielsen
Nowlan
Nystrom
Ogle
Orlikow
Paproski
Patterson
Riis
Robinson
(Burnaby)
Roche
Sargeant
Schellenberger
Shields
Siddon
Speyer
Stevens
Stewart
Thacker
Thomson
Towers
Vankoughnet
Waddell
Wilson
Wright
Young—96.

● (1120)

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

[*Translation*]

Mr. Pinard: Mr. Speaker, I am sure that the Members who were unable to get in yesterday because of the weather are very grateful to their colleagues on both sides of the House for their patience. That is why, this morning, I want to ask the unanimous consent of the House, so that no one will be penalized, for starting today's sitting, the sitting of Tuesday, March 20, 1984, forthwith so that we may consider Bill C-21.

[*English*]

Mr. Nielsen: Mr. Speaker, we have been put into this rarest of phenomena, the parliamentary black hole, because of the negligence of the Government in not having their Members here to vote on legislation.

Some Hon. Members: Shame, shame!

Mr. Nielsen: Surely the Government can organize itself to give priority where it deserves to be, in the House of Commons, and not traipsing around the country on leadership campaigns.

Mr. Speaker: I gather there is not consent from the House Leader of the Opposition.

Security Intelligence Service

Mr. Nielsen: You make assumptions too rapidly, Sir. We will bail them out this time. In the future let them be warned. They must pay attention to their duties here and not be gambolling all over the country.

Some Hon. Members: Hear, hear!

Mr. Nielsen: Mr. Speaker, we will indeed consent. At three o'clock this afternoon I intend to raise a brief point of order with respect to the regularity of last night's occurrences and the mode that we found ourselves in today.

Mr. Deans: Mr. Speaker, with respect, we will also give consent. I would point out that we were ready to vote yesterday all day. It is unfortunate that the Government, having moved closure on the Bill, did not have its Members here to vote.

Mr. Pinard: Mr. Speaker, our offer to the Opposition to have Question Period today still stands.

Mr. Speaker: It being after eleven o'clock a.m., this House stands adjourned by unanimous consent to later this day.

At 11.30 a.m. the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, March 20, 1984

The House met at 11.30 a.m.

Prayers

[*Translation*]

Mr. Speaker: Order. The Hon. Member for Rosemont (Mr. Lachance), on a point of order.

Mr. Lachance: I am interested to see, Mr. Speaker, that you have just created a precedent.

I must say I agree with you on this precedent, since the Special Committee on Standing Orders and Procedure previously recommended having prayers in public, so that visitors in the gallery can see their Members pray.

As far as I know, it is the first time we have done so, and I am not sure whether we will be able to make a practice of this precedent. As far as the Standing Orders and the proposal made to the Special Committee on Standing Orders and Procedure are concerned, I hope the example we have given today will be followed.

Some Hon. Members: Hear, hear!

Mr. Speaker: I have taken note of what the Hon. Member just said, and I may add that I fully agree with his suggestion.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Thursday, March 15, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill Clarke (Vancouver Quadra): Mr. Speaker, once again we have a borrowing Bill before us. As usual, C-21 takes the normal form of two pages, one of which is blank. Once again, it is a record-breaking borrowing Bill.

Bill C-21 requests authority to borrow $29.5 billion. It is the largest borrowing Bill that we have ever seen and it is not the first one introduced into this Parliament by any means. In fact, during the first session Parliament approved Bill C-30, Bill C-59, Bill C-111 and Bill C-151, all major borrowing Bills. In addition to those, there were the supplementary borrowing Bills C-125, C-128 and C-143.

The exact size of this Bill does not merely reflect a matter of detail but a matter of perspective. I attempted to bring the huge size of this Bill into some perspective. In doing so, I first referred to the 1983 edition of the taxation statistics which contain the analysis of 1981 individual tax returns. It is the latest one that is available.

If one looks at Summary Table 2 of that book, one will see that the number of individual tax returns filed totalled 15 million and the total federal taxes yielded from all of those individuals was less than $25 billion. Therefore, this Bill seeks to borrow an amount that exceeds the total amount of federal personal taxes paid by Canadians in 1981 by several billion dollars. That is a staggering admission for the Government to make and it is a staggering figure for anyone to absorb.

Another perspective can be found in the Public Accounts of 1983. At page 2-10 of this book, the non-budgetary appropriations for the fiscal year ended March 31, 1983 are shown as $28.5 billion. Once again, this borrowing Bill seeks to borrow more than $29 billion which is over $1 billion more than the total amount appropriated for non-budgetary purposes in the preceding fiscal year.

One other comparison concerns the statements of assets and liabilities which is also found in Volume III of the Public Accounts at page 2-9. One can see at that page the liability for unmatured debt, and in the case of Canada Savings Bonds outstanding at the end of the 1982 fiscal year the liability of the Government of Canada was just under $25 billion. This Bill seeks to borrow an amount exceeding the total of all of Canada Savings Bonds that were outstanding at the end of March, 1982.

It is an amount that is almost equal to the total amount of all Treasury bills which were outstanding at the end of March, 1983. That amount at the end of the 1983 fiscal year was $29 billion, almost the same as the amount the Government is seeking to borrow now.

The reason I am making these comparisons is that we must put borrowing authority into perspective. It should be known that the borrowing sought now exceeds these already enormous amounts.

There is another aspect of borrowing authority which I would like to address for a moment. Why is it necessary to have a borrowing Bill every year and sometimes more than once a year? The Government knows there will be a deficit every year when it brings out a budget. At least we know that is true with the present Government. Each year it projects the

amount of the deficit which we know will have to be covered by borrowing. I realize that there is a technical aspect to this that I cannot explore in the time allotted to me today, but I suggest that the House would be much better served if the borrowing authority were included in the approval of the Budget which presents to the House expenditure estimates and the projected amount of the deficits every year. Of course, the House votes on that and approves the estimates and the amount of the projected deficit.

I am not certain if it would require a change in the Financial Administration Act but changes should be made. It would certainly be beneficial to the House and the country. If this were done it would have avoided the introduction of seven borrowing Bills in the first session of this Parliament. The House is aware of how those Bills often tend to drag on. All of these borrowing Bills, approvals and deficits have added up to a huge amount of money being borrowed and therefore owed.

• (1140)

The total debt outstanding at the end of March, 1983 was estimated at $160 billion. That is comprised of $115 billion in unmatured debt as shown in the public accounts and an estimated $45 billion which is owed by Crown corporations and therefore is a contingent liability, if not a direct one, of the Government of Canada. At an average rate of interest which can be gleaned from the public accounts, the $160 billion requires levies of over $17 billion—it was $17.6 billion in 1983—just to pay the interest on the outstanding debt.

To put that amount into perspective, I return to the summary table of the tax book and find that that amount of federal taxes is reached when we take the total federal income taxes paid by the vast majority of the 15 million individual taxpayers. It is not until we collect the income taxes of every Canadian earning $40,000 or less that we collect an amount of $17.6 billion. If we told the 95 per cent of Canadian taxpayers who earn less then $40,000 that their total contributions to the federal coffers would go to cover the interest on the national debt, I think they would come here and have some harsh words with the Minister of Finance (Mr. Lalonde) or perhaps his Parliamentary Secretary. That is a shocking statistic as well.

Fortunately for the Government opposite, Canadians at this moment are saving money at an alarming rate. It is alarming for a number of reasons, one of which is that it is three times the savings rate at the moment in the United States of America. Also it is alarming because it demonstrates the frame of mind of Canadian taxpayers at the present time. Even with the present high rate of savings, the borrowing Bill will absorb 93 per cent of all projected savings of Canadians in the coming year.

Why is that an alarming statistic from Canada's point of view? The reason is that Canadians are afraid to spend their savings because they know very well that they may need that money if they join their brothers on the unemployment lines, in which case they will be in danger of being unable to feed, house or clothe their families. We know the trouble Canadians have had holding on to their houses in recent years. Fortunately for this borrowing Bill, there is a crisis of confidence today which is forcing Canadians to save at the highest rate possible. However, more importantly, we must have as soon as possible an opportunity through an election for Canadians to state that they want a different force or thrust from their government, a thrust which will restore confidence in Canada and encourage Canadians to spend their money and rejuvenate the ailing economy, and many of those unemployed Canadians will become contributors to society instead of being a drain on it.

Mr. Girve Fretz (Erie): Mr. Speaker, I should like to share a few thoughts today with the House regarding the supplementary borrowing authority the Government is seeking through Bill C-21.

Tradition demands that the Government obtain parliamentary authority in order to borrow new money. This Bill certainly involves that. It involves plenty of new money, in fact $29.5 billion. I think that is enough to boggle the mind, and this year we did not even have a Budget leak which needed plugging.

Can we believe it, the Government is actually coming to Parliament to ask for $29.5 billion. I think we should ask ourselves why it needs this money. Is it because the Department of National Revenue is not working hard enough to collect money from ordinary taxpayers? No, I do not think that is the reason. I believe they are gouging taxpayers more and more, especially those whose incomes are barely enough to see them through. These are the people who cannot take advantage of tax deductions such as the impending $15,000 deduction for RRSPs which benefits those people with incomes of $86,000 or over per year.

Meanwhile, as a Member of Parliament I am faced in my constituency with dozens of cases of small-business people and low-income earners who have literally been hounded for their last dimes. Obviously the revenue end is doing its best. In fact it has been carried to the point of absurdity.

Why, then, is there a need for more money? The answer is government extravagance. With regard to the deficit, we are making the same progress as a man falling down an elevator shaft. There seems to be no shame; the deficit just continues to increase. I know what we will be hearing in the next few days from the gang across the way. We will hear that there are heavy demands on the public purse due to unexpected requirements such as pre-election gimmicks and Budget tricks. We may also hear from government back-benchers justifying the borrowing authority and the embarrassing and frightening deficit on the grounds that it is inevitable spending, that somehow they have done their best and that we over here should accept it. Their best is just not good enough.

Figures abound to confirm the fact that government spending has risen much faster than the Consumer Price Index or the Gross National Product. I think the term "gross national deficit" should be implemented as part of our language. The deficit is gross. It is inexcusable, as are the attempts by the Government to justify the recent increases in interest rates to prop up our sagging dollar. This is happening because inves-

tors lack confidence in the Government and in the country. We have a government over there which needs to be defeated.

The Auditor General works for the benefit of Canadians by keeping tabs on the spendthrifts in the Government. Yet now there is talk of reducing this mandate by effectively reducing his powers to control spending and irrational acts of financial suicide. What a shame. If there is criticism, stifle it rather than listen and make appropriate changes: that is the attitude of the Government. That is why it is doomed, doomed, doomed; it is going down to defeat.

Last year it was indicated, supposedly in defence of government spending practices, that Cabinet committees were taking responsibility for expenditure management following the guidelines set out by the Lambert Commission. But then again, the moon is made of green cheese. It is difficult to see any indication of the implementation of any such guidelines. Indeed, I think guidelines is almost a dirty word in the Liberal caucus. After all, if there were guidelines the key players in the Gillespie affair would have had to resign, apologize and repent. That is why they prefer to operate without guidelines.

Speaking of guidelines, the six and five program is supposed to be credited with stopping inflation. I am pleased inflation has been reduced, but the deficit is in the clouds, to the extent that the Government will have to borrow $29.5 billion to cover expenses. Spending is up by 10 per cent, which is double the present five and four program. The Government needs in one year almost as much as all Canadians have saved in their bank accounts, which are losing value each day as the dollar sinks to ever-increasing depths. This Government in its grasping leaves no money for new homes or new jobs. The tremendous borrowing will make banks that much richer and citizens that much poorer. Indeed, the excessive borrowing demands point out the absolute confusion and lack of realism in the Ministry of Finance.

• (1150)

What a legacy to leave to the new, temporary Liberal Prime Minister! Not only will he have to choose new drapes for 24 Sussex Drive but he will have to try to rectify the financial mess left behind by his predecessor. He will have to deal with a wounded, battered and sick economy and a country literally brought to its knees by interest rates that will probably approach 16 per cent as we come to early fall and an election.

Mr. Clarke: He will make it worse.

Mr. Fretz: That is right, he will make it worse. What to do, then, with this borrowing Bill? Why not ask for half as much money, which is all the Government really needs? I am sure Opposition critics would be less critical of a borrowing authority Bill which reflects stability and restraint. Perhaps then the programs which are not absolutely essential will be dropped, especially some of the advertising extravaganzas.

Someone has to bite the bullet. I ask my Liberal colleagues to forget the handouts, to forget the advertising, to forget the slush funds and to remember the needs of the people and the country. Eliminate the costly and frivolous programs which are bringing this country down. Eliminate the costly duplication of services. Another suggestion, a small one, but it is significant: how about turning off lights when they are not needed? When I come into the House of Commons at night and work into the wee hours of the morning, the place is lit up like a theatre stage.

Some Hon. Members: Oh, oh!

Mr. Fretz: Members of Parliament may have their faults, but we all know how to turn off light switches. The list goes on and on. I got some laughs just now when I mentioned the lights. If all or many of the lights were turned off in all of the buildings during the night, we could probably save thousands of dollars.

Think of the incredible bailout of Canadair. Think of Maislin. Think of the Crown corporations with their hands out. The waste is incredible. So why do we not take the bull by the horns and stop spending? Then the deficit will drop and totally unreasonable requests for money such as we have here today would become a thing of the past. Bill C-21 gives further proof to the notion that the Government no longer believes in accountability or moderation. Here we have an administration that really needs only $15 billion, yet it comes to Parliament and asks for $29.5 billion. The Bill is yet another reminder that the Liberal philosophy as espoused by this Government is to spend, spend, spend, with no end in sight.

Listen to their spokesman, the Hon. Member for Ottawa Centre (Mr. Evans), who on February 22, 1983 made a statement which was referred to recently by my colleague the Hon. Member for Simcoe South (Mr. Stewart). The Member for Ottawa Centre said:

> A deficit is no more and no less than an increase in future tax liabilities . . . I believe that the best way to stimulate the economy and maintain the income support programs that are necessary in our economy is to use the deficit.

That is wonderful, Mr. Speaker, but who pays for the deficit? Our children and grandchildren. Future Canadians will be burdened with this deficit long after the Member for Ottawa Centre has ceased to utter such nonsense.

Whatever happened to keeping budgets in the black, even at the expense of cutting some of the extras? By the end of this fiscal year the gross debt will be $190 billion. In 1984-85, the cost of servicing the debt will be $20.4 billion or $800 per capita. Surely something must be done to curb this. The Liberal Party is into a leadership race. The Liberals will probably elect a new conductor. But with the same old orchestra, they will play the same old, worn-out tunes. I recommend that an early replacement of this Government is the first step in the right direction.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I listened with interest to the Hon. Member for Fort Erie (Mr. Fretz) when he spoke about turning off the lights. Perhaps I might suggest that even with the lights on Members opposite seem to be running around in the dark because they come to us constantly for more and more money.

Mr. Roy: Put the lights on.

Mr. Schellenberger: This time the Government is asking for an astonishing amount. I hear Members over there laughing. It is hitting home that they need bright lights.

This Government is asking us to allow it to borrow $29.5 billion. The Liberal Government is even asking us to allow it to borrow $4 billion more than it projects it needs. The Hon. Member who has just spoken said that perhaps the Government requires only half of what it is asking, but the Liberals are trying to convince us to give them an extra amount extending beyond March 31, 1985.

This is the largest borrowing Bill we have ever had in this House, Mr. Speaker. If the Government put forward its program and said it requires for the benefit of Canadians this much more money than it is taking in, and if the program were outlined and we agreed with that program, with some minor doubts, then perhaps we might say all right, we are prepared to grant that kind of money. In all of the eight borrowing Bills that we have had in this Parliament, most of the amounts requested have been reduced because Members fought this kind of undefined request against asking for huge amounts of money, and against this trusting Government to spend that money appropriately, without a plan being put before Members of Parliament. Any other procedure is not acceptable. Should we accept this Government's word and trust it to spend that money properly? Many of my colleagues have announced areas of concern where taxpayer's money has not been spent wisely. No wonder we are reluctant to approve a borrowing Bill which, by and large, is asking for money that we do not know how the Government will spend. That is a concern.

Then we have the concern that is enunciated over and over again. This Government had the audacity in the Budget just presented to project deficits of over $25 billion for the next four years running. The Liberal Government is not embarrassed to spend almost $30 billion more than it has collected this year. What about the Budgets we have had in the past which have been accumulating debt at an alarming rate? The Liberals are projecting deficits in the future of astounding amounts. As already mentioned, future generations will be burdened with this debt. They are the ones who will have to pay back this money.

This rate of annual borrowing will certainly double the deficit by 1990. The deficit we have now is alarming. That situation is not acceptable. Members of Parliament on all sides of this House are elected to spend properly and wisely the money which taxpayers are required by law to send to this institution. We have an obligation to see that those deficits do not increase at such an excessive rate, that money is spent in a wise and proper manner with scrutiny, and that the powers of Parliament are increased so that as we look at the estimates in committee we have the capacity to question those who are spending this money. We should see to it, in areas where we believe the Government is asking for more money than is required, that we are able to reduce those estimates. Under the present authority in this House of Commons we have the ridiculous situation of completely annihilating a whole spending program in order to make the point that a small part of the estimates are not being spent properly. That is not acceptable to me as a Member of Parliament and it should not be acceptable to any Member in this House.

The federal Government will owe more than the total accumulated, direct and guaranteed debt of all ten provinces put together after this new borrowing.

• (1200)

There is an astounding amount of borrowing in the country. As of December 31, 1982 the provinces owed $115 billion. The federal Government directly owed $112 billion without considering what Crown corporations have borrowed, and that is anywhere from $45 billion to $70 billion. If this borrowing authority Bill is passed, we will find that our combined direct debt will climb to well over $130 billion.

Today the federal Government is asking to borrow more than twice what all of the provinces are asking to borrow. This year, the provinces will borrow approximately $12.7 billion. The federal Government has indicated that it requires $29.5 billion. The $4 billion that the Government is requesting which is over and above its projected borrowing needs amounts to 31 per cent of the total projected borrowing of all of the provinces in the country. Add to that the accumulated liabilities Crown corporations which amount to $71 billion. Canadian taxpayers are directly responsible for those liabilities and have been asked to give and give to Canadair and de Havilland in order to keep them operating.

I am astonished by the Crown corporations. If a private corporation were losing money at a rate comparable to Crown corporations, it would surely ask the board of directors, the chairman of the board and the chief executive officers to come before a committee to be run over the coals and asked why they are making those kinds of investments and projecting those kinds of payments. That does not happen in the case of Crown corporations. Canadair is losing money, the Government has the audacity to ask for another billion and a half dollars, yet it appoints the same board of directors again. A committee is unable to question those directors in any way. That is unacceptable. No wonder Canadians are questioning the kind of borrowing that Crown corporations are undertaking without proper scrutiny by the House.

What happens with this kind of federal borrowing pressure on the economy? Certainly it causes concern to the ordinary citizen. The ordinary citizen and the ordinary small businessman is competing with the large borrowing arm of the federal Government. Federal borrowing pressure is having a negative effect on the economy. Interest rates are again increasing. I read in the newspapers yesterday that the interest rate in the United States is rising as well. Large government borrowing in Canada is putting extreme pressure on the dollar which is decreasing in value.

We have two choices to make if we do not control federal borrowing. We either allow the dollar to decrease in value, which is inflationary and we begin to print money, or we allow interest rates to rise. The private sector of the economy simply cannot sustain another increase in interest rates lasting for a

long period of time. If that is allowed to happen, small businesses, farms and many people will be thrust immediately into bankruptcy. There has not been sufficient time to recover from the last devastating increase in interest rates.

We have a federal Government which is not able to control its spending and which is asking us to go to market for another $29 billion. An astounding statistic mentioned by my friend, the Hon. Member for Vancouver Quadra (Mr. Clarke), is that the Government is asking to borrow 93 per cent of the money that Canadians are prepared to save this year. That does not leave very much money for others to borrow. I am very concerned about this situation, Mr. Speaker. I believe that we as Members of Parliament must thoroughly investigate the needs of the Government before we grant it that kind of money, and that is what we intend to do.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to enter into this debate to make it quite clear that my colleagues and I are intending to vote against Bill C-21 which calls for the borrowing of $29.55 billion. Once I have had a few minutes to outline the reasons why we will do so, I believe that even the odd member on the government side will be puzzled that they as individuals would even consider supporting this kind of a borrowing Bill.

Previous speakers have pointed out that one of the most disturbing things about this Bill is the Government's desire to borrow an extra $4 billion as a contingency fund. I think that in an election year that is a particularly stinky request to be made by a government about to go to the polls. In recent years, this entire Government has demonstrated an incapacity to deal effectively with the problems of Canada. I wish to speak briefly about the failures of some of the projects in which the Government has become involved.

I see that the Minister of National Revenue (Mr. Bussières) is present. I do not think he likes to be reminded too often of failures like Consolidated Computer into which he and his colleagues put $100 million over a period of 24 months. It went on to the chopping block and the Canadian taxpayers got a couple of hundred thousand bucks back. We must look at the cost per job in that situation and in terms of Canadair. We should also look at the loss to the Canadian taxpayers caused by the office building across the street here which is rented by the federal Government but is empty. The Government is paying $1 million a month to rent empty space. One can only wonder what kind of incompetence is loose within the Government and certainly within the Cabinet.

The Government is coming before us, as pointed out by previous speakers, to ask for borrowing authority which will absorb over 90 per cent of Canadian savings during this coming year. By this time next year, that authority will cost $800 for every man, woman and child in Canada simply to service the interest on the debt. It is phenomenal that the debt is escalating at such a rate that, when including the borrowing of Crown corporations, it amounts to at least $160 billion. As others have pointed out, it amounts to a cost to us of $17.6 billion for 1983 simply in order to service the interest on that enormous debt.

I would like to spend a few moments speaking about my own constituency and explaining the problems the Government has created for itself and for all of Canada not only through its borrowing but particularly through its expenditures. My constituency is very large and encompasses over one-third of British Columbia. Over the past two and a half years, it has received more direct federal capital expenditure than any other constituency in the country. One would think that there would be massive job creation and that everyone would be doing just great. One would think that small businesses would be doing fine. However, let me give you two examples, Mr. Speaker, which I think exemplify the kind of shortsightedness with which the Government operates and which exemplify why my constituents, even when receiving the largest direct federal capital expenditure in the country, still suffer from unemployment. In some areas of my constituency the unemployment rate is reaching 90 per cent, and across the constituency it is still running at around 30 per cent.

An example of a major project over which the Government is always crowing is Ridley Island. It seems that the Government is always sending Cabinet Ministers to Prince Rupert in order to cut ribbons and I welcome those Cabinet Ministers. I think that that is just fine. However, I think all of us in the House are somewhat disturbed when we see the Government participating in the purchase of the coal stacker reclaimer from Japan. It is principally Americans who are doing the overseeing of the marine work for the docking facilities. A Swedish company is doing most of the onshore cement work for the grain elevators.

Whereas the people of Prince Rupert had been promised that a large number of permanent, long-term jobs would be created through the Ridley Island development, it now appears that there will be fewer than 150 permanent jobs created by a project that all members of the Cabinet have crowed about all over the country. The benefits simply have not been delivered to the people of my constituency.

Another such example is that one of the largest expenditures on a CN rail line in the whole of Canada for the past 18 months and the coming 12 months is the line from Prince Rupert to Redpass at Smithers. The switching equipment alone is worth over $125 million. Again, because of a Government with almost no ability to look ahead and to plan, all of that switching equipment is being constructed in the United States. If the Government is trying to tell Canadians who are out of work that, having one of the largest railway systems in the world, we cannot construct, provide and instal switching equipment for railways in Canada, something is terribly wrong with the system.

• (1210)

Hundreds of millions of dollars are being spent on Ridley Island and to upgrade the CN rail line but there is still 30 per cent unemployment in the communities where the development is occurring. This ridiculous situation demonstrates the Government's lack of foresight and ability to plan.

The level of incompetence on the Cabinet benches is so high that it would be irresponsible for members of the Opposition to endorse this kind of borrowing. The Government simply has not demonstrated good accounting practices. The Auditor General of Canada continues to take the Government to task but it has not come forward with proper accounting procedures.

All this has dire consequences for the forest industry in my riding. It provides an enormous volume of wood for direct export to Pacific rim countries. The Watson Island pulp mill and Eurocan are among the largest suppliers of world price pulp in Canada.

Northern British Columbia is now in the early years of what is called the "fall-down effect". The federal and provincial Governments have allowed the forest companies to do what Professor Walters of the University of British Columbia Forestry School describes as the gang raping of the forest resource. According to provincial government cabinet documents, there will be a more severe and earlier fall-down effect than was previously expected. That means that in less than five years we will have to reduce by one-third the amount of wood being cut on forest lands. The federal Government has been negotiating with the Province of British Columbia for a five-year reforestation plan directed at northern British Columbia, the interior and the Kootenays, all of which have been badly managed, overcut and underinvested.

Federal Government advisers in the Canadian Forest Service say that it should be putting at least $130 million per year into reforesting back-log lands. British Columbia was promised at least 40 per cent of that money and that would mean between $50 million and $60 million per year from the federal Government if the Province of British Columbia would advance the same amount of money. But the Premier and his Minister of Finance have put forward false figures and have lied to the people of British Columbia about the size of the deficit. They say that over three years it is $2.48 billion, but the Department of Economics at the University of British Columbia has confirmed that the real deficit for the province is less than $100 million. The Premier and the Socred Party who are associated with the Tories nationally have simply cooked the books. That is the nicest way of putting it. In northern British Columbia that means that when the provincial government says it has to practise restraint, it fires provincial forest employees and gets rid of public servants. At the same time the provincial ombudsman is pointing out that as high as 10 per cent of the wood cut in British Columbia does not draw stumpage charges because it is not being properly scaled by the government. We are losing on that as well.

Let me finish by saying that in terms of the reforestation agreement, the Government's officials say that it should put in between $50 million and $60 million of federal money. The province will not put up any money so the federal Government says it will not play either. That is not good enough, Mr. Speaker. Last year the federal Government took almost $700 million so it must put forward that $50 million which will create 2,000 jobs at $25,000 per year in northern British Columbia.

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, Bill C-21 would give the Government authority to borrow $29.6 billion. The Minister of Finance (Mr. Lalonde) and the Minister of Agriculture (Mr. Whelan) have indicated that they believe Canadian agriculture is not in serious difficulty at the present time. I would dispute that. Regardless of whether agriculture is doing well or not, I should like to present to the House some calculations which relate the $29.6 billion debt to agriculture.

The average income of a Canadian farmer is $9,000. It would take a farmer 3,288,888 years to repay $29.6 billion. I think it is beyond the physical capacity of most farmers to achieve that goal. Even if it were spread over all farmers in Canada, it would mean 10.5 years. That is to say that all 320,000 Canadian farmers would have to work full-time, using all of their earned net income against the debt, to pay off this single borrowing Bill. They would have no funds left over for clothes, additional food or recreation and they would have to work full-time for the Government for 10.5 years.

The Government is not just any borrower but a special borrower. It has the right to tax people, to tax things that move and things that do not move. It has the right to tax things that keep us warm, things that feed us, things that clothe us. In some cases taxes are imposed on things that would raise questions with you and me, Mr. Speaker.

There have been many questions raised in the House recently about the activities of Revenue Canada. A good example of the extremes to which the Government or its tax collectors might go is the recent effort by Revenue Canada to tax a dead man's clothes by trying to exhume the body and take his jacket off. That situation actually occurred, Mr. Speaker. It is an example of the difficulty and the pressure the Government is under because of past borrowing and of the extremes to which it will go to collect taxes.

What happens to the money that is collected? After using it and putting a very significant administrative cost on it, the Government puts it back into the country using means which it hopes will persuade people to re-elect it. The Government has been very successful in a number of ways. In fairness, I know that the Government at least intends to provide social measures for the benefit of all Canadians. It has been very successful in providing one particular social program which is not discussed very much, and that is spreading the debt.

On the basis of this single borrowing Bill, in 1984 the Government can claim to have achieved a goal never achieved by any other government. It has spread the national debt so that every Canadian, man, woman and child, owes $6,026. That is a very significant social accomplishment. We should not forget that the debt is also carried by senior citizens, the unemployed and the handicapped. Indeed, anyone who might feel that they might have been neglected by society until now will know that they are treated equally and that they share in carrying over $6,000 in debt. Next year they will carry $7,210

and on the basis of past performance you can expect the debt to increase year by year.

The Canadian public is getting some pretty sophisticated explanations about why this borrowing is necessary, where the money goes and what the problems are. When the Minister projected the amount of borrowing or deficit financing that would be required this year, he did so on the basis of an interest rate calculated by the Department of Finance. It should be pointed out that with interest rates climbing as they have in the past two weeks, an additional one-half of 1 per cent interest means that our debt increases by $750 million. It is clear that we do not need the $29.6 billion in total that has been applied for by the Government. However, if interest rates keep climbing, as they may very well, those additional dollars the Government is asking for now could quickly be used up.

• (1220)

The Liberal Party has criticized members of the Conservative Party over the months and years particularly for not having any solid solutions or plans. I have one, Mr. Speaker, which I would like to offer to the House for its consideration. It is a very specific proposal to try to deal with this national debt. I would propose, Mr. Speaker, that we have a user fee, not one which most people talk about, but a political user fee. What that would mean, Mr. Speaker, is that any government could borrow as much money as it wanted. At the end of the year it would have to account for the money. It could do that on the basis of, for instance, zero balancing on its accounting, if it likes. At the end of its term of office—although at the end of each year would be better—the government which has borrowed this money so it can buy votes would then have to make an accounting. The political party that formed the Government—the Liberal Party of Canada in this case—would then be responsible for the interest rate which was charged on the national debt at the time.

That is a very interesting proposition, Mr. Speaker, because it would mean that the Liberal Party, if it chose, could spend another $10 billion. However, if it did not take in enough revenue to cover what it spent, that Party would have to pay the interest rate on the money. That Party could use the money as often and as much as it wanted as long as it would take the responsibility at least for paying the interest on that money as time went on.

That is an idea which may not gain immediate popularity with the Liberal Party, in particular, because if that proposition is used as a basis of the responsibility of the Liberal Party of Canada to the Canadian people, I am afraid it would be a very long time before it would be able to meet its obligation and fulfil that responsibility.

I would like to suggest that on the basis of its record, both past and present, the Liberal Party has established a record of performance which, if continued, will in fact bury this country. However, seeing what we are being presented with now in terms of leadership candidates for the Liberal Party, I believe the Liberal Party in fact will be well represented by John Turner *ad infinitum*.

Borrowing Authority Act

Mr. Derek Blackburn (Brant): Mr. Speaker, I would like to speak briefly this morning in the debate on Bill C-21, an Act to provide the Government with borrowing authority. This Bill, as it is written, allows the Government to borrow $29.55 billion for the fiscal year 1984-1985. Out of this amount, $25.6 billion is for actual expenditures in 1984, plus another $4 billion for emergency spending such as to shore up the Canadian dollar in foreign exchange markets. As we all know, the Canadian dollar at the present time *vis-à-vis* the United States dollar is slipping. That borrowing authority is also to be used to cover up government mistakes in planning its expenditures.

In total, we are talking about $30 billion. When I first came to this House some 13 years ago, that amount was a lot of money. It still is a lot of money when you consider from where we have to borrow it. I do not believe the Canadian public is fully aware of the reasons why the Government is asking for so much money in borrowing authority. I would just like to give a very brief rundown on some of the major reasons we are debating $30 billion in borrowing authority this morning.

First on the list, of course, has to be the Canadair debâcle. Canadair had the largest single loss in one year of a Canadian company. It was in excess of $1 billion. Another debâcle, in this Party's opinion, is the Petroleum Incentive Program, the PIP grants which were given to the large oil companies. In one year that has cost the Government in revenue approximately $1.6 billion. The Liberal slush fund, the great porkbarrel of the 1980s, cost $350 million. There are the deferred corporate taxes. The latest figures we have are $22 billion in deferred corporate taxes for 1980. That is going back almost four years.

In addition to that, there was the lowering of taxes for high-income earners, such as doctors, lawyers, accountants and other professional people, which was in the 1984 Budget. If you put that all together, we have lost additional revenue of some $25 billion. That would almost close the gap in our borrowing. We would then be talking possibly in terms of borrowing only $5 billion, using simple arithmetic figures. It is, of course, not quite that simple, but nonetheless it does serve to illustrate the reasons this Government deserves to be defeated at the next election.

This Government has been in power too long. It has become insensitive. Government expenditures are made for the wrong reasons, as far as this Party is concerned, and at the same time it is borrowing to pay for its past mistakes. But what has the Government done with such essential services and worth-while investments as post-secondary education? It has cut back on post-secondary education. It is also cutting back on the rate of financial assistance to the provinces for medicare. We could have one of the best medicare systems in the world. In fact, we did have a very fine medicare system until the late 1970s when the federal Government and the provinces went to block funding and the provinces were no longer accountable dollar for dollar to the federal Government as to how that funding would be spent. Now medicare itself is in jeopardy.

The Government is constantly talking about hundreds of millions of dollars in job creation. Yet the unemployment

figures are sliding up as each month goes by. The Government does not effectively have a handle on the job-creation program principally because it is not investing enough money in job training and retraining for permanent and meaningful jobs. It is simply sticking its finger in the dike, hoping to hold back the flood waters, hoping to hold down the total figure of unemployment until it can get the next election out of the way.

We are not training our young people, in particular, for high technology jobs. Obviously, there will not be enough high technology jobs for everyone who is unemployed, but certainly the Government is not making the same effort which is being made, for example, in countries like Japan, West Germany, France and even the United Kingdom. The Government says let the private sector do it. The private sector, which is the engine of recovery, is now holding back on investments and on job creation because it is very frightened of what lurks around the next corner as far as the economy is concerned.

One area which my colleague, the Hon. Member for Skeena (Mr. Fulton), mentioned a few moments ago is renewable resources such as reforestation. It is a tragedy that in this country, where we depend so heavily on forestry as a major industry, the Government is doing virtually nothing itself, or to force the provinces, for that matter, to reforest our country. We are destroying our forests and apparently the Government cares very little about husbanding those resources for the future. We could be investing hundreds of millions of dollars, even billions of dollars, for a future return instead of simply throwing money away and seeing it disappear.

• (1230)

A lot of us, Mr. Speaker, and I am including myself, have to be reminded from time to time of why things have got out of whack in the western world, particularly in North America. Massive deficit spending has become the order of the day. My Conservative friends say that is not Conservatism; Conservatives would have balanced budgets eventually. It is the Liberal-Social Democratic philosophy in North America which has led to these massive deficits; it believes in irresponsible spending, spending our way out of recessions and depressions and so on. But it is interesting to note that the only provincial government in this country which consistently balanced its budget in the 1970s was turfed out by the people. That was the NDP Government in Saskatchewan. When the Tories came in, for the first time in seven years, I believe it was, Saskatchewan went into deficit financing. For the last two years they have been running a deficit of about $250 million, which is a lot of money for a small province like that.

However, what got us started first of all was the Vietnam War. The United States had no business getting involved in that country in the first place, for a variety of reasons which I will not go into now with hindsight. But at the time my Party at least stood up against that intervention when many other Parties in this House refused to. That war cost a lot of money. Wars are never successful financially regardless of what the short term might bring. They are devastating to economies, whether you win or lose. In fact, World War II proved that if you lost you were a heck of a lot better off than if you won. The cost of that war was inestimable, but instead of putting on post-war controls, Lyndon Johnson said we could have guns and butter. But we could not, and what followed was the great inflation. That was followed by the great recession.

Another great Conservative then came into office in the White House saying he would bring down the deficit and balance the books as a true Conservative should. Then President Reagan turned around and ran the deficit up to $180 billion in the U.S. That great Conservative, that man who wants to practise fiscal responsibility, the man who our Conservative Party worships, is the one who drove the U.S. treasury almost into bankruptcy. We are paying for it in this country as well as the ordinary American in the U.S. Let us not forget that when you practise monetarism and you have only a limited pool of financial resources, then interest rates are going to start flying high again. That is what is beginning to happen in the U.S. and that is what is happening now in Canada.

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, since this debate was initiated by the Minister of State for Finance (Mr. MacLaren) on March 7, some ten working days have passed. Ten working days—another $1 billion in borrowed money added to our national debt. That is the rate at which we are spending more than we earn in this country. Yet the Minister is asking us to approve in Bill C-21 not just the outragious and unprecedented sum of $25.5 billion, but an additional $4 billion. At $100 million a day that is another 40 days in the wilderness.

I have followed this debate closely, both in the House and in *Hansard*. Hon. Members opposite have put a brave face on it as they have sought to defend yet another page added to the volumes of mismanagement and incompetence which are the written record of this Government—written in ink as red as the ties of the candidates for leadership of their once proud Party. But their defence is in vain. There can be no defence of this Government's policies. Yet speaker after speaker has trotted out the same incredible statements of how well they have responded to the recession they created. They have trotted out a catalogue of good deeds and progress towards economic recovery. The Minister declared in his speech:

> The Budget of last month gives Canadians every good reason to expect that economic recovery will be followed by solid expansion.

The only expansion I can see, Mr. Speaker, is our national debt, an expansion of over $114 billion in the next five years. That is the sum of the Government's projected financial requirements, $114 billion. Yet we are told economic recovery is assured. Private enterprise will lead the way in creating new jobs. Private enterprise will introduce new world-competitive products that will win us exports and fuel an expansion of the domestic market.

"A principal point in our strategy to facilitate a sustained expansion is policies to promote business investment": so said the Minister just 12 days ago. I wonder if he realizes that as long as the Government keeps drawing huge sums from the investment pool there will be no promotion of business invest-

ment. Already, as several of my colleagues on this side of the House have stated, the Government's borrowing is monopolizing personal individual savings. It amounts to 93 per cent of the available $32 billion from that source. Perhaps that is why the Minister suddenly seems so interested in pension reform. Not for the purpose of providing Canadians with adequate financial security in their later years, Mr. Speaker, no. I think the reason the Minister calls the pension reform proposals "imaginative and far reaching", the reason they inspire him so, is that they will increase the savings rate, providing a larger pool from which to finance private investment. The Government has already exhausted the personal savings source.

Has the Government not already squandered enough of our future resources with the $151 billion in debt it has already accumulated? Does it really need to covet our pensions as well?

Of course, according to the Government everything is really under control. We are on the way to recovery. Oh, interest on the debt may be slated to increase from $18 billion in the current year to over $24 billion by 1988, an increase of 36 per cent in four years, but the Government is taking care of it. What about the falling Canadian dollar and the slow but steady climb of interest rates, unemployment rates and the inflation rate? Yes, the Government is taking care of them. But I ask just how is the Government going to take care of this debt and these ever climbing interest charges? Well, according to the fiscal plan of the Budget, our growing economy will take care of it all. Direct personal taxes alone will more than cover the increase. They will rise 53 per cent by 1988, from $37 billion to $57 billion. Of course, how the taxpayers are to find this extra $20 billion is anyone's guess.

The same Budget documents state that disposable income will grow only 2.7 per cent annually between now and 1988. Even compounded that does not come close to 53 per cent. If the tax man takes it, what will that do to consumer spending and the manufacturing sector? Inflation could account for it but we have been promised only modest inflation up until 1988. To reach 53 per cent we would have to have 12 per cent, 13 per cent or even 14 per cent inflation again. Perhaps the 3.6 per cent of unemployed who have been promised work by 1988, given the estimated reduction of the current unemployment rate to 7.7 per cent by 1988, will be able to make up the difference.

I only hope the voters of Canada remember that projection of $20 billion in extra taxes in 1988 when all the possible leaders of the Liberal Party are promising a land of milk and honey if only we will vote for them. But we on this side of the House know Liberal promises. My colleagues have read the list of promises made over the last 16 years by one Liberal Minister of Finance after another. That is why and how we are where we are today.

● (1240)

Were their records different and the extravagances of Mr. Turner, Mr. Macdonald, the present Minister of Energy, Mines and Resources (Mr. Chrétien), the present Deputy Prime Minister (Mr. MacEachen) and the present Minister of Finance (Mr. Lalonde) not so painfully obvious to all of us, I, for one, might be able to give my support to the idea of a $4 billion contingency fund. Were the management of the Canadian economy over the past 16 years a shining example of thoughtful, sound and responsible leadership, one might agree that the Government be given such leeway as this $4 billion. However, that is not the case. To give an additional $4 billion to the Government, or even the $25.5 billion, the fiscal requirement specified in the Budget, when at most they face only one-half to two-thirds of the budget year in office, is almost an act of folly in itself.

I am no economist, Mr. Speaker. I have no pretensions to be one. Since entering the House I have learnt enough to know that the Ministers charged with the financial management of our country are no economists either. Unfortunately for all of us, they do have pretensions.

The Government will continue the same old formula; pork-barrel and waste, extravagance and mismanagement. That is why they need the $4 billion contingency fund, to sweeten the election pot and to continue to bail out the likes of Canadair, de Havilland and Canada Post. It may be an acceptable policy to the Members opposite year after year to live beyond their means in the expectation that somehow, something, someone will bail them out.

In the world of the 1980s, Mr. Speaker, regardless of our alliance and close relationship with our neighbour to the south, we are on our own. It is up to us to heed the hard lesson learned of extravagance. It is up to us to put our own house in order. No one else will do it for us. Tacking on an unnecessary $4 billion to the borrowing authority, which is already too high, is not the way to go about it. As soon as the Government realizes this and begins to govern accordingly, we may begin to talk about the roads to recovery and not before.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, the Secretary of State for Finance (Mr. MacLaren) should appreciate that this Bill is not going to go through. We are going to debate this Bill until hell freezes over because it is wrong. I have stood up every time a borrowing Bill is tabled and I will stand again and again until ordinary Canadians begin to see the fraudulent nature of the Government.

The amount of $29.55 billion is obscene and it is not going to go through. That is more than all of the income taxes paid by all of the citizens of the country in 1981. It is a row of one dollar bills which goes around the world several times. It is like taking 29,000 millionaires and stripping them to their shorts. That is over 2,000 a month. We barely have 5,000 millionaires in the country and yet we would need to strip 29,000 of them.

That is another way of saying that the money is coming out of the pockets of ordinary Canadians. It is the seniors of the country who are paying the debt through inflation. Our youth are paying the debt. There are now 10 people for every job as compared to when I graduated from university, when there were 10 jobs for every graduate. The youth, the businessmen and the farmers are paying. This Bill is simply not going to go

through. The Government had better invoke closure and force Canadians to swallow a bitter pill again.

I will give the best example I can think of to explain to Canadians that it is they individually who are paying this debt. In this country individuals do have profit. I know that is an evil word for the NDP. However, Canadians had a profit of about $32 billion. That is their savings, Mr. Speaker. As tough as things are, by being very careful and thrifty, ordinary Canadians were able to put a few dollars in the bank. That savings totals $32 billion. The Government is borrowing almost the entire savings of Canadians. The effect is to force provincial governments, municipal governments and small businessmen who need to borrow a few bucks into the offshore markets. More and more money has to flow out to service that debt. The Canadian dollar then has to drop. The inflation rate then goes up. That drives up interest rates. That automatically means that the inflation tax spreads.

You know as well as I, Mr. Speaker, that inflation as a tax does not affect people equally. It certainly is not progressive, causing people with wealth to pay more. Indeed, quite the opposite. Inflation attacks people on fixed incomes. Those are our seniors. Inflation affects people who want to get into business but cannot afford to because the value of land has gone up. Inflation helps certain people. It helps those of us who own our own homes. It helps those of us who own apartments and land. Inflation does not affect us, Mr. Speaker. It benefits us to an enormous extent at the cost of seniors and their peaceful old age. It affects the youth and their chance of a future in the country. That is why this Bill has to be defeated, Mr. Speaker.

If one were to compare Members of Parliament, one would find that members of the Progressive Conservative Party tend to be business people. They own land and farms. There are more active farmers in this Party than on the Government side, even though it has half again as many members. In a sense, inflation can benefit people with property. Yet it is members of the Progressive Conservative Party who are speaking against this Bill because it is not fair. It is not in the Canadian and Conservative context of fairness. It is quite an irony, but nonetheless there it is.

It was not always so, Mr. Speaker. Canadians must understand this. In 1968 the national debt was just a drop in the bucket even though we had come through a major depression and World War II. By 1968 the yearly budget was balanced. There was no $30 billion deficit. At the same time we had Old Age Security, the Canada Pension Plan, post-secondary education and health insurance. The country was building. There were 10 jobs for every person coming into the labour force. Now, a mere 16 years later, we have a national debt which requires over 35 per cent of the tax revenues to pay the interest on it. This does not reduce the debt, Mr. Speaker; it merely pays interest on it.

We have a post-secondary education system which is in a state of collapse. Our seniors have no sense of security in their old age. Inflation of 10, 12 or 14 per cent reduces a pension of $1,000 a month, which may be satisfactory today, to $500 a month within five years. In 1968 there was inflation of 3 to 4 per cent. The seniors can handle that because at that rate it takes 20 years for their money to be halved and by that time most of us are gone. That type of inflation can be handled, but inflation of 10, 12 or 14 per cent destroys them. It destroys the future of our young people.

We have a whole class of young people, Mr. Speaker, who are coming through the system being fretful. They do not have a sense of future or a sense that the country is building as it was when we graduated. The effect on their psychological sense of well-being is devastating.

This country was youthful, dynamic and building into a great nation. This country should be a power in the world rather than a second-rate banana republic, which is what the Government is turning it into. Canada should be climbing the mountain. Instead we are wallowing around in the depths of despair. That is what a Liberal Government has done to us. It honestly believes that it can remake the nation in its radical left-wing, socialist view. It believes it can remake mankind in one giant quantum legislative leap. We can see this in all of its programs. We can see this in forced metric which could have been done in one generation if it had been put on a voluntary basis. If it had started in the schools within one generation everyone would have been on metric and it would be no problem. Instead, in spite of the fact that millions of acres in western Canada were surveyed on the basis of one mile east and west and two miles north and south, it is now suddenly 1.6 kilometres. That mileage in western Canada was part of the cultural heritage of western Canada, just as much as the French language is part of the cultural heritage of Quebec.

• (1250)

Our Party stood up to protect the cultural heritage of Quebec. We voted for official bilingualism in this country and would implement that program in a way that is much more fair. But did the ordinary members from Quebec stand up to protect the cultural heritage of western Canada? Not a bit. They sold out western Canada. That is why the 27 seats they held in 1968 are gone and they will never get them back.

Mr. Tousignant: Mr. Speaker, I rise on a point of order. I would like the Hon. Member to explain what he just said about people from Quebec selling out—

The Acting Speaker (Mr. Guilbault): Order, please. There are no questions allowed at this point of debate.

Mr. Tousignant: He is misleading the House.

Mr. Thacker: Mr. Speaker, the Liberal Party voted to impose on all of western Canada a forced march to metric in spite of the fact that millions of acres of land were surveyed on the basis of miles rather than kilometres.

Mr. Evans: It is the same everywhere in the country.

Mr. Thacker: No, it is not. Kilometres might seem quite appropriate for Ontario and Quebec and other—

The Acting Speaker (Mr. Guilbault): Order. I would like to remind the Hon. Member that he must relate his remarks to the subject which is before the House. I fail to see how metric and what he is discussing now has any bearing on the borrowing authority.

Mr. Thacker: Mr. Speaker, it relates to an attitude, because this deficit is just as obscene as what the Liberals did with the metric system.

In summary, any senior citizen in this country who votes for the Liberal Party is voting for personal bankruptcy and a future that will see them living in single rooms and grovelling in poverty. That is what would happen to a senior. Any youth who would vote for the Liberal Party is voting to put his or her head in a noose and deny himself or herself a future. Any business person who votes Liberal is voting for state enterprise and the death of small business. Any farmer who votes for the Liberal Party is voting for the 1971 promise to update the V-day to 1974. It is a promise that was broken because truly the Liberal Party is VD.

Mr. Scott Fennell (Ontario): Mr. Speaker, in answer to the question that was attempted to be asked by the gentleman across the way, I would say that one of the first things the Liberals did to affect the west was to implement the National Energy Program.

It is interesting that the Minister of State for Finance (Mr. MacLaren) is supporting one of the candidates who I believe would probably relegate the NEP to the trash heap, or at least has indicated as much.

This Bill is one for three governments; the present Government, the interim government when the Liberals elect a new leader, and the Conservative Government after the next election. I strongly object to the Government's borrowing money at this time since this deficit will be our responsibility when we are elected the Government. I want to deny them that opportunity.

This Bill can be broken down into three parts. First, it is a borrowing Bill for the period from now until June 17. After June 17, the Government could ask for further borrowing authority when it has a new Leader. They might want to call it a new government but I see it as the same government, the same gang with a new leader. They should bring in a second borrowing Bill as soon as Parliament reconvenes after the leadership convention.

The final borrowing requirement should be left until the next election since there must be one between now and the end of the year. I hope we will not have to go through another winter election, for the sake of all the candidates who will be running.

I believe the Government currently has $4 billion to $5 billion. It is seeking to put more into its treasury. I do not believe we should give the Government that right because it is absolutely wrong for it to be given so much on a broad basis. We have not been given an opportunity to review the estimates. The estimates are a disgrace. I had the opportunity to review the estimates for Japan for this current year. The comparison is quite unbelievable. The priorities in Japan are for productivity, jobs and training. The Government has missed these areas in its priorities.

An example of this can be seen in the Government's Budget. In the area of science and technology it will spend approximately eight-tenths of 1 per cent of our gross expenditures, while in the same year Japan will spend 1.2 per cent of its gross expenditures. That explains why Japan spends close to 2.5 per cent of GNP for research and development and we spend less than 1.5 per cent. The Government has not addressed this problem for 15 years.

As our leader has stated many times, 100,000 new jobs will be created for every $1 billion of expenditure. While that may sound expensive, it guarantees future growth in this country and future jobs for Canadians. That is why we cannot endorse this Bill purely on a blanket basis. A new program must be built in that will make Canada move ahead. There are 1.5 million Canadians who are unemployed and, according to the Canadian Medical Association, it is costing us $50 billion a year.

Another effect of the deficit contained in this Bill is that it will consume 92 per cent of all private savings. That does not leave 8 per cent for the private sector because there is no confidence to invest in anything in this country. The private sector has been given tax incentives, some of which are good, but some go too far. The Government is removing funds from the economic framework of Canada that could have been reinvested into the job-making market.

This is the eighth time that I have spoken on a borrowing Bill. It is hard to be original when one speaks for the eighth time on the same subject. Nothing has changed since 1980. The Government is bankrupt. I agree with my Leader when he says that the Liberals are not looking for a new leader, they are looking for a trustee in bankruptcy. We believe this is a serious problem for Canadians because we cannot afford a deficit such as this.

Another example of the Government's spending plans is Canadair. When it asked for $310 million within this borrowing requirement, it did not face the truth. It requires additional funding in case the engines of the 600 are returned by the present customers. It has not faced the necessity of developing a 602 because it cannot sell the 601 until it admits that another plane is required.

Its plans in this regard are short term, as is everything else it has done. Not only does it not make long-term plans, it does not give us all the facts when it places the estimates before us. How do we know that these funds will be sufficient? The Government should be damned for bringing this Bill to the House and I will speak against it. May I call it one o'clock?

The Acting Speaker (Mr. Guilbault): It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

OFFICIAL LANGUAGES

TABLING OF 1983 ANNUAL REPORT

Mr. Speaker: I have the honour to lay upon the table the annual report of the Commissioner of Official Languages for calendar year 1983. May I remind Hon. Members that, pursuant to Standing Order 46(4), this report is deemed permanently referred to the Special Joint Committee on Official Languages.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

TRANSPORT

TOLL ON AUTOROUTES IN LAVAL RIDING

Mr. Marcel Roy (Laval): Mr. Speaker, my statement concerns the toll on highways in Ville de Laval. The situation is unique in Canada. Users are paying a tax which in 1975 I already said was unfair.

It imposes on the people of Ville de Laval who have to use the highway daily a cost for which there is no justification. At rush hour, the lineups at the toll booths create traffic jams, which mean that people are using more gas.

Mr. Speaker, in 1975 I had no intention of getting involved in a matter that falls under provincial jurisdiction, that of the Government of Quebec. Moreover, when Highway 13 was built at Chomedey, the Government set up two toll booths in the western part of Ville de Laval. With the help of the anti-toll committee, CAP 13, I objected, as Member for Laval, not only for the reasons I mentioned earlier, but also because the Government of Canada had contributed long-term financing amounting to $100 million at a preferential rate, plus a $30 million grant, for the construction of Highway 13.

Today, I am proud to join 120,000 people of Ville de Laval who have signed a petition, as well as a group of federal Members from the Laval-Laurentians area, a group of mayors from the Laurentians, and the Quebec Liberal Party, in demanding that the tolls which have already cost people in this area several thousands of dollars be removed from Ville de Laval.

[*English*]

AGRICULTURE

FARM INPUT COST INCREASES—EXPENSIVE CHEMICAL PRODUCT ADVERTISEMENTS

Mr. Arnold Malone (Crowfoot): Mr. Speaker, recently I arrived at my constituency residence at 2 a.m. from yet another meeting. For a few moments I watched television. That night my mind kept being drawn back to the fact that on one broadcast was an advertisement for farm weed spray under the brand name "Hoe Grass". It struck me as unusual and wrong that such an advertisement would be broadcast through an expensive medium when farmers were very unlikely to be watching. I reasoned that the only advantage of such an ad was to the chemical company which could claim an operational expense.

This past weekend three farmers on separate occasions complained about full-page colour advertisements of farm chemical products in their newspapers. The farmers knew that ultimately they paid for these expensive ads. Two of the farmers advised me that they may try farming without application of fertilizers or weed sprays in an attempt to reduce operating expenses. I therefore appeal to private sector industries to trim their costs to give farmers a better economic advantage.

Farm input costs increased 115 per cent between 1976 and 1982. Agriculture Canada has estimated that production costs will increase another 110 per cent between 1981 and 1986. The farm fertilizer bill of $661 million in 1978 grew to $1,040 million by 1982, an increase of 57 per cent.

With farm bankruptcies up 19 per cent since 1982, it is important that the House urge all sectors of the agricultural economy to decrease farm input costs. A more modest approach to advertising would be one step—

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

* * *

CORPORATE AFFAIRS

AUTHORIZATIONS SOUGHT TO SECURE CREDIT INFORMATION

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I have with me three applications for credit cards, all of which were chosen at random, which violate the spirit of the letter of the law regarding privacy. The first one is from Canadian Tire and it reads:

> I authorize Canadian Tire Acceptance Limited to obtain credit information concerning myself and to exchange such information with any credit reporting agency or any person or corporation with whom I have or plan to have financial relations.

The second one is from Esso, and it reads:

> —and I authorize the receipt and exchange of credit information.

The third one is from Visa, by way of Canadian Imperial Bank of Commerce, and it reads:

—and may disclose (automatically or upon request) credit information about the applicant to credit bureaus and persons with whom the applicant has or proposes to have financial dealings or if the bank believes disclosure is required by law.

I am presenting this now to inform the public that it is giving information which will not necessarily remain with the company, and to request of the Minister of Consumer and Corporate Affairs (Mrs. Erola) that she look into the matter to see whether the law is not being violated.

I object to it because there is no dimension or boundary to which this information can be used. It does not matter if I choose not to deal with the company in the future. The company still maintains that information. It does not matter—

Mr. Speaker: I regret to interrupt the Hon. Member but his time has expired.

* * *

DISARMAMENT

VOICE OF WOMEN—PROPOSAL TO HOLD INTERNATIONAL WOMEN'S CONFERENCE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, on March 5 I asked the Secretary of State for External Affairs (Mr. MacEachen) to involve women in the Government's arms control and disarmament efforts. I suggested that a woman be appointed to the task force of the Prime Minister (Mr. Trudeau). I asked that a woman be appointed to the long vacant office of Ambassador for Disarmament.

It is not only in Canada that women are excluded from critical efforts for arms control and disarmament. Even though women around the world make up the largest, strongest component of groups and movements calling for a nuclear weapons freeze, an end to militarism, and drastic arms reductions, women are almost completely excluded from international negotiations. This was strikingly apparent at Stockholm.

The Canadian Voice of Women has an excellent proposal for bringing the experience of millions of women to the negotiating table. Voice of Women is proposing an international women's conference entitled "The Urgency for True Security: Women's Alternatives for Negotiating Peace", to be held in Canada. The Voice of Women has made funding applications for this conference to the Department of External Affairs and to the women's division of the Secretary of State's Department. I urge the Government to give these applications the highest priority.

Just this past weekend the Minister of National Defence (Mr. Blais) was promising millions of dollars to involve Canada in the American space-based navigational satellite system which doubles as a guidance system for nuclear missiles. Such moneys would be far better spent on arms control and disarmament measures, with women fully involved. Government financial help for the Voice of Women conference would be an excellent alternative investment—

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

S.O. 21

CORPORATE AFFAIRS

FRAUDULENT SOLICITATION THROUGH THE MAILS

Mr. Ron Stewart (Simcoe South): Mr. Speaker, last Friday Mr. Ralph Devine and his company, Intra-canada Telecommunications Ltd., were convicted under the Combines Investigation Act of misleading solicitation through the mails. The mailings, on forms which looked like invoices for yellow pages telephone book ads, were actually solicitations for advertising in an independent business directory. Despite repeated public warnings by the Better Business Bureau of the misleading nature of the solicitations, 5,343 businesses sent half a million dollars to Mr. Devine over a six-month period.

One of those solicitations was supplied to me by Mr. Jack Garner of Garner's Sporting Goods, a leading business in the city of Barrie. It was mailed from Buffalo, New York, and the Better Business Bureau informs me that a large number of the mailings originated there.

I urge all businesses to be aware of these types of advertising and soliciting schemes before sending in their money. I urge the Government to post warnings in post offices and to investigate further the matter of Canadian outfits using the American postal service with its much cheaper rates for mass mailings into Canada. As long as our postal rates are nearly twice those in the United States, the Government must ensure that this procedure does not become widespread.

* * *

• (1410)

METRIC CONVERSION

NEED FOR DUAL MEASUREMENT LABELLING

Mr. Bill Domm (Peterborough): Mr. Speaker, our National Capital Commission roads are now considered posted in miles per hour since our National Capital Act refers to speed in miles per hours only.

The Ontario Provincial Review Report entitled "The Effect on Elementary Pupils of the Teaching of Metric Measurement" concluded that the student will find the world outside is, and for some years will be, concerned with imperial units. The pound of butter will be with us for some time. Adults will not automatically express their height in centimetres, or their mass in kilograms. Public education will take time. Favourite recipes will not always be replaced willingly. Typewriters will continue to space letters by the inch, and walls with four-foot panels will last for years. The imperial system will not be phased out in a single, magical, metric M-Day.

In fact, 60 per cent of the teachers stated that they mention imperial units in their classroom, while only 45 per cent of the principals claimed that only metric units are used in the classrooms.

This study further justifies the need for a continuation of dual labelling in measurement sensitive areas such as agricul-

ture, for the application of fertilizers and the use of chemical spray guidelines.

Rail transportation, owing to our membership in the Association of American Railroads, will continue to use tons and feet.

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

* * *

ABORTION

CALL FOR REPEAL OF LEGISLATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, one of the major concerns of Canadian women is the inequity which exists in abortion legislation. Canada's outmoded and unworkable 1969 abortion law does not permit freedom of conscience. This weekend the National Action Committee on the Status of Women, which represents over 3 million Canadian women, reaffirmed its position that Section 251 of the Criminal Code must be repealed. The National Action Committee also endorsed the establishment of free-standing clinics throughout Canada to provide medically insured abortion in safe and supportive surroundings.

The issue, Mr. Speaker, is choice, not pro or anti abortion. The only way for Parliament to respect differing beliefs on this sensitive moral question is to provide for freedom of conscience. On International Women's Day the New Democrats asked the Government to repeal the abortion legislation. The Acting Minister of Justice refused to answer this question.

The majority of women in Canada are not satisfied with the policy of this Government which refuses women the right to make their own decision concerning this private medical matter. Over the past 20 years many countries, regardless of political system or religious ideology, have legalized abortion.

New Democrats call on the Government to increase funding for planned parenthood and youth clinics to provide birth control education and counselling, and reduce the need for abortion. On behalf of the women of Canada we again call on the Government to repeal—

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

* * *

RIGHT TO LIFE

LEGAL STATUS OF UNBORN CHILDREN

Mr. Stanley Hudecki (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, recent scientific advances have raised a host of legal questions in the field of modern birth technologies, including artificial insemination, womb leasing, test tube babies, cloning and other experimental human breeding techniques. At present there are serious deficiencies in the field of criminal, civil liability and family law as regards the unborn. Among the unresolved medical-legal issues are the disposal of spare concepti in *in vitro* fertilization, the problems surrounding the gift of concepti in embryo transfers, the freezing of fertilized eggs, and the conflict between the rights of the mother and the unborn.

I strongly urge the federal and provincial Governments to enlist the services of their respective law reform commissions to initiate an in-depth and on-going study in order to determine the legal status of the unborn child and to ensure that all ethical requirements are being considered in dealing with the increasingly complex moral and sociological aspects of the birth technologies that are facing the public.

* * *

HORTICULTURE

REGIONAL AND SEASONAL TARIFF PROTECTION ADVOCATED

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, today, exceptionally, March 20, is the first day of spring. This year, again exceptionally, I am offering no daffodils from my riding of Esquimalt-Saanich to Members of the House. Well, you may ask why. Why have I refrained this year, exceptionally, from making my annual presentation of daffodils to the House on this first day of Spring? My reason is simple. The Government has failed to listen.

In the past the presentation of daffodils has been coupled with a plea that the Government provide for Canada's home-grown agricultural and horticultural products, as they come to market maturity, greater tariff protection against off-shore competition. It is my belief that the Government has been dazzled by daffodils, and in consequence has failed to read the message those daffodils were seeking to convey. This year the Government will get the message without the daffodils.

What is needed is regional and seasonal tariff protection for our fruits and vegetables as they come to marketable maturity because, at that time, fruits and vegetables from warmer climes to the South are often in excess production and can be exported to Canada at cut-rate bargain prices. Dumping? Maybe. That is worth investigating.

What is also needed is relief for our farmers from onerous federal tax levies on fuels and farm machinery.

Only with this sort of help can our food and flower producers survive.

ORAL QUESTION PERIOD

[*English*]

FINANCE

EXCHANGE VALUE OF DOLLAR—POSITION OF BANK OF CANADA GOVERNOR

Hon. John C. Crosbie (St. John's West): Mr. Speaker, my question is for the Minister of Finance who had his chain jerked by the Governor of the Bank of Canada last Friday. On March 6 the Minister encouraged a depreciating Canadian dollar by saying that a declining dollar makes Canadian goods cheaper on world markets and that means jobs for Canadians in the forest industry and so on, that he would not spend his nights up worrying that the dollar was not worth 81 cents U.S. Last Friday the Governor of the Bank of Canada said a sharp depreciation of the dollar would bring more troubles than benefits. He would simply not agree to a deliberate depreciation and, if ordered to do so, he would probably be down south playing golf.

Does the Minister agree with these statements made by the Governor of the Bank of Canada? Presumably he does, because he was allowed to act on them. Is the Government committed to support the present level of the Canadian dollar? Is the Government opposed to any policy of deliberate depreciation of the Canadian dollar?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member, as usual, is distorting the facts. What I have indicated is that when there is a lowering in the value of the Canadian dollar, obviously that helps exports. I also indicated that it has an impact on inflation. This is why the Governor of the Bank, as well as myself, have indicated that our policy was to moderate large movements in either direction, either a large decline in the value of the dollar or large increases in interest rates.

The Hon. Member knows that I meet regularly with the Governor of the Bank. We are reviewing the situation on a systematic basis. I have no quarrel at all with what the Governor of the Bank has said. As a matter of fact it corresponds exactly with what I said in the House a few days before the press conference by the Governor.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, I am glad to see the Minister is applauding a public rebuke that was delivered to the Minister by the Governor of the Bank. It was a public rebuke.

Some Hon. Members: Hear, hear!

Mr. Crosbie: For the first time in Canadian history the Governor of the Bank had to publicly rebuke the Minister, as was done.

POLICY RESPONSIBILITY

Hon. John C. Crosbie (St. John's West): Mr. Speaker, I have a supplementary question for the Minister of Finance. The Governor of the Bank said on Friday that the central bank had little choice but to let interest rates go up, that if it had taken any other action to keep interest rates down, I quote:

> The exchange rate would have fallen off the clock.

Who is telling the truth about the situation? Is it the Minister who says there is no preferred value for the dollar and that its value floats freely? Or is it the Governor of the Bank who says that if he had not taken action to put interest rates up, the Canadian dollar would have fallen off the clock? Who is telling the truth and who is deciding a policy in this direction?

An Hon. Member: The Governor. You are not.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I am amazed that the Hon. Member would say what he said without even smiling. I am sure that the Governor of the Bank at least would likely be smiling at his statement.

• (1420)

In effect the Governor of the Bank has said exactly what I have said repeatedly in the House and elsewhere, which is that our policy is to moderate movements and that we are not favouring sharp declines in the value of the Canadian dollar or sharp increases in interest rates. That is the policy that has been consistently followed by the Government over the years, particularly since my appointment as Minister of Finance.

Mr. Crosbie: Mr. Speaker, I am not smiling, nor are Canadians who are suffering from higher interest rates and more unemployment.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Instead of the Governor getting the golf clubs, the Minister had better take his and depart.

STATEMENT ATTRIBUTED TO GOVERNOR OF BANK

Hon. John C. Crosbie (St. John's West): Mr. Speaker, the Governor of the Bank of Canada, Mr. Bouey, has said that he does not want higher interest rates nor does he want to see the dollar depreciate, but the latter problem would be worse. Does the Minister agree that the Government's policy is that a depreciated dollar would be a worse problem for Canada than higher interest rates? Is the Government's policy that of the Governor, yes or no?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, rather than quickly quoting from short press excerpts I think that the Hon. Member would be greatly advantaged by reading the transcript of the press conference given by the Bank of Canada Governor, Gerald K. Bouey, following the release of the 1983 annual report on March 16, 1984. On 15 pages the Governor has answered questions on issues such as the ones

raised by the Hon. Member. The answers to these questions correspond with the government policy in this regard and there is nothing that the Governor said with which I disagree. It does indeed represent the position of the Government as I stated it in the House a few days before the Governor.

EFFECT OF INCREASE IN INTEREST RATES

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my supplementary question is directed to the Minister of Finance as well. On a number of previous occasions I pointed out in the House that the economic performance in Canada has been significantly weaker than that in the United States since this Government came into power. The current policy of increasing interest rates in Canada will widen the gap between the countries even further, particularly in the areas of unemployment and job creation. What is the Minister doing to offset the effect of high interest rates, particularly on the million and a half people who are unemployed today?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I may point out to the Hon. Member that up to now, only one bank has increased its prime rate from 11 to 11.5 per cent, and that the other banks have not yet done so. The Toronto-Dominion Bank has raised its mortgage rates, but I do not think it has raised its prime rate.

I may also remind him that U.S. banks have raised their prime rate to 11.5 per cent in the last few days, and if my colleague has a formula for keeping interest rates in Canada substantially lower than those in the United States, perhaps he would care to tell the House how he would proceed.

[*English*]

Mr. Wilson: Mr. Speaker, I am not asking the Minister to ask a question of me. I am asking him a question on behalf of the million and a half people who are unemployed and on behalf of the small businessmen who will be adversely affected by high interest rates.

Some Hon. Members: Hear, hear!

REPORTED DECLINE IN VALUE OF DOLLAR

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, on Friday Governor Bouey indicated that he would resign if the Canadian dollar were allowed to slide in a significant way because of the inflationary effect that that would have on our economy here in Canada. Are we to take it that government policy no longer will be to allow the dollar to find its own level? Will the Minister, on the strength of his convictions, stand up and offer his resignation if the Government's policies do not stem the slide in the Canadian dollar which today hit an 18-month low of 78.06 and was only stopped by massive intervention on the part of the Government?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, once again I am happy to note that the Tories have no answers to some of the questions which they themselves are asking.

Some Hon. Members: Hear, hear!

Mr. Lalonde: They refuse to address those questions. I will answer the Hon. Member by referring him to page 10 of the transcript of the Governor's remarks. He said: "In these conditions we moderate the increase in interest rates but not so as to cause the exchange rate to really go into a free fall." Again, another question was asked of the Governor and he said our policy "is to moderate and we have moderated both ways". The policy of the Governor of the Bank is the policy that is being followed by the Government.

INCREASE IN MORTGAGE INTEREST RATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, once again, and I am sure not deliberately, the Minister has misinformed the House. I would point out to him that not only one bank has raised its rates but four banks in Canada have now done so.

When I asked the Minister about the Governor of the Bank of Canada's decision to increase the rate last week, the Minister said that he was confident that the increase in rates we are seeing at the present time was not going to be substantial. I say to the Minister that that increase in rates, which has been followed up by increases in mortgage rates, will mean that, over the term of a $50,000 mortgage, the mortgage will cost a home owner $10,000 more. That amount may not mean very much to the Minister, but it means an awful lot to an ordinary family.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I would like to ask the Minister when is he going to realize that the disastrous, high interest rate policy of this Government and the preceding Conservative Government is causing harm to the Canadian economy. If he realizes that it is causing harm, why does he not tell Governor Bouey to go take a walk?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend may have information which I do not have. At 1.45 this afternoon my information was that of the five major Canadian banks only one had increased its prime rate to 11.5 per cent. The other four banks have held the rate to 11 per cent. If my colleague has other information, I would be happy to receive it.

Regarding the specific question asked by the Hon. Member, I would like to tell him again that, indeed, no one likes to see interest rates rising. However, one must look at the alternative, and I invite my friend to reflect upon what the alternative would be. If the prime interest rate in the United States is at 11.5 per cent, how can we keep lower rates in Canada over an extended period of time? As far as I know, no one has found a sensible and responsible way of doing this as yet. Perhaps

members of the NDP have the solution. We would be very happy to hear what the solution is. However, I am afraid that again my friend is living in a fairyland as members of the NDP like to do. I invite him to face the real world. If interest rates are going up in the United States, it is very difficult to keep Canadian rates at a lower level for any extended period of time. I am sure that the Hon. Member knows that.

ELECTION CAMPAIGN PROMISE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since high interest rates do not help consumers, small businessmen, or farmers, and since high interest rates are particularly disastrous for the 1.5 million unemployed, will the Government be consistent in implementing its own promises made in 1980 when it said it would take action against high interest rates? Will the Government be consistent in the commitment it made as an election promise to take action on behalf of the ordinary Canadian? Particularly, will the Government take action so that the slight recovery that is under way will not be stopped in its tracks by a disastrous high interest rate policy, and bring down interest rates?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Government has taken action in that regard. I remind my friend of the situation which existed for a while in which Canadian interest rates were 4 per cent to 5 per cent higher than those in the United States. Thanks to our fight against inflation, and thanks to the support the Canadian people have given to reducing inflation in the country and to increasing productivity and exports, we now find ourselves in a situation in which our interest rates are equivalent to those in the United States. We have brought interest rates down more than the United States, relatively, during the last few years, thanks to the collective efforts of Canadians.

• (1430)

The fact is, and I have to repeat it, that if interest rates are going up in the United States I do not think there is any sensible and responsible way of preventing similar increases in Canada over time. We are trying to moderate those increases as much as we can. We are doing everything we can in that regard. Again, I invite my friend to face the real world.

Mr. Broadbent: Mr. Speaker, I say to the Minister that the real world in Canada right now is the 1.5 million unemployed.

REQUEST THAT GOVERNMENT REDUCE INTEREST RATES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, a slight drop in the Canadian dollar would be advantageous to men and women in British Columbia who want jobs, to farmers on the Prairies who would be able to get their grain products to export more easily, and to industrial workers in Ontario and Quebec who would have lower priced manufactured goods. I am in the real world; it is the Minister and Governor Bouey who are not.

Just for once will the Government deliver on its promise to do something about the real needs of ordinary people? Will it bring down interest rates and tell Governor Bouey to take that course of action? If he will not, will it send him his retirement cheque and wish him well?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member talks about a slight drop in the exchange rate. That has taken place. I know that this will help our exports, the forest industry, and all the people the Hon. Member has mentioned. This has taken place. The Hon. Member also knows that it has not brought down interest rates. As a matter of fact we are facing a situation where interest rates have edged up recently.

The solution is not that by somehow devaluing the Canadian dollar we would necessarily get lower interest rates. As a matter of fact experience has shown that we could have a decline in the dollar, and higher inflation and higher interest rates as well. The solution my friend proposes is not a very realistic one.

* * *

HOUSING

EFFECT OF MORTGAGE RATES ON BUILDERS' PLANS

Mr. Doug Lewis (Simcoe North): Mr. Speaker, my question is also addressed to the Minister of Finance. He will know that this is the time of year when builders plan their building starts for the Spring and Summer. Mortgage interest rates have a severe impact on those plans. The Government is allowing mortgage interest rates to rise once again. The prime rate at the Canadian Imperial Bank of Commerce and the Toronto-Dominion Bank has gone up, as it has at the Mercantile Bank and the Bank of British Columbia. That will reduce housing starts. Each lost housing start means a loss of two jobs.

What plans does the Government have to hold down mortgage interest rates? This would enable Canadians to buy homes, and thus create jobs.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have to remind my hon. friend that housing starts picked up substantially in the first few months of this year. As a matter of fact we foresee a very good year for housing starts.

As for steps being taken to help potential and current home owners, I would remind my friend that in the Budget I announced a Mortgage Interest Rate Protection Plan. I intend to introduce legislation in this regard within the next few weeks. The legislation will protect home owners against excessive increases in interest rates. I hope the opposition Parties will support this legislation which will be helpful to all home owners with mortgages.

COMPARISON WITH UNITED STATES

Mr. Doug Lewis (Simcoe North): Mr. Speaker, in the United States housing starts increased by 15 per cent for

January, 1984, over January, 1983. In Canada housing starts decreased by 8,000 from 1983 to 1984. That means fewer jobs and a higher deficit. How does the Minister account for the fact that housing starts are decreasing in Canada and increasing in the United States?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I will have to check the Hon. Member's statistics and where he got them. The latest figures I have show that housing starts in January and February, according to the most cumulative statistics this year, picked up quite substantially from where they were in the latter part of 1983.

* * *

SMALL BUSINESS

EFFECT OF INCREASED INTEREST RATES

Mr. Otto Jelinek (Halton): Mr. Speaker, my question is addressed to the Minister of Finance. As the Minister knows, most new jobs are created in the small business sector, yet we have witnessed the demise of small businesses as a result of high interest rates and ineffective government policies. Those businesses that survive are barely hanging on by the skin of their teeth. Any further increase in interest rates will kill what remains of this very important community.

Can the Minister tell the small business person what steps he is taking to protect this vital sector from further interest rate increases, or is he telling them to accept the Government's ineffectiveness, to accept higher interest rates, and go bankrupt? Is that what he is telling the small business community?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, on the contrary, we have supported the small business sector quite actively in the Budgets of April, 1983, and February, 1984. For us the small business sector is the most important element in terms of job creation. We have shown our determination to support it with the measures in the Budgets of last April and last February.

I would remind my friend that in terms of investment tax credits and support for research and development, we have privileged our support to small business in that regard by giving them additional incentives compared to the rest of the industrial sector.

As far as the last Budget is concerned, we proposed a great simplification of small business taxation which will do away with two-thirds of the income tax legislation affecting small business. It will add another $150 million to that sector in tax savings.

The Government has indicated that it is a strong supporter of small business, and it has taken a lot of measures to confirm that support.

Mr. Jelinek: Mr. Speaker, the Minister is trying to pull the wool over the eyes of small businessmen. He knows very well that what he says is meaningless when interest rates are being allowed to rise in the small business community. He knows that very well.

* * *

THE ECONOMY

GROWTH RATES IN CANADA AND UNITED STATES

Mr. Otto Jelinek (Halton): My supplementary question to the Minister approaches the problem from a different angle. When Canada was experiencing the depths of the recession the Minister repeatedly pointed to the poor performance south of the border as a cause of the bad performance in this country. Now that the United States has pulled well past the recovery stage and has experienced almost four quarters of post recovery growth, can the Minister justify the widening gap between the Canadian and the U.S. economic performance in such key indicators as unemployment, real output, real income growth, consumer spending, new business investment, productivity and unemployment?

Mr. Speaker: Order. That is quite a supplementary in one go. The Hon. Minister of Finance.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, as far as small businesses are concerned, I would like to point out to the Hon. Member that the measures I announced in my last Budget, and the one before that, had the unanimous support of the small business sector. In fact, at a meeting I had recently with small business representatives, they said they hoped the measures contained in the last Budget with respect to small businesses would be implemented as soon as possible. Again, I hope that the Opposition Parties will realize where the interests of small businesses lie and support the measures proposed by this Government when the legislation is introduced in the House very shortly.

As far as the Hon. Member's statements are concerned, I agree that in some cases, the American economy has been more vigorous in its recovery. Perhaps I may remind him, since he mentioned productivity, that the last figures I saw indicated that in Canada last year, the increase in productivity was greater than it was in the United States. This means we were able to do better than the U.S. in various sectors and at various times. I may also remind him that in the first three quarters of 1983, the Canadian economy experienced much faster growth than did the United States. These are all factors my hon. friend should remember. The same applies to job creation. If he would care to look at the number of jobs we have created here in Canada, compared to the United States, he will see that Canada's record is quite remarkable.

[*English*]

EMPLOYMENT

FUNDING OF DAYCARE SERVICES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Minister of Employment and Immigration. Affordable daycare is essential if women are to have equal access to training and jobs, yet the Minister has refused to include daycare services for job-creation programs. Will he reconsider this decision and now give priority to funding daycare jobs as an essential component in government job creation? Will he also extend training grants to include child care costs?

● (1440)

Hon. John Roberts (Minister of Employment and Immigration): Mr. Speaker, I do indeed believe strongly that it is important to provide daycare facilities. Indeed, when I was Minister of the Environment we established in Environment Canada, I believe, the first daycare centre in a government installation which existed within the Government of Canada. I do believe strongly in doing this. It is a subject which I hope we may be able to deal with effectively in the context and in the use of Section 38 funds, in co-operation with the voluntary sector, as we outlined we wanted to do in the Speech from the Throne. We are carrying on discussions with the voluntary sector on how we might make that approach to funding a feasible and desirable one to follow.

Ms. Mitchell: That is not what you were asked.

Mr. Roberts: I hope that within that context we will be able to meet the kinds of concerns expressed by the Hon. Member.

Ms. Mitchell: The Minister did not answer the question, Mr. Speaker, so I will ask my supplementary question of the Minister of National Health and Welfare.

RECOMMENDATION MADE BY NATIONAL ACTION COMMITTEE ON THE STATUS OF WOMEN

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, daycare is available only to the rich who can pay, and to the poor who qualify under the Canada Assistance Plan. Will the Minister now take federal initiatives, as recommended by the National Action Committee on the Status of Women, to help fund daycare on a nonrestrictive and universal basis so that it is not restricted just to people on welfare? Will the Minister also introduce a new method of shared funding with direct federal grants for licensed spaces, as has been recommended?

Hon. Monique Bégin (Minister of National Health and Welfare): Mr. Speaker, I will always do everything to support daycare, as will this Government. That black and white simple image of the poor and the rich is a bit simplistic. The Hon. Member knows that we have literally stretched the guidelines to the maximum and we are providing $70 million this year to the Provinces for daycare, which is, of course, for those in need and most likely to be in need.

However, the Hon. Member is forgetting all the tax avenues which we have offered to Canadian families—mothers in most of the cases—also to take advantage of the various services for their children. It remains that daycare is basically provincial, and if the Provinces do not want to move on this, we will exercise the maximum leadership we can. For example, my colleague, the minister responsible for the status of women, as part of her next agenda for the federal-provincial conference of her own counterparts, will try to speed up the development of provincial daycare services.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM MEXICO

Mr. Speaker: May I call the attention of the House to the presence in our gallery of a delegation from Mexico led by Senator Celso Humberto Delgado Ramirez.

Some Hon. Members: Hear, hear!

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NATIONAL REVENUE

PROVISION OF INFORMATION BY OFFICIALS TO MEMBERS OF PARLIAMENT

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of National Revenue. Can the Minister tell the House if he has, in fact, issued instructions to his officials that they are not to give information to Members of Parliament other than what they can obtain under the Access to Information Act? Has he given that directive to his officials because, if he has, that flies in the face of every parliamentary convention and tradition which give us the responsibility to hold the Government accountable?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): No, Mr. Speaker, I did not give such instructions, and I believe the Hon. Member's question is based on an erroneous interpretation by his colleague of a reply I gave here in the House. The House will recall that last week, the Hon. Member's colleague asked me a question about a guideline I gave my officials with respect to—

An Hon. Member: He is not interested in the answer either!

Mr. Bussières: Mr. Speaker, do you see why they always repeat the same question, and why those questions misrepresent the facts? They do not even have the common decency to listen to the answer, Mr. Speaker.

An Hon. Member: He does not understand!

Mr. Bussières: So if the Hon. Member is interested in the answer, as far as the first part is concerned, the answer is no. Secondly, I can say that his question is based on a distortion of facts taken by his colleague from an answer I gave last week. I would therefore invite him to read *Hansard*, where he will see a very clear answer to the question put by his colleague.

[*English*]

NEWSPAPER REPORT

Hon. James A. McGrath (St. John's East): Mr. Speaker, I will quote from a newspaper dispatch by Mr. Ian Hunter, a well respected journalist, in which he says:

A taxation official confirmed that it is policy now to require MPs, like other citizens, to apply under the Access to Information Act—

That is the story. The Minister, I hope, is denying the accuracy of that story, because otherwise he is denying us, as Members of Parliament, to hold him responsible for his administrative incompetency.

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I already answered the question of the Hon. Member. I said, no, and I told him to read the *Hansard*—

[*Translation*]

Mr. Mulroney: Answer the question!

Mr. Bussières: —Mr. Speaker, the Leader of the Official Opposition is always the first one to talk about civility in the House, and he does not even have enough authority over his Members to ask them to at least have the decency to listen to the answers.

Let the Leader of the Official Opposition show a little more leadership and impose some discipline on the Members of his Party!

* * *

[*English*]

TRANSPORT

AUTOMOBILE EMISSIONS—REQUEST FOR STRICTER CONTROLS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of Transport. He is well aware that a group of Ministers of the Environment from Europe are meeting at the present time, hosted by his seatmate. I am wondering if the Minister could announce—and this would be a good day for it—when the Government is going to bring in stricter automobile emission controls for Canadian cars, and on what model that will be.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I answered a question, I believe last week in the House, on the same topic and indicated at the time that before any decision will be taken we must quite carefully review the series of studies which were commissioned through the Department of the Environment, with the co-operation of three or four other Departments. Four of those studies are available to us now, and the Minister of the Environment and I have invited the industry which will be affected, as well as environmental organizations, to comment upon these studies and to consult with us so we can get their full view before making a decision. That invitation has already gone forward.

TIMETABLE FOR INTRODUCTION OF STRICTER CONTROLS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, rumour has it that a government decision has been made and the controls will be on the 1990 models. That is at least six years down the road. Since approximately 86 per cent of all the automobiles manufactured in Canada are shipped to the United States with the proper emission controls on them, why can the Minister not up that and have the controls on at least the 1987 models? You do not need a long cabinet harangue to know that it is very necessary to do that if we expect the Americans to help us reduce acid rain. Why not put controls on the 1987 models, and at once?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I believe the Hon. Member is far too experienced and knowledgeable a Member of this House to base either his questions or judgments upon rumour. I believe what he should try to do is deal with facts, and the fact we are dealing with is that we have commissioned some studies which are designed to determine what the actual impact will be in relation to the cost. Before we take action on those studies, I feel it would be both prudent and necessary to ensure we have the full range of opinions from all the interested groups. That particular process, which I think is the responsible way to proceed, is under way.

* * *

HUMAN RIGHTS

APPEAL IN SEXUAL HARASSMENT CASE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Justice as the Minister responsible for the Canadian Human Rights Commission and the Minister responsible for giving legal advice to other government Departments. It concerns a sexual harassment case, the Robichaud case, which was the first sexual harassment case to go to a review tribunal of the Canadian Human Rights Commission, and which was won by the woman complainant. Would the Minister explain why this is being appealed and why his Department gave the advice to appeal this decision? How can the Minister encourage women to come forward in sexual harassment cases when his Department will, as soon as the woman wins the case, appeal it and try to get the decision overturned?

Hon. Mark MacGuigan (Minister of Justice): Mr. Speaker, I will have to refresh my mind on that case before giving a full answer to the Hon. Member. However, I would certainly like to indicate to her that we do not proceed entirely on the basis

of results. We have also to be concerned about the reasoning in cases. We certainly were not proceeding with a view to denying the successful party her victory. Our concerns have to be much broader than that, and include the whole texture of the law.

● (1450)

FUNDING OF APPEAL

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I will direct my supplementary question to the President of the Treasury Board. His Department is, of course, funding the appeal, and has issued guidelines on sexual harassment. Can the Minister justify the use of taxpayers' money, on the one hand to fund the Canadian Human Rights Commission through the Department of Justice and, on the other hand, try to undermine the whole procedure by appealing the case as soon as the woman won it?

Hon. Herb Gray (President of the Treasury Board): Mr. Speaker, the new policy on sexual harassment announced by myself and the Minister responsible for the status of women last December came after this particular case arose. Perhaps had this procedure been in place earlier it might have been a simpler way to resolve the matter. Having said that, the complainant availed herself of her rights under the law to go to the Canadian Human Rights Commission. A review tribunal upheld her complaint, but the matter was appealed on the advice of the Department of Justice. The funding of the appeal was a decision by the Department of National Defence. I will say, Mr. Speaker, that the right of appeal on either side of the case, it seems to me, is fundamental to our system of justice. It is not a reflection on the fact that the complainant is a woman that this fundamental right of appeal has been used. I am sure the hon. lady would not argue that if the matter had gone otherwise the complainant should not have used her right of appeal.

* * *

NATIONAL ENERGY PROGRAM

MINISTER'S STATEMENT

Miss Pat Carney (Vancouver Centre): Mr. Speaker, in the absence of the Minister responsible for energy I will direct my question to the Minister of State for Economic Development, who is quoted in the media as saying that the national energy policy, like any other program in a pragmatic Party, should be put on the table and examined. In view of the fact that he is chairman of his Party's economic development committee, and in view of the fact that this policy is viewed as a vindictive, malicious, and destructive program which hurt western Canada severely, could he tell us what changes he now proposes and why he has not proposed them before?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, obviously I take issue with the rather curious rhetoric of the Hon. Member. This Party is known for its capacity to re-examine its programs to meet changing conditions and new challenges. The National Energy Program, for example, was updated by my colleague in 1982. I expect that, as circumstances change, it, like all other government programs, will be reviewed, reconsidered, and improved. That has always been the way with this Party, and I am sure it will continue to be that way in the future.

MINISTER'S POSITION

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary is directed to the same Minister, and may I say that the curious rhetoric is his.

In view of the fact that since he has told us he is now considering these changes, and he has avoided answering the question of why he has now proposed reconsideration of a program which has caused such destruction in western Canada and hurt the Canadian consumer as a whole, what is his hidden agenda?

Hon. Donald J. Johnston (Minister of State for Economic and Regional Development and Minister of State for Science and Technology): Mr. Speaker, I would like to hear the quotation again. I thought the quotation, which probably was accurate, is to the effect that the National Energy Program, like other Government programs, should be subject to review. There is no suggestion even in the quotation that there are changes in mind. The fact is that, if there are changes required, they should be made. As I said, that has always been the case, so I do not quite understand the question as it arises out of the quotation.

* * *

NATIONAL REVENUE

REGISTERED CHARITIES—DEPARTMENT'S INTERPRETATION

Hon. Jake Epp (Provencher): Mr. Speaker, my question is for the Minister of National Revenue. There is a lot of disquiet among registered charitable and non-profit organizations arising from the interpretation his Department is placing on the activities of these organizations. I am restricting my question to churches. I have a letter from a branch of his Department concerning what is legitimate activity for a registered charity, specifically a church. The Department argues that it is acceptable for a religious organization to take a public stand on a moral issue but that a campaign designed to implement legislative changes would not be acceptable. The divorce legislation is an example of that. Why the interpretation from the Department?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): I think that the Hon. Member has had many opportunities to consider that matter. He knows full well that the Income Tax Act provisions concerning the definition of "charity" and

"religious activities" have been confirmed and restricted to a certain extent by the decision of Canadian courts. The interpretation bulletins prepared for organizations which want to avail themselves of legislative provisions regarding charitable organizations are based on the act itself, of course, and on court decisions which restrict the meaning to be given to the word "charity". That is the basis of our interpretation bulletins.

[*English*]

CHURCHES' OPPOSITION TO DIVORCE LEGISLATION

Hon. Jake Epp (Provencher): Mr. Speaker, does the Minister regard churches which are bringing forward strong pressure in opposition to divorce legislation as legitimate in trying to implement or change legislation, or does he read that as a violation of the terms under which they were registered as charities?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, I would rather not make an overall judgment since I am not aware of this case. I would urge the Hon. Member—

An Hon. Member: He is not listening, he is not interested!

Mr. Bussières: Indeed, Mr. Speaker, Members opposite never seem to be interested in the answers. The Hon. Member ought to re-examine the interpretation bulletin, as I said, so as to understand better and make his own judgment. I will be pleased to consider any specific case he wants to bring to my attention. If he does not agree with the interpretation bulletin, he should admit it openly and say that, in his opinion, the Government should disregard the Income Tax Act and the interpretations of the courts, and apply the law blindly according to circumstances and as it sees fit.

* * *

[*English*]

HUMAN RIGHTS

DISMISSAL OF WOMAN AIR TRAFFIC CONTROLLER—WITHHOLDING OF DEPARTMENTAL FINDINGS

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, my question is directed to the Minister of Transport and concerns a case widely reported on the weekend, where the Public Service Commission Appeal Board ruled that Ginette Roncali was unjustly dismissed from her job in non-traditional employment as an air traffic controller. Why did the Minister's Department withhold from the Appeal Board the findings of its own internal inquiry which indicated this woman had been made a scapegoat for the errors of others in the Department?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I think the case itself is a matter of some concern. On the specific issue of the Appeal Board, there is a clause in the Air Traffic Controllers' collective agreement which specifically prohibits that kind of evidence being passed on to appeal hearings. Unfortunately, at the same time the supervisor was ill and so could not present the evidence personally. In this case Mrs. Roncali has been reinstated and assigned to the Waterloo area to go through a retraining period so she can resume duties.

• (1500)

DEMOTION OF EMPLOYEE

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, what concerns me about cases such as this is that a woman has to go through the whole process of an appeal board before she can be reinstated to a job which is considered to be in a non traditional employment area. Though Mrs. Roncali has now been reinstated, why was she demoted at the outset from her job as air traffic controller, to that of a clerk?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, in this particular case the matter was not one of male versus female. There was a question of the performance of duties, and that is why the action was taken. Mrs. Roncali then followed the proper procedure, which was to go to an appeal board which found in her favour. This demonstrates there are procedures there to ensure there are not injustices committed. If there are further aspects of the case which would reflect any form of discrimination, I would be quite prepared to undertake to look into them to make sure they did not happen again.

* * *

PETITION

MR. OGLE—TESTING OF U.S. NUCLEAR DEVICES

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Saskatoon East (Mr. Ogle) on Friday, March 16, 1984 meets the requirements of the Standing Orders as to form.

* * *

Mr. Paproski: Mr. Speaker, I rise on a point of order. We are just about to lose a lottery, a $33 million 1979 agreement between the federal Government and the provinces. The Minister has been trying to indicate—

Mr. Speaker: The Hon. Member could possibly bring this to the attention of the House by a statement pursuant to Standing Order 21. In terms of the Standing Orders of the House, he is hardly raising a point of order.

POINT OF ORDER

MR. NIELSEN—SUSPENSION OF DAY'S SITTING

Hon. Erik Nielsen (Yukon): Mr. Speaker, I rise on a point of order.

An Hon. Member: Leader!

Mr. Nielsen: It is a little late for that! Mr. Speaker, I indicated to you this morning that I intended to raise a brief point of order at three o'clock having to do with the proceedings last night, this being the first opportunity to do so.

By way of a preliminary I would like to refer to today's *Order Paper and Notices* for Tuesday, March 20, 1984. As you know, Sir, at six o'clock last night we were in a mode where tomorrow never came. Yet overnight we had the Notice Paper printed as though we were in fact going to see tomorrow, which is today. In the meantime, we have the hour of meeting printed on the Order Paper as being 11 a.m. Today did not occur, in a parliamentary sense, until considerably after 11 a.m. I did not take note of the precise time the Chair moved into prayers, but it was around 11.30. I think that should be corrected.

Shortly after six o'clock last night, Mr. Speaker, you rose in your place to say that you were suspending the sitting until 9 a.m. this morning. The suspending of a sitting overnight in the midst of a division is almost without precedent, Mr. Speaker. The suspension of a sitting under such circumstances without the full agreement of Government and Opposition House officials is entirely unprecedented and is a practice about which I have very serious reservations.

The last and only time in my recollection that the Speaker decided to suspend a sitting overnight in the course of a division occurred on May 9, 1983. At that time *Hansard* records that the question before the House was a motion for leave to introduce Bill C-155. The question was put and the Speaker is recorded at page 25288 of *Hansard* as declaring that the Yeas had it. More than five Members having then risen, Madam Speaker called in the Members for a recorded division. *Hansard* next records that at 10.40 p.m. the Speaker rose and said the following:

> MADAM SPEAKER: I have been advised that the Members are prepared to vote tomorrow morning. I now suspend the sitting until nine o'clock tomorrow morning, at which time the bells will start ringing again. They will be interrupted tonight.
>
> MR. PRUD'HOMME: At what time?
>
> MADAM SPEAKER: At nine o'clock the bells will begin to ring.
>
> At 10.40 p.m. the sitting of the House was suspended.

You will note, Mr. Speaker, that Madam Speaker Sauvé only took the action of suspending the sitting once she had been advised that Members would only be prepared to vote the next morning. In my submission, it is only upon the advice of the representatives of the Government and Her Majesty's Loyal Opposition that the Speaker may justifiably suspend the sitting of the House.

I base my contention on the fact that nowhere in the various procedural texts which relate to our proceedings can reference be found to any authority possessed by the Speaker which would permit the occupant of the chair to suspend a sitting at whim. Indeed, taken at face value, there would seem to be no provision in either the Standing Orders or Beauchesne's which would permit the Speaker unilaterally to suspend the sitting under any circumstances. However, the Standing Orders do state that in unprovided cases the rules should be interpreted in light of relevant practices at Westminster.

With that in mind, one can look at the Twentieth Edition of Erskine May and discover that in certain instances the Speaker does have the authority to suspend the sitting. What are those cases, Mr. Speaker? The answer to that question can be found at page 317 of the Twentieth Edition of Erskine May under the heading of "Adjournment in case of grave disorder". That entry reads as follows:

> Adjournment in case of grave disorder. In the event of grave disorder arising in the House, the Speaker may adjourn the House without question put if he thinks it necessary to do so or he may suspend the sitting for a time to be named by him.

I am not suggesting, Sir, that a grave disorder is a Member passing between a Member on his feet speaking in debate and the Chair, although that occurs frequently. Nor am I suggesting that it is a grave disorder, though it be a disorder, for Members to rise and leave this Chamber while the Mace is on the shoulder of the Sergeant-at-Arms and while the Speaker is on his way of the Chamber. The proper conduct, of course, is for Members to stay in their places until Mr. Speaker departs. Those are not examples of grave disorder, but they are disorders. Some examples, as I have said, are given in May.

However, May does not outline any other set of circumstances under which the Speaker is permitted unilaterally to suspend the sitting of the House. To use this entry in Erskine May as authority for the action undertaken by the Chair last evening would, I think, stretch the credulity of Members of the House. Fortunately, Mr. Speaker, earlier editions of Beauchesne's include the same reference to the Speaker's authority to suspend the sitting in the event of a grave disorder.

Therefore, on balance, Sir, it would appear that the action undertaken by the Chair last evening has at least some procedural standing in the Canadian House of Commons. Certainly, based on the May, 1983 precedent, one cannot argue that similar actions have never been undertaken before.

However, there are two issues which remain to be resolved. I re-emphasize that in the May, 1983, instance where was a prior agreement which was communicated to the Speaker with respect to the time of the taking of the vote. As I say, two issues remain to be resolved. Is this case in fact similar to the May, 1983 precedent? And even if it is, did the Speaker make the correct decision at the time?

● (1510)

It is not for me to question the past actions of the House nor to impugn any decision of the Chair. But using the May, 1983 decision as a stepping stone, I believe I can draw a distinction between the decision made by Madam Speaker Sauvé and the one made last evening. At the time Madam Sauvé made her

decision, she did so on the basis of the advice of representatives of the Government and the Opposition who had informed her that a vote would not take place before the next morning. On that basis, where it was clear that the bells would be left to ring all night, it might reasonably be argued that the situation was akin to disorder, although my personal view is that that somewhat stretches the credulity of Members as well. Furthermore, if the practice of allowing the bells to ring all night were to become a standard practice, there might be some doubt arise in some Members' minds that that would be akin to grave disorder. However, such is not my submission because in my view it is irrelevant to this particular caveat I am drawing to the attention of the House with respect to our proceedings yesterday.

The motion moved by the Government which was before the House yesterday was the previous question. This motion was moved as means of closing down debate on second reading of Bill C-9. If it was carried in the affirmative, which it was yesterday—today—the motion would have the effect of bringing on an immediate vote on the second reading, which it did yesterday—or this morning. The argument does get a little ridiculous as we proceed with it!

Standing Order 12(1) is quite explicit as to how the division is demanded and how it is taken. The key word in the Standing Order is the word "demanded", in my view. The holding of a recorded division is not something which is to be taken lightly. It is a right which can be insisted upon by any five members who choose to rise in their places. The division is only completed once the actual recorded vote has been taken and the result has been announced by the Chair, as outlined in Citation 216 of Beauchesne's Fifth Edition. Indeed, that is the only way that the proceedings of yesterday could have been brought to a close yesterday, in which mode we found ourselves this morning. That was by those two votes being taken. The division was not complete until that time.

As well, Citation 217 states that "the signal for taking the division is the return of the Government Whip and the Opposition Whip". In other words, the timing of the vote rests entirely with the Whips. This is appropriate because a division is an expression of the will of the House and not of the Chair.

It is therefore a matter of deep concern for me, to believe that this process can be arrested part way through by the Speaker or anyone else. The practice which has grown up around the lapsing of dilatory motions, for example, has the effect not only of relieving Members of their right to express themselves once a recorded division has been called, but also has the effect of potentially reversing the decision reached by the initial voice vote. This takes place not at the initiative of Members but as a result of a decision by the Chair. Needless to say, this practice might some day lead to grave consequences which occupants of the Chair might live to regret. What would happen, for example, if a procedural motion in support of a decision by the Chair were allowed to lapse?

By tinkering with the established practices governing divisions, the House is entering very dangerous territory. Certainly, attributing a decision to the House when no vote has been taken is fraught with danger; but so, too, is arbitrarily delaying the taking of a division. Such a delay may very well cause numbers of members on either or both sides of a question to change, either because the Opposition or, more importantly, the Government has had the opportunity to round up more of its Members or dissuade Members from taking an independent line. The Speaker, by making the decision to delay the holding of a recorded division, opens himself or herself to the charge that the decision was made on a partisan basis. As you will appreciate, Mr. Speaker, such a change in role of the Speaker would seriously undermine the stature of the office and would undermine the confidence that the House has in the impartiality and independence of the Speaker.

While no one would suggest that this is what happened in this instance—I the first among them—I felt that it was important to put these remarks on the record and ask the Chair to consider the direction being taken in recent rulings in order to determine whether or not they are truly in accord with the spirit of our rules in this place.

I raise this matter because of the concern that I had when it first occurred in May of 1983, and that circumstance was during the disposition of a dilatory motion. But last evening we were dealing with a substantive motion, so the matter becomes even more important down the procedural road as to whether or not we are following a wise course in embarking upon what I conceive to be an entirely different direction from established practices set by the rules and by the precedents of this place.

• (1520)

[*Translation*]

Hon. Yvon Pinard (President of the Privy Council): Mr. Speaker, I think it is important to make a distinction between the power of the Speaker to delay a vote and his power to order that a vote be taken.

Regarding the authority of the Speaker to order that a vote be taken at a given time, I think such cases are defined either by the Standing Orders or by Parliamentary practice as it has evolved in recent years. S.O. 12(2) indicates clearly that when the Speaker interrupts the proceedings, the bells shall be sounded for not more than fifteen minutes.

I feel, within reason, of course, that in such circumstances the Speaker must be stricter than if the debate ends spontaneously, as was the case yesterday.

I remember that Speaker Jerome made this distinction when he interpreted former S.O. 9, now S.O. 12. He said that S.O. 9(2), which is now S.O. 15(2), allowed him to demand that the vote be taken after fifteen minutes, provided he had interrupted the proceedings and the Members had received reasonable notice that the proceedings would be interrupted, thus safeguarding the principle that basically, Members should not be taken unaware, and I think his interpretation was a wise one. However, in certain cases, although S.O. 9(2) or 15(2) said that a vote had to be taken after fifteen minutes, Speaker Jerome was often more patient than that before demanding

that a vote be taken, since he first wanted to make sure that Members on both sides of the House had received reasonable notice, since it was not the intention of the Standing Orders to take them unaware. That is not the kind of circumstance we are dealing with now.

Another situation where the Speaker can demand a vote is in the case of dilatory motions. This is the result of a recent practice that has evolved, where your predecessor, and, if I am not mistaken, you yourself have, in the case of a purely dilatory motion, decided that at the normal time of adjournment it was no longer necessary to call a vote, since in any case the motion had achieved its purpose. Since things were getting out of hand, I feel this was a very sensible and logical decision. Again, however, does not this apply to today's situation.

We are now dealing with a very unusual situation in which the debate ended spontaneously, not because it was interrupted by the Speaker but because there were no more Members to speak to the motion. This eventuality is not covered by Standing Order 15(2). Therefore, the Standing Orders do not limit the time for division bells. That is clear. In cases, Mr. Speaker, where the Standing Orders do not specify how long the division bells are to ring, what is the Speaker's role? That is not so clear, and here we need to have a body of jurisprudence and parliamentary practice. I think the Speaker should take into account precedents established in other countries, and especially, as provided by the Standing Orders when a case is not clear, the precedents established in the United Kingdom. However, we must also take into account the specifics of each case and the procedure peculiar to these other parliaments. Now, the voting procedure in the United Kingdom, I must say, with respect, to my learned colleague from Yukon (Mr. Nielsen), is totally different from ours, and cannot be considered or be allowed to influence the debate at this point.

We have a very special voting system in Canada, and we have Standing Orders that do not specify how long the division bells are to ring. The Standing Orders also fail to provide any direction as to the Speaker's role in cases where there is an unusually long delay before a vote is taken.

I therefore say, with respect, that I think it is reasonable that, for the sake of the order he is supposed to maintain and also in the interests of common sense, the Speaker should consider the circumstances. I think it is both reasonable and sensible that the Speaker, if he decides it is appropriate, should consult with the Leader of the Official Opposition or his Whip, or the Government House Leader or the Government Whip. I believe it is wise for the Speaker to analyze the facts in the light of such consultations, if such was his decision, and in the light of the Standing Orders—where there is no provision for this case—since he has certain discretionary powers to maintain order in the House and ensure that the right of Members to speak to a question is not infringed upon.

Mr. Speaker, what you did yesterday was eminently sensible, and you are to be congratulated. I think that under the Standing Orders, you had no choice, with respect, but to stop the division bells before the two Whips entered the House, unless you had found that in the circumstances, it was a purely dilatory manoeuvre on the part of the Government or one of the Opposition Parties. However, yesterday there was no evidence that one of the Parties was acting deliberately to delay unduly the taking of a vote. On the contrary, I believe the Government advised the Clerks at the Table or at least one of the Clerk Assistants, that exceptional circumstances prevailed and kept Hon. Members from exercising their right to vote, as a result of adverse weather conditions. Anyone who knows what the situation was like last night will agree.

[*English*]

Mr. McKnight: Liberal leadership.

Mr. Pinard: It is sufficient to check on the climatic situation which was prevailing yesterday in eastern Quebec, for example—

Mr. McKnight: Where were they? Were they in their ridings? Name two.

Mr. Pinard: —and in the Maritimes.

[*Translation*]

The fact is that many Members were held up by bad weather conditions.

Indeed, I would suggest that the Speaker does not have the right to conclude that Members are not telling the truth, and he has to give the benefit of the doubt to a whip who tells the table officers that certain situations are occurring. It could have been a plane crash that would have sent about ten Members to hospital, or a case of food poisoning after Members had eaten in the parliamentary restaurant, or any number of things. There are circumstances when the Speaker, after consultations, shows common sense and decides to delay the vote because it is not all that important. That is what happened yesterday, and I think the Speaker used sound judgment when he did not force a vote at 6 o'clock and simply interrupted the bells for the night.

You acted in a very humane manner, Mr. Speaker. I think that the House officials and all the staff are very grateful to you. From a humane standpoint, you did not force those people to waste a whole night looking after the fort because you knew full well that the Government whip was not going to show up for the vote before 10.30 the following morning, as he had made it clear to your officers, for the reasons I mentioned earlier. You prevented the staff from staying up all night, for which there would have been no justification under the circumstances. You know, you have saved public money and energy, but above all, I think, you have shown the Canadian people that although some Members of the House do behave like children now and then, yesterday we proved that we could, or at least the Speaker of the House could assume his respon-

sibilities and show that we can act as adults when circumstances so require.

For all those reasons, Mr. Speaker, I think that the decision you took last night was quite sound, intelligent and sensible. Besides, you did not suspend the sitting indefinitely, but you did indicate shortly after six o'clock that the bells would start ringing again at 9 a.m., because you knew there was no point in having the vote in the middle of the night, something which is not humane and which, to my knowledge, has never happened under the new rules of the House.

Given those circumstances, Mr. Speaker, we support this intelligent and humane decision. Did it go against the Standing Orders or the parliamentary practice? The answer is no! Your decision did not go against any Standing Order nor any practice. Mr. Speaker, one can set precedents without necessarily going against the rules; indeed, no rule was broken and it was not necessarily contrary to precedents or previous practices. We have been innovating since the new Standing Orders have been in force, and I think that you can appeal to common sense for guidance in the kind of decision you made last night. As a matter of fact, when you decided to suspend the call of the bells for the night, you did not breach the only Standing Order which refers to the division bells. You did not go against Standing Order 12 in any way. I know of no precedent either which you might have disregarded. My learned colleague referred you to what he himself called a precedent, although it was not quite the same situation. I am talking about the incidents of May 9, 1983 when Madam Speaker, your predecessor, had indicated that, after consultations, she had decided to interrupt the division bells. I suggest that it was a specific case where, under the circumstances, she had decided to have consultations and say so publicly. Even if she had not consulted anyone, she was just as free to act as you did last night. Yesterday, you were free to consult and, whichever way you did, we respect your authority, Mr. Speaker. However, the fact that, when you interrupted the bells, you did not say in so many words that you had consulted the parties in the House does not mean that you were wrong. And I would suggest that this is one of the grey areas of the Standing Orders, but that the circumstances require that you make decisions which are logical and take into consideration the spirit of the parliamentary reform as well as the human aspect. Mr. Speaker, the major aspect of the parliamentary reform with which we have been experimenting for nearly two years is indeed that we wanted to make Parliament more humane. We no longer sit in the evening; we sit during the day, like other human beings who normally work during the daytime. Committees may sit during the evening and we may work in our offices, but the House sits during the day. On Fridays, we have deferred votes. There have been many changes which have done much to humanize this institution. It seems to me that it was also with this in mind that the bells were prevented from ringing during the night as we knew quite well that there was a very good reason for the vote not to be registered during the night and as one of the two senior clerks of the House who are part of the voting procedure, had been told by the Government whip that it was physically impossible to have the vote registered before the next day. The Chair was told of this by the clerks of the House.

Because of these circumstances, Mr. Speaker, I think that there is no doubt that we support your ruling and hope that, in the future, if this situation ever reoccurs, you will continue to act with compassion and intelligence, as you have always done in the past. I shall conclude by saying that, in view of the circumstances, we must distinguish between delaying a vote and insisting that it be taken. What we are discussing here is a situation where there are no rules forcing us to have a vote registered within a specified period of time. In such cases the Chair is allowed a lot of discretion. If, as suggested by the Hon. Member for Yukon, you deem it appropriate to have further consultations, we are always at your disposal to explain why a vote cannot be registered at a given time. However, Mr. Speaker, there was no reason yesterday to rush things and I am sure that my learned colleague from Yukon would not go so far as to make such a request because, after all, we had not been through sixteen days of bell ringing. The bells had rung for six hours and a half at the most and while we once considered that having to listen to the bells for sixteen days was quite trying, and believed that consultations would have shown that such a delay was due to purely dilatory action on the part of one specific party in the House, this is all in the past. But now letting the bells ring for six and a half hours cannot be compared with letting them ring for sixteen days, and I doubt that it could be said that either one of our parties is using purely dilatory tactics to prevent a vote from taking place.

In this case, the Government was not ready to vote. Sure enough the Government is not interested in delaying passage of its own legislation, and it seems to me that any intelligent person would realize in such cases that there had to be a major reason for it. The non-attendance of Members when it is due to serious, objective and non partisan reasons, as was the case yesterday, seems to me something which ought to be taken into consideration by the Chair.

I therefore do not see how the point of order raised by the Hon. Member for Yukon could be founded, notwithstanding his comments. If he wants to ask the Speaker to have further consultations in the future if ever the bells are ringing for too long, I would find this suggestion intelligent and reasonable and would approve of it wholeheartedly. However, there is certainly nothing to prevent you, Mr. Speaker, if you have valid reasons, from doing so in the future, to interrupt the ringing of the bells when a vote cannot be registered especially after the normal sitting hours or between two regular sittings. I therefore see nothing which would indicate that you did anything wrong last night. On the contrary, at the risk of

repeating myself, I find this a useful precedent which complements the one set on May 9, 1983, and I hope that we shall not have to let the bells ring for too long too often in the future. I can assure you that, for our part, instructions will be given so that this will not reoccur unless, of course, reasons beyond our control justify or explain why certain Members are delayed from exercising their basic right of voting in the House.

● (1530)

[*English*]

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am going to be brief, but I do think it important to put some things on the record. I suspected some time ago when the bells rang for 15 days that the repercussions of that would be severe and they have, indeed, been severe. We have seen rulings, as you know, Sir, with which I have not been entirely satisfied. As a result of the fear that has grown that bells could ring forever, I think at some point the House of Commons has to come to grips with it as a potential disaster for the parliamentary system.

I want to say something about last night, Mr. Speaker. The vote that was supposed to take place last night was entirely at the behest of the Government. It was the Government that moved the previous question. It was the President of the Privy Council (Mr. Pinard) who, on Friday last, asked the House of Commons to complete the deliberations by Monday in order that the vote could take place. The deliberations were completed. One would have thought, given it was the Government's hope that the Bill could be completed by Monday, it might have had its Members here to vote. Not having them here reflects a lackadaisical attitude on the part of members of the Government who are not prepared to come to Ottawa at eleven o'clock in the morning on Mondays. We sit on Mondays at eleven o'clock and we sit all week until five o'clock on Friday afternoon. There are far too many members of the Government who do not show up on Mondays until late in the day. Had Government members been interested in carrying the legislation yesterday, they could have come here on Sunday night as many of the rest of us had to do.

Some Hon. Members: Hear, hear!

Mr. Deans: I suggest that the excuse being used that somehow or other a storm blew up and Members of the Government could not get here so therefore the vote had to be delayed and that was justification for the action of the Speaker is absolute balderdash.

Some Hon. Members: Hear, hear!

Mr. Deans: I find it offensive, quite frankly, that anyone would attempt to use such an argument in the House of Commons.

Mr. Pinard: Do not be so sensitive.

Mr. Deans: I am being honest about it. It was the Government that wanted the Bill, it was the Government that moved closure on the Bill to limit the debate, and it was the Government that failed to have its members present. I ask you, Mr. Speaker, given a similar set of circumstances on another day when the Government was sitting, benches full, and I were to rise and suggest that because three, four or five of my Members from northern British Columbia were unable to get here in time for a vote because of plane connections and that we would like the vote held over until the following morning, would you, Sir, then rise and intervene?

Mr. Pinard: No, you are a third Party.

Mr. Deans: I put it to you that the rules of the House of Commons are intended to protect each and every Member.

Mr. Pinard: No, the two Whips.

Mr. Deans: If the President of the Privy Council is quietly saying they only protect two Parties—

Mr. Pinard: Two Whips.

Mr. Deans: —I say to him that the rules of the House are there to protect the rights of every single Member, and if a member of the government side is to be given additional rights to those given to Members on this side of the House from this Party, then the rules are not worth the paper they are written on.

I want to suggest, Mr. Speaker, that there is a dangerous precedent here and I beg you not to allow what happened yesterday to become a precedent. It is vitally important that the Government not be permitted, for whatever reason, to decide that on its initiative it can go to the Table, whisper in someone's ear that perhaps it would not be advisable to have the vote since the Government cannot win it, and that therefore, it would be good, maybe, if the vote could be held over until another day, because that is exactly what happened yesterday. That vote was not taken yesterday because the Government could not win the vote yesterday. The Speaker unwittingly, unknowingly I say to you, Sir, without any knowledge of that, was put in the position of taking a decision which supported the Government's right to win every vote. I am not suggesting that it was done with any thought in mind to achieve that end, but that is what happened.

The vote before the House should have been taken yesterday. The vote before the House, had it been lost, would have made absolutely no difference to the Bill itself. It would have meant that the debate could have continued and the Bill dealt with. The end result would have been the same. When Government Members took it into their heads to show up suddenly from their constituencies or from out on the leadership campaign trail to vote, they would still have won the vote in any event.

The result of yesterday's vote was to create a situation which resulted in Members on one side of the House having less rights than Members on the other side of the House.

Mr. Evans: Nonsense.

Point of Order—Mr. Nielsen

Mr. Deans: I ask you in future circumstances, Mr. Speaker, that that be taken into consideration and yesterday not be considered a precedent for any future action. I did consider yesterday to be most unusual, and frankly I believe it to be wrong.

I do think that in the circumstances referred to which took place in May—I remember them quite well—Madam Speaker Sauvé consulted with Members of the House who represent the various Parties. Madam Speaker Sauvé consulted, I believe, with the President of the Privy Council; I know she did with the House Leader for the Opposition and I know she consulted with me. She asked if in fact it were true that we would not be prepared to vote until the following day. I affirmed that it was true, as I believe did the House Leader for the Official Opposition and I assume the President of the Privy Council on behalf of the Government. Having ascertained that there was agreement among the Parties that the vote would not take place until the following day, she then decided to suspend the sitting until a time which the Members themselves had indicated would be a suitable time for the vote to take place. Such was not the case yesterday, Sir.

● (1540)

Mr. Pinard: You are wrong.

Mr. Deans: I am not wrong on my facts.

Mr. Pinard: That is not what we agreed to. We were ready to vote and you were not.

Mr. Speaker: Order. The Chair will have some remarks to make at the end of the Hon. Member's remarks.

Mr. Deans: Thank you, Mr. Speaker. I am being interrupted by the President of the Privy Council. He is obviously very nervous about this situation because he very rarely interrupts. I can tell that he is not on very firm ground today.

I do not know what the outcome might have been, but I suggest that yesterday, upon ascertaining that the Government was not prepared to vote, it might have been appropriate to have spoken to the representative of each of the two other Parties. I recognize that there is no requirement to do so, but it may have been done in the interests of seeing that the sort of situation in which we find ourselves does not arise. That kind of procedure would be very helpful in the future and would make it easier for us to support measures of the type which were taken.

In my judgment, what happened yesterday was wrong for two reasons. The first reason, which I stated quite clearly, is that it creates a situation which is unfair because the same kind of rights cannot be claimed by other Members as those that were claimed on behalf of the members of the Government who did not rather than could not show up in time for work yesterday. The other reason is that it does or could create a precedent which would allow the Government to not have to answer publicly for its failure to govern properly and provide sufficient numbers of Members in their places at any point in time to sustain the Government with confidence.

This kind of situation could provide the Government with the opportunity to shift the onus of political responsibility from itself to the Speaker when answering why bells continue to ring in the House of Commons. The outcome of it could be that the Government no longer must answer for why the bells rang all night because the bells did not ring all night. The Government no longer has to answer to the public of Canada for why the business of the House of Commons was ground to a halt yesterday because the Speaker has been put in the position of answering for the Government. I think that that is a bad practice.

Therefore, Sir, I say this without reflecting in any way on the decision itself. Nothing can be done about what happened yesterday. My only concern is for what might happen tomorrow or another day. I really do feel that the outcome of the precedent of May 9, 1983, regarding Bill C-155 which has been cited, though similar and I concede the similarity, was arrived at in quite a different way.

The situation yesterday was simply that the Speaker was put in the position of saving the Government from being embarrassed. The Speaker did not do that purposely, but that is what happened. The Government failed to do what it had been warned it must do during the leadership contest. Government Members were warned that if they wanted to continue to enjoy the confidence of the House of Commons, they would have to keep their Members present and they would have to be available to vote if, as and when votes came up.

Yesterday's vote was not a snap vote or a quick decision made by the House. It was clear that the Government wanted the vote yesterday and it was clear that the vote was going to be taken yesterday. However, government back-benchers and supporters of the Government simply shirked their responsibilities and did not come to work on time. The end result of that was to establish what could well be a very bad precedent. I ask you, Sir, if you do nothing else, to make it clear that what happened yesterday was a once in a lifetime occurrence not ever to happen again.

Mr. Nielsen: Mr. Speaker—

Mr. Speaker: The Chair has already recognized the Hon. Member for Yukon (Mr. Nielsen) at some length.

Mr. Nielsen: No, Mr. Speaker, I have a correction to make. While listening to the government House Leader, I reflected upon the remarks I made toward the close of my original submission. At that time, I believe I referred to the motion of May 9, 1983, as being a dilatory motion. That was not the case; it was a substantive motion. And, indeed, the only other substantive motion that gave rise to last night's practice was the motion that we dealt with today.

I do not ask the Chair to make a decision, Mr. Speaker. As a matter of fact, I think it would be unwise to do so. I am only asking that the Chair reflect upon what happened in May, 1983, and what happened last night. Those are the only two instances of substantive motions to my knowledge that have been dealt with in that fashion. Dilatory motions have given

rise to another practice. Here we are dealing with something far different. I think that the two must be kept very separate.

I do not think we should expect you, Sir, to return to us with any definitive reflection upon what you have heard today. I think we should all treat it as a situation of a caveat having been raised. It has now been drawn to the attention of the Chair and the Chair may well want to follow the suggestion of the government House Leader that you call us together for a meeting with you.

Mr. Pinard: Mr. Speaker, I agree with the Hon. Member for Yukon (Mr. Nielsen). It is certainly up to you, Mr. Speaker, but I do not mind having you reflect upon all of this. We are not expecting any decision to be made on a short term. However, if two years ago it was fair for the Chair to allow 16 days for the Official Opposition to decide if it was ready to vote, then today in 1984, a couple of days should not be indecent. We will take into account very seriously, if this situation occurs again, the precedent of waiting 16 rather than 2 days.

Mr. Nielsen: The motions are different. One is dilatory, one is substantive.

Mr. Speaker: The Hon. Member for Yukon invites the Chair to reflect. I can assure him that the Chair will give the matter a great deal of reflection. I can also assure the Hon. Member that the Chair will have something to say at an appropriate time after reflecting upon the record.

The Chair would like to put only one item of information before the House. Reference has been made many times to the Chair's communicating with the Parties involved. The channels of communication are informal and imperfect. Whatever communication took place last night was on the initiative of the Chair.

Until five minutes to six o'clock, the Chair had the firm understanding that there would be a vote at six o'clock. This was a communication which had been received by the Chair. The Chair then received a fairly substantial indication indirectly to the effect that a vote would not take place until the following morning, on the basis of which the Chair began to consider its position seriously.

The Chair attempted to negotiate with the Hon. House Leader of the Official Opposition (Mr. Nielsen) through the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) who conveyed a message to him. The Chair observed that after the message was conveyed, the Hon. House Leader of the Official Opposition and a number of people near him left the House.

Mr. Nielsen: Because we thought there was going to be a vote.

Mr. Speaker: The Chair took that to be an indication that the Hon. Member was accepting the position that there should not be a vote. Surely the Hon. Member for Yukon did not anticipate having the bells ring all night and repeating an experience which did nothing but wear out bells. I think that 80 bells were worn out during the course of the famous bell ringing episode of 1982—

Mr. Evans: And energy.

Mr. Speaker: Not to mention energy wasted. The Chair did attempt communications. However imperfect, the message received by the Chair was that there was no prospect of a vote taking place before the following morning. In this respect, the Chair's decision was on all fours with the decision of Madam Speaker on May, 1983. That is one observation, and the Chair will have a number of other observations to make after mature reflection and careful examination of everything which has been said today.

Mr. Nielsen: Mr. Speaker, since you and not I have raised the matter of last night's communications specifically with respect to myself, I can tell you, Sir, that the message that I received, which caused me to leave the Chamber, was that you were going to cause a vote to be taken at six o'clock without the Whips. That was the message that I received, and I am sure that that practice would be repugnant even to the government House Leader. That is why we left.

Mr. Speaker: The message that the Chair attempted to convey was to indicate the position with regard to the circumstances that were indicated by the Hon. Member for Hamilton Mountain (Mr. Deans), fully bearing in mind the implication as exposed by the Hon. Member for Hamilton Mountain and its possible reflection on the Chair. With this in mind, the Chair was fully cognizant of the possible charges that could be raised against it, but the Chair attempted to act by giving everyone an indication of what the objections were. The Chair, however imperfectly, received back a message from the Leader of the Opposition that the Leader of the Opposition, in the circumstances, did not feel that a vote should take place at that time. However imperfect the communication, that was the message received by the Chair.

• (1550)

Mr. Nielsen: Mr. Speaker, that opens up another area. Nothing could be further from the truth. We were prepared to vote all day yesterday and we were prepared to vote at any time last night, whether before six o'clock or after six o'clock.

Mr. Speaker: The Chair, of course, takes the Hon. Member at his word.

ROUTINE PROCEEDINGS

[*English*]

HOUSE OF COMMONS

TABLING OF EXTRACT OF MINUTES OF MEETING OF COMMISSIONERS OF INTERNAL ECONOMY RESPECTING SALARY REVISIONS

Mr. Speaker: I have the honour to lay upon the Table an extract from minutes of a meeting of the Commissioners of Internal Economy held on Monday, February 20, 1984,

concerning revisions of the salaries of employees of the House of Commons effective April 1, 1984.

* * *

PETITIONS

MR. WADDELL—INCREASE IN NUCLEAR WEAPONS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition on behalf of 250 residents, most of whom live in my federal riding of Vancouver-Kingsway. In signing the petition, which originally was a petition against the Cruise missile, the petitioners say that they support the statement endorsed by the United Nations in 1982, which was as follows:

The increase in nuclear weapons, far from strengthening international security, on the contrary, weakens it. Enduring peace cannot be built on the accumulation of weaponry.

I should like to submit that petition and file it with the House of Commons on behalf of the petitioners.

MR. DARLING—ACID RAIN CONTROL

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, to the honourable House of Commons of Canada in Parliament assembled. The petition of the undersigned residents of Parry Sound-Muskoka who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth that, whereas acid precipitation is the most serious environmental issue facing us, especially in Muskoka, in this century; whereas the technology does exist to reduce the amounts of acid causing pollution from smokestacks and car emissions; and whereas the cost of not taking action would be detrimental and far more expensive in the long run, wherefore the undersigned, your petitioners humbly pray and call upon Parliament to encourage the Government to continue its efforts toward greater emission control. And as in duty bound your petitioners will ever pray.

This petition was signed by 166 petitioners from the United Church in Huntsville.

* * *

[*Translation*]

CANADA DEVELOPMENT INVESTMENT CORPORATION ACT

MEASURE TO ESTABLISH

Hon. Pierre Bussières (Minister of National Revenue) moved for leave to introduce Bill C-25 intituled "An Act respecting the Canada Development Corporation, Canada Development Investment Corporation and certain other corporations".

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

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 179, 351, 404, 425, 436, 508, 532, 608, 613 and 614.

[*Text*]

CATERING CONTRACTS FOR FEDERAL BUILDINGS

Question No. 179—**Mr. Jelinek:**

1. Are all food catering contracts for federal public buildings held by one company, Cater Plan and, if so (a) for what reason (b) were other catering companies given an opportunity to submit tenders for provision of this service?

2. Are there any food service contracts outstanding and, if so (a) how many (b) what is the duration of each contract (c) by what method will the contract be renewed?

Hon. Roméo LeBlanc (Minister of Public Works): 1. All food catering contracts for federal public buildings under the administration of Public Works Canada are not held by one company, CaterPlan. (a) Not applicable, (b) Yes.

In accordance with Treasury Board policy, the Ottawa Civil Service Recreational Association operates the cafeterias established for public servants in Ottawa and must call public tenders for caterers to provide this service.

Outside of Ottawa, Treasury Board has given the Canadian National Institute for the Blind the first opportunity to accept catering contracts which are for the use of public servants only. CaterPlan is the food service division of the Canadian National Institute for the Blind.

The decision with respect to the Canadian National Institute for the Blind was made by Treasury Board to provide employment for many blind Canadians and to yield revenue to assist CaterPlan in their work with the blind. CaterPlan Services continue to be the largest single employer of blind Canadians.

In cases where a Crown-owned building incorporates a commercial facility, i.e. one not for the use of public servants only, Public Works Canada advertises publicly.

Although not now in Quebec, Canadian National Institute for the Blind (CaterPlan Services) still maintains a working relationship with Servibec owned by blind former employees of Canadian National Institute for the Blind (CaterPlan Services). Servibec continues to maintain an objective similar to Canadian National Institute for the Blind (CaterPlan Services) in its employment of blind persons.

2. Outstanding food service contracts exclusive of the Civil Service Recreational Association, Canadian National Institute for the Blind and Servibec: (a) Eight.

(b) The duration of each contract is as follows:

1. Ottawa, Ontario: Federal Study Centre; a continuing contract with a 90-day cancellation clause.

2. Arnprior, Ontario: Federal Study Centre; a one-year contract. Expiry date July 31 1984.

3. Hull, Québec: Place du Portage, Phase 3; a five-year contract with an option of yearly renewal. Expiry date May 31 1988.

4. Hull, Québec: Asticou Language School; a contract with a 90-day cancellation clause.

5. Ottawa, Ontario: Carson Road Language School and Aselford Martin Bldg. Language School; Hull, Québec: Bisson Centre Language School; 1 contract for the 3 schools with a 90-day cancellation clause.

6. Calgary, Alberta: The Harry Hays Building; Contract has 90-day cancellation clause. Contract to be reviewed every two years. Next review date November 18, 1984.

7. Goose Bay, Labrador: A two-year contract with a one-year renewal option. Expiry date October 30, 1985.

8. Winnipeg, Manitoba: Board of Grain Commissioners Building; A five-year contract. Expiry date November 30, 1987.

(c) Public Tender.

"THE CAR ECONOMY BOOK"

Question No. 351—**Mr. St. Germain:**

Did the Department of Energy, Mines and Resources publish "The Car Economy Book", and, if so at what cost for (a) concept and research (b) production (c) printing (d) distribution and what was the total cost of the publication?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Yes, EM&R published "The Car Economy Book" in October, 1981.

(a) The publication was developed and written within EM&R in consultation with Transport Canada. No outside costs were incurred.

(b) Artwork was designed and produced within EM&R. Typesetting costs amounted to $1,300.

(c) Total printing costs were $180,000 for 600,000 English and 300,000 French copies.

(d) The publication was distributed through the EM&R exhibit program and through the Department's publication distribution facilities at headquarters and in the regions. No special distribution costs were incurred.

Total cost of the publication was $181,300.

Order Paper Questions

AGRICULTURAL STABILIZATION ACT

Question No. 404—**Mr. Hargrave:**

1. What was the average live fed cattle (steers and heifers) market price for 1983 as required by the Agricultural Stabilization Act?

2. What was the previous average five year fed cattle market price immediately prior to 1983?

3. What was the previous five year fed cattle market price prior to 1983 adjusted for the cost of production factor?

Hon. E. F. Whelan (Minister of Agriculture): 1. The average live feed cattle (steers and heifers) market prices for 1983 as required by Agricultural Stabilization Act have not yet been compiled. In the meantime, the average annual price of the Montreal, Toronto, and Winnipeg markets for steers was $78.67/cwt. and $75.28/cwt. for heifers (basis A1A2).

2. The average annual market price (steers and heifers combined) for the five years prior to 1983 was $73.70/cwt.

3. The average support price for the five years prior to 1983 was $65.92/cwt.

DSS—PUBLIC OPINION POLLS

Question No. 425—**Mr. Howie:**

In 1983 were any contracts awarded by the Department of Supply and Services for the conducting of opinion polls and, if so, to whom and in what amount?

Hon. Charles Lapointe (Minister of Supply and Services): Yes the Department of Supply and Services (Supply Administration) awarded contracts for the conducting of public opinion polls as follows:

Contractor	Value of Contract $
The Mengen Institute, Toronto	75,000
Goldfarb Consultants, Willowdale	95,100 Including Amendment
Contrefort Inc., Québec	97,680 Including Amendment
Canwest Survey Research Corp., Winnipeg	77,500
Goldfarb Consultants, Willowdale	100,000
Canwest Survey Research Corp., Winnipeg	72,900
Sorecom Inc., Montréal	22,700
Decima Research Limited, Toronto	25,500
Decima Research Limited, Toronto	49,000
Goldfarb Consultants, Willowdale	100,000
Decima Research Limited, Toronto	43,000

CBC TELEVISION SERVICE IN NEW BRUNSWICK

Question No. 436—**Mr. Howie:**

Does the Canadian Broadcasting Corporation plan to establish a full-service television station in New Brunswick?

Order Paper Questions

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows:

Yes, as soon as public funds become available and (1) a suitable arrangement can be concluded with the private affiliate station which distributes the CBC English television service in New Brunswick, or (2) alternative VHF transmission capability becomes available.

PETRO-CANADA—LOANS TO EMPLOYEES

Question No. 508—**Mr. Howie:**

Since March 1, 1983, did Petro-Canada or its subsidiaries make any loans to its employees and, if so, in each case (a) on what date was the loan (i) made (ii) due (b) what was the (i) amount of the loan (ii) interest rate charged (iii) purpose of the loan?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Petro-Canada reports as follows:

Petro-Canada has a housing relocation policy which enables the Corporation to offer, on a case-by-case basis, interest free loans to new and transferred employees. (a) & (b) Details regarding individual loans and their recipients cannot be released to the public because such information is considered to be of a managerial and administrative nature between Petro-Canada and the Corporation's employees.

CANADA COUNCIL

Question No. 532—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Canada Council and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Francis Fox (Minister of Communications): I am informed by the Canada Council as follows:

(a) Name	(b) Position	Remuneration as Chairman or Council Member FY 1982-83 $	Remuneration for meetings of Executive Committee FY 1982-83 $
*J. Mavor Moore	Chairman	18,600	1,300
*Jean-Jacques Fortier	Vice-Chairman and Chairman of the Executive Committee	4,275	675
*D. Owen Carrigan		3,600	900
*Gordon Dowsley		3,075	675
Peter Duffield		2,625	
Celia Franca		2,050	
Gerald Fraser		2,550	
Marc Gagné		675	
Nicholas Goldschmidt		4,125	
*Julien Hébert		3,375	900
Marilyn Huband		3,375	
*William Kilbourn		7,800	900
*Sandra Lynne LeBlanc		2,700	900
Elizabeth McGowan		2,475	
Patrick O'Flaherty		2,925	
Penny Petrone		4,725	
*Ruth Schiller		5,400	900
Marcel Sormany		5,025	
*H. Arnold Steinberg		1,575	900
Matthew Norman Young		2,025	

* Executive Committee member for all or part of the fiscal year.

Note: Should the term "Executive" be taken to refer to the Executive Staff, as distinct from the Executive Committee of the Board, the relevant information is as follows:

(a) Name	(b) Position	Salary range FY 1982-83
Timothy Porteous	Director	($75,360—$88,610)
Gilles Lefebvre	Associate Director	($63,070—$74,200)
Claude Gauthier	Assistant Director and Treasurer	($57,770—$78,970)
David W. Bartlett	Secretary	($51,410—$70,060)

REVENUE FROM LOTTERIES

Question No. 608—**Mr. Reid (St. Catharines):**

1. As at January 31, 1984, how much revenue did the government receive pursuant to the 1979 federal-provincial agreement on lotteries?

2. What is the anticipated return for 1984 from the agreement on lotteries?

3. What monies were received in net revenue from Loto Canada on an annual basis?

4. Was $80 million in net revenue received in any one fiscal year and, if so, in which year?

Hon. Jacques Olivier (Minister of State (Fitness and Amateur Sport)): 1. Pursuant to the 1979 federal-provincial agreement on lotteries and, as of January 31, 1984, the revenue received is as follows:

Year	Payments	Received	Cumulative
1980	4	$25,576,884.43	$ 25,576,884.43
1981	4	28,938,693.45	54,515,537.88
1982	4	31,881,407.03	86,396,944.91
1983	4	33,621,105.52	120,018,050.43
1984	—	—	—

2. Pursuant to the 1979 federal-provincial agreement on lotteries, the annual payment of $24 million is indexed to the 1979 CPI. Therefore, the amount anticipated in 1984 is approximately $35,300,000.

3. The net revenues received from Loto Canada Inc. were as follows:

Fiscal Year	Net Revenue
1976-1977	$28,276,888
1977-1978	$74,315,402
1978-1979	$62,471,559
1979-1980	$46,323,728

Note: In fiscal year 1979-1980, Loto Canada Inc. was in operation for only nine months.

4. No. The greatest net revenue received from Loto Canada Inc. in one fiscal year was $74,315,402 (in fiscal year 1977-1980).

ROYAL CANADIAN MINT

Question No. 613—**Mr. Howie:**

In (a) the current fiscal year (b) each of the two preceding fiscal years were any persons employed by the Royal Canadian Mint and, if so, how many and, in each case, what amount was allocated for salaries?

Hon. Charles Lapointe (Minister of Supply and Services): I am informed by the Royal Canadian Mint as follows: Yes.

(a) 657 employees, 1983 calendar year: $19,129,000 (unaudited).

(b) 650 employees, 1982 calendar year: $18,476,000.

(c) 688 employees, 1981 calendar year: $17,580,000.

As reported in the annual report, the above figures include, in addition to salaries, allowances and employee benefits.

ROYAL CANADIAN MINT—REVENUE FROM OTHER SOURCES

Question No. 614—**Mr. Howie:**

Does the Royal Canadian Mint perform services or engage in sales to persons or organizations other than the Government or Government agencies and, if so, approximately what percentage of its revenue was derived from such sources in the last fiscal year?

Hon. Charles Lapointe (Minister of Supply and Services): I am informed by the Royal Canadian Mint as follows: Yes.

In 1983 calendar year, 94.9 per cent was derived from sources other than the Canadian Government. In 1982 calendar year, 94.2 per cent was derived from sources other than the Canadian Government.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome the opportunity to speak on Bill C-21, which calls for federal authority to borrow $29.5 billion. The Bill places a very heavy responsibility on those of us who serve in Her

Majesty's Loyal Opposition. I say this because the Prime Minister (Mr. Trudeau) has announced that he will be stepping down and following a leadership convention in June, the Liberal Party will have a new leader and the country will have a new, though temporary, Prime Minister.

This metamorphosis is not too dissimilar from that which occurs when a lobster sheds its shell. He leaves the old shell behind and takes on a new shell which is soft and fragile, so he cannot fill it with his limited body weight. The lobster cannot move for some time, and when he does he lacks direction and co-ordination. It takes a long time for the lobster to fill out his new shell, which is why dealers have a very difficult time selling soft shell lobsters to Canadians. I will stop right there, Mr. Speaker, because, as you will realize, I am speaking about the Liberal Party.

I say this Bill causes us problems in the Official Opposition because the Government's Budget and this borrowing Bill are not likely to be repeated by the new leader of the Liberal Party. Already leadership candidates and potential leaders in the Liberal ranks are making strong statements about government waste and government extravagance.

For example, the Minister of Indian Affairs and Northern Development (Mr. Munro), who has not peaked yet, when speaking at the Liberal biennial policy conference in Ottawa on November 7, 1982, is reported as saying: "The government is wasting millions of dollars by sending monthly pension cheques to wealthy senior citizens and baby bonuses to families who do not need the money. Such funds should be redirected to help the most needy". The Minister does not say what yardstick he would use to define the most needy, nor does he say when, if he became Prime Minister, he would cut out the baby bonus. I think it is important that we get this Liberal Minister on the record, however.

The Minister of Finance (Mr. Lalonde) is reported in *The Toronto Star* of November 3, 1982, as saying: "The current crisis we are living in makes people think much more deeply than they used to about a number of issues and to realize that there are no free lunches and that we cannot plan on the basis that there is a kind of growing federal pie from which everybody can get an increased share. When you see a financial situation where the Government is not getting the revenue that it used to—where the economy is not growing—where public funds have been used extremely sparingly and targeted better than ever before, then you have to ask yourselves questions like this". The Minister did not say where he is going to cut down nor why the economy is not growing, but he makes a mockery of his Party and his Government when he says that public funds have been used extremely sparingly and then earmarks $1.35 billion to prop up the Government's leading loss maker, namely, Canadair.

Canadair has already shocked taxpayers by its bad management record which has been concealed from Parliament as long as possible. There is no reason to believe that this recent move will do little more than delay the executioner's axe while eating up more tax dollars. If the original owners, General Dynamics, could not run this company despite a substantial

military business in the United States, then there was no reason to suppose that the federal Government in particular could find a genius capable of reversing reality. By throwing a hundred million here and a billion there, the Government has not solved the problem; it has simply compounded it with taxpayers' money, thereby adding to our inflationary spiral, our increased interest rates and our rate of unemployment.

What does another aspiring leader, the Minister of State for Economic and Regional Development (Mr. Johnston), have to say about his Party and the Government? On page 5 of *Fiscalamity* in 1974 he stated:

● (1600)

This book is dedicated to all Canadians who share my belief that Canada, with its beauty, its resources, its people, and its legal-political heritage, could be a country of unequalled opportunity and happiness, were it not for too much taxation, too strong a bureaucracy, too much government, too much welfare, too many politicians, and too few statesmen.

To all of these criticisms we simply have to ask, who has been governing Canada since 1963? What Party has been in power?

Mr. Nystrom: The Liberals and the Tories.

Mr. Crouse: The Tories were in for a brief period, yes. We did have nine months in office. But I submit that our Party could never create all the mayhem which has happened under the ruling Liberals since 1963. These are criticisms by Liberals, some of whom seek to lead, not by the Tories. This is the joke of the 20th century, these criticisms of the Government and its overall mismanagement of the economy. This same Minister is also on the record as supporting the sale of Canadair.

What about the so-called crown prince, John Turner?

Mr. Evans: Now, now!

Mr. Crouse: "Now, now", someone says. I will be as fair as I can.

Mr. Turner: Are you talking about me?

Mr. Crouse: No, I am not talking about Charlie. I am talking about John, Mr. Speaker. I am only quoting from what I found on the front page of our newspapers just in the last few days. John Turner simply promised no miracles if he is elected Prime Minister. In fact, when interviewed he seemed to have no answers to anything on anything, aside from pointing out that our deficit in Canada is now 50 per cent higher on a relative basis than the deficit in the United States. He can only say, when asked at whose expense the deficit would be cut, that it would have to be at the expense of someone. Well, that is a profound statement. I watched his interview on CBC by Barbara Frum. At the end of the interview, she became so frustrated that she said, "Mr. Turner, you are giving answers to questions with questions. You have been out of office, free to think about these matters for a long time. The economy has been in trouble for some time. You ask Canadians for their confidence. Should you not, in fact, give them some answers now to justify that confidence?" The answer to that was only a continuation of the original waffling.

I say to the Liberal Party through you, Mr. Speaker, that this is simply not good enough for the Canadian people. As a long-time Hon. Member of this House, I well remember the "Turner" years and the effect of his budgetary policies. Inflation, for example, as of January, 1972 was 4.9 per cent. By September of 1975, the inflation rate had more than doubled to 10.6 per cent. In the same period our unemployment rate jumped from 6.3 per cent to 10.6 per cent, an increase of 26.9 per cent. This same man, when asked if he had policy disputes with Mr. Trudeau, replied that whatever it was, it would remain between them. He was not going to resurrect the past but only deal with the future. In my view, Mr. Turner left Parliament Hill because he had failed to carry out the tasks assigned to him, and while he and the Liberal Party may like to forget about the past and only deal with the future, the record of the government's policies and its mismanagement of our economy is clear and plain enough for everyone to see. It will be remembered by all Canadians whenever the next federal election is called, and I feel certain they will render an honest and just verdict on the Liberal Party and its period in office.

I say to the Liberal Party, let us end this charade. Let us call a federal election as soon as possible and let the people decide the issues at the ballot box.

I stated earlier, Mr. Speaker, that this Bill places a very heavy responsibility on Hon. Members of the Opposition because of the excessive borrowing and spending programs of the Government which are slowly but surely pushing up interest rates. The pressure upon us is showing no signs of diminishing in spite of the hopeful dreams of the Minister of Finance. Last week one-year Treasury bills again moved upward. All of the present net federal debt matures within approximately two and a half years. The effect of last week's increase alone increases the cost of carrying our $150 billion net debt by some $750 million. The size of this increase totally shatters all of the Budget figures of the Minister of Finance.

Another important point is that this Bill makes no reference whatsoever to borrowing by Crown corporations, or to guarantees given by the Government of Canada in the open market for private companies. All of this uncertainty is having its effect on the value of the Canadian dollar, which has been moving up and down recently like a yoyo. The blame for this situation must be placed squarely on our Minister of Finance who is on the record as saying he was not losing any sleep over the fall in the purchasing power of our dollar. Here, of course, he is in direct conflict with the Governor of the Bank of Canada who is on the record as stating that letting the dollar slide still further would lead to almost immediate increases in inflation. Mr. Bouey said last week that he had no choice but to raise interest rates in order to maintain the fight against inflation, and he hinted that if the Government changed its policy, opting to let the dollar fall still further in order to promote sales abroad of Canadian goods, he would resign as Governor of Canada's central bank. Is it any wonder that our

dollar is down to little more than 78 cents officially, when those who deal in international finance see our two leading Canadians in the finance field openly feuding on the front pages of our newspapers?

This type of situation destroys confidence in our currency, in our country, and in our entire economy. As confidence in Canada is eroded by this Government, we see the effects in higher unemployment, in lost opportunities, in broken homes and in the despair evident among our young people.

If this Government would agree today to cut the amount required by this borrowing Bill in half to $15 billion instead of $29.5 bilion, the effect would be miraculous on our entire economy. It may well mean the paring of some programs, but this is the course being promised by some would-be leaders, in any case. I say, why wait for summer, let us do it now.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would like to say a few words today in opposition to the borrowing authority Bill which is before the House today. I do so because I have the impression that the Government across the way has been borrowing a lot of money and running up a tremendous deficit without any real plan or vision as to where it wants to take this country of ours in the next number of years.

[*Translation*]

Now, Mr. Speaker, the House must deal with Bill C-21 whereby the government is seeking again to borrow $29.5 billion for the fiscal year 1984-85. But Canada is already saddled with a huge deficit. Its total indebtedness is already reaching $151 billion, which is an enormous amount of money to owe for a country like Canada. It represents a debt of nearly $6,000 for every man, woman and child in this country. Another way of putting it is to say that some 21 cents out of very tax dollar are used by the federal government to pay the interest on its debt: it is a lot of money indeed for a country the size of ours. As Members of the House, as I said, we have to deal with another bill whereby the government is seeking the authority to borrow again $30 billion, which is certainly unwarranted without a national plan or vision for the future of our country.

[*English*]

I believe if we are going to be borrowing this kind of money, we will have to be very precise as to where we want to go as a country. I have no objection whatsoever to borrowing money or building up a deficit if that money is going to be spent on specific projects which will create long-term job creation and economic security for the people of Canada. That would be the same thing as a farmer in my riding going out and borrowing a few thousand dollars to buy a quarter section of land in order to expand his farm operation, or a small businessman borrowing to improve his business in order to be more efficient and productive and to create more jobs in the community. In other words, it is an investment in the future of the business or farm. The farmer or businessman will reap a return on that investment. However, what I object to is borrowing money to take a holiday, to buy a very expensive car, or to blow it on parties and booze. That is very destructive borrowing in this country, whether it is at the individual or national and provincial levels. That is my main concern with the Government across the way.

• (1610)

I want to bring this home to my own Province of Saskatchewan, Mr. Speaker. In the 1930s and 1940s Saskatchewan was a very poor province. We had the tremendous depression and a drought. Because of that an old Liberal Government, run by a fellow named Patterson, was going into massive debt in Saskatchewan. When the CCF won the election in 1944, they were able, under the leadership of Tommy Douglas, to get the province out of debt and bring in many services that we did not have in other parts of the country. In doing so, they often had to go out and borrow money. One very good example was the borrowing of money to establish the Saskatchewan Power Corporation. It was to build a power utility owned by the people of Saskatchewan. After the debt was paid off, the people of Saskatchewan owned, and still own, that facility. It was like paying off a mortgage on a house.

Another example, of course, was the Saskatchewan Government Telephone Company. Money was borrowed to build that company and make it into one of the best and most efficient telephone companies, public or private. That debt is now paid off and as well the company is owned by the people of Saskatchewan.

What has happened since, Mr. Speaker? We have seen a Government that was pretty well able to balance the books and not put the people of Saskatchewan into debt. In this House we often hear charges that we are the Party of the big spenders. We like to spend a lot of money and we are not responsible or efficient managers. We are absolutely irresponsible. We hear that charge often, not just from the Government across the way but from the Conservative Party at the other end of the Chamber.

I see my good friend is here, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight). I am sure he would agree when I say that we have never seen an example of greater mismanagement of public funds in our province than we have in the last two years in office of Premier Grant Devine. After less than two years of Conservative Government we now have in that province a deficit of around $550 million. There are one million people in that province, which means $550 for every single man, woman and child. All this after only 20 months. We never had that kind of irresponsibility during the Douglas years, the Blakeney years, or indeed under Liberal Premier Ross Thatcher between 1964 and 1967. The interest on that debt of $550 million is already the astonishing figure of $1 million a week. I understand Grant Devine wants again to emulate the Government across the way tomorrow night because there is going to be another budget.

Mr. Deputy Speaker: I invite the Hon. Member to address his comments to Bill C-21, which is the federal Bill.

Mr. Nystrom: Well, in trying to persuade Members of the House, Mr. Speaker, I wanted to give you a very good example of something happening locally, where a very bad example set by the federal Government is now being followed by one of the soul sisters of that Government, namely, the Premier of Saskatchewan. That debt is driving oridnary farmers, workers and pensioners in my province, into debt in the future. It is that kind of lack of planning, vision and imagination which is really driving this country into debt. When you look at the debt of countries around the world you will see it is generally right-wing, conservative governments which have the largest debts. Look at the United States and Ronald Reagan. That is a very right-wing, very conservative government, and it has the largest debt in the history of the U.S.A. You can look at the Government of Great Britain with Prime Minister Margaret Thatcher and the tremendous deficits there. This debt situation allows the banks and financial institutions so much power over the lives of ordinary citizens because we become beholden to these large private concerns. My argument is that if we are going to borrow money, we should be borrowing money for investment purposes to build a strong, productive and competitive industrial sector where we produce long-term jobs and security for the people. That should be the objective.

I believe we should also be using the tax system to reduce the deficit in the long run. It is about time that we started taxing corporations their fair share. Right now so many of those corporations which dominate the economy are getting away without paying their fair share of taxes. Another group that does that is the rich. I suggest it is about time we started taxing the rich, making the rich pay their fair share. If we did that, we would not have this massive deficit and we would not have to borrow such a massive amount of money which the ordinary citizens of this country must pay off. My concern is that the irresponsibility of the Government across the way is contagious. It certainly has been in my province where we now have a Government trying to emulate the federal Government by running up huge debts. Therefore, I appeal to this House to defeat this Bill.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Mississauga North (Mr. Fisher)—Canada Mortgage and Housing Corporation—Non-profit housing—Allocation sought for Toronto area; the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall)—Employment—Allocation of funds to Nova Scotia ridings. (b) Affirmative action program funding; the Hon. Member for Kootenay West (Mr. Kristiansen)—Forestry—Negotiation of federal-provincial agreements. (b) Expenditure of funds in British Columbia.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Bill McKnight (Kindersley-Lloydminster): Mr. Speaker, I rise to take part in this debate on Bill C-21, the borrowing Bill. I have not been in this House that long but I can go back over a lot of borrowing Bills presented by this Government. This one, asking for $29.55 billion, is not the largest. The Hon. Member for Outremont (Mr. Lalonde) presented a borrowing Bill in which he really gave it a good shot. He got it up to $31.5 billion. Then there was another one by the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen) who came up with only $25 billion. That seems quite small then we had the one from the Hon. Member for Saint-Maurice (Mr. Chrétien) whose best effort was $12 billion. Then we had the prime minister from the Canadian Pacific, Mr. Turner, and the best he could do was $5 billion. Therefore, all in all, this is not a record borrowing Bill.

The one thing you have to look at in borrowing Bills, Mr. Speaker, is what use the money is put to. My friend, the Hon. Member for Yorkton-Melville (Mr. Nystrom), spoke about the Province of Saskatchewan. To draw an analogy, Mr. Speaker, there are times when Crown corporations, which are not even discussed in this Bill, carry tremendous debts on behalf of the people of Canada over which this Parliament has absolutely no control. The same thing occurred in the Province of Saskatchewan. There were huge debts built up in the Sask. Power Corporation and Sask Tel. A lot of money was borrowed by the past administration in the Province of Saskatchewan and spent on the uranium mine at Key Lake. They are full 51 per cent partners in the Key Lake Mining Corporation. The NDP says we really should not continue with this.

● (1620)

If we are going to borrow money, let us borrow money for things that are good. Let us borrow money to start young farmers on the land. Let us put money forward so that young men and women can borrow to own their own land rather than be tenants of a government, such as they were in the Province of Saskatchewan until the new administration came in.

The total borrowing of the Government, Mr. Speaker, is about 91 per cent of the total personal savings forecast for Canadians this year. The Government wants to borrow almost

as much as the people of Canada are going to save this year. In the first quarter of the fiscal year there is a large drain on the federal Treasury. There is need for new funds. One reason for this is tax refunds, which will probably amount to about $3.8 billion this year. The Government now wants to borrow to pay the money to the taxpayers of Canada who have been paying in for 12 or 15 months. They have been paying that money to the Government of Canada, trusting that the Government will have the money to pay it back. It does not have it. It has spent it. The Government has blown it on things like Canadair and de Havilland.

In 1968, our debt was about 2 per cent of the Gross National Product. Now it is about 4.7 per cent. In 1968, when you and I were paying taxes, Mr. Speaker, it took $1 out of $9 to pay the interest on the debt which the Government had incurred on behalf of Canadians. Now it takes $1 out of every $3 for which Canadian men and women work to pay the interest on the debt which has been incurred.

I would like to look at promises which have been made in the past, Mr. Speaker. I recall that in campaigning the Government said it would keep its 1980 election promise to hold spending growth below the rate of GNP and to reduce steadily the size of the deficit. The Government made that promise in 1980 along with a lot of other promises.

Let us look at how well this promise has been kept. In the 1980-81 national accounts spending was 15.4 per cent. Public accounts spending was 15.2 per cent. The nominal GNP was 13.9 and the inflation rate on the CPI was 10.2 per cent. In 1981-82, the spending increase on national accounts was 19.6 per cent, public accounts spending was 16.7 per cent. The nominal GNP was 14.3 per cent and the inflation rate on the CIP was 12.5 per cent. In 1982-83, there was an 18 per cent increase in national accounts and a 17.9 per cent increase on public accounts. The nominal GNP was 5.2 per cent and the inflation rate on the CPI was 10.8 per cent. It goes on and on, Mr. Speaker.

The Government said it was not going to spend beyond the GNP or increase spending. We just had a Throne Speech, Mr. Speaker. At the longest this Parliament will last 12 months. It may last six or seven months. In the Throne Speech there were 24 promises for new spending. There were 28 promises for new legislation, which I am sure will incur spending. There were 26 promises to set up task forces and engage in consultation or create new bodies or boards, which are going to cost money, Mr. Speaker. There were 20 other promises of Government action. These are all direct initiatives which the Government is going to put forward in six to eight months. This is more legislation than the Government has put forward since 1980.

The Government is asking for $29.55 billion. The amount of $15 billion would carry the Government through until the end of August. Parliament will be sitting at that time. If the Government needs more money, then it could come before Parliament to say it has spent its money and what it has spent it on. If it feels that some deserving programs should be funded and it does not have the capital to do it, it could ask to borrow more money. Part of the more than $29 billion is contingency. It is a $4 billion slush fund, according to the Government's own accounts. It can run the next fiscal year with $25 billion, but it wants $4 billion to play with. Maybe the Minister of Finance likes to have some change in his pocket. That is a lot of change to leave at the discretion of these people.

If the money were going to be used to re-establish VIA Rail, it may be acceptable. However, it is not. We have heard the Minister of Transport (Mr. Axworthy) talking about new cars servicing certain parts of Canada under the VIA Rail Act. He tells us they will be there in 1986 or 1987. However, the President of VIA Rail says it may be by 1989 and more likely in 1990. So this money is not going to go to that.

The whole point of the matter is that the borrowing authority for which the Government is asking is beyond reason in the minds of all Canadians. It wants $4 billion for discretionary spending but the balance of the money is not being spent to employ Canadians, return investment, build growth in our country, lower our inflation rate or put 1.5 million Canadians back to work.

I certainly hope, Mr. Speaker, that other Members will speak against this Bill and vote against it when the time comes.

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, it would appear that Bill C-21 is intended to put Canada's economic remains in the vault. We are going to take the whole $29 billion that we are going to need now. We are not going to take a second bit of this cherry. We do not want to remind Canada again how much we are borrowing. We will take it all now and put Canada's economic remains in the vault. We do not want to exhume the body for any purpose whatsoever, not even for its proper burial.

I like some of the things which were said about this Budget. Of course, the Budget is the cause for Bill C-21. I like particularly some of the sources from which they came. I like the idea that was expressed on CBC TV that if the Minister of Finance (Mr. Lalonde) is correct in his economic predictions, then a lot of other economic seers would have to be wrong. I think the Minister of Finance is wrong. I also like what Barbara Frum said. She said that the Budget appears to be speaking directly to the NDP constituencies. I know the NDP members would contradict that statement. They would have gone even further and the vault would have had to be bigger. Nevertheless, that came from just a casual observer who has been somewhat more than favourable to the NDP over the years. I also like what Peter Newman said about the Budget. He said it is a mugwump Budget, meaning someone who sits firmly on the fence.

• (1630)

Let me be more serious. I am concerned about what Premier Lee from P.E.I. had to say about it. The Island Premier says that even though the federal Budget contains a few tidbits of good news, like pension increases and tax adjustments for farmers and small business, he is disappointed that there was not more substance in the federal financial projection. He

stated that until the investment community itself has a little more confidence in the overall economic conditions in Canada and until we get the unemployment rate down and get people working, we are in a serious situation and these band-aid approaches in some areas and some programs in others are not really the solution.

Let me refer to the Hon. John Baxter, Finance Minister for the Province of New Brunswick, who says that the Budget reads more like social planning than like a budget. He says that it is hard to tell which programs are new and which are old. He gives the $150 million youth employment program as an example. He also said, "It looks as if New Brunswick will lose out in federal transfers because of changes in cost-sharing agreements". All these examples do not give one much heart in being part of the parliamentary system in Canada. Another comment on the Budget was that it has no imagery, no direction and little, if any, substance. It is promisory Budget which the Government may or may not intend to honour.

Although the Government has made certain proposals for 1985, it is unlikely that it will have anything to do with the commitment it is making for 1985. I think we must be concerned that the Government is making many commitments for the future but doing very little at present.

As usual, the Canadian Chamber of Commerce has essentially approved most of what is in the Budget, but it ends up its initial remarks by saying, "We have serious reservations about the Budget deficit". Of course, these reservations arise in light of what business can expect as a consequence of this Budget and this deficit. That is the primary subject of conversation as we consider this huge borrowing Bill.

The Budget did not address the cost of energy for the primary industries in Canada and therefore gave little hope to those who need assistance more directly. The Budget did not address this situation in any other industrial aspect, yet nothing has contributed more to inflationary tendencies than the energy policy of the Government and the cost of production in all spheres of Canadian business. Most seriously, it did not address this issue with respect to the farming or fishing community where bankruptcies have reached incredible and totally unacceptable levels as a result of the Government's policies.

Another area which is of concern to me and many others, and probably has been repeated, is that the Government's demand for over $29 billion in government financing will not allow enough money for other types of financing. There will not be enough to make a money market that will bring about lower interest rates for others who want to borrow. The Government has cornered the market in the borrowing sphere. This is a great threat to our total economy due to the fact that all the other window dressing proposals in the Budget only hide the fact that it is only investors, small and large, fishermen, farmers and small businessmen who can provide employment. The Budget does not provide adequate relief to stimulate those people to make money and to spend money to improve the basic economy of this nation. This necessity has been utterly overlooked in the Budget.

I must ask whether the Government has considered if it can afford to borrow the savings of all Canadians at this level and have a prosperous Canada. How much consideration has the Government given in its Budget to the fact that it is increasing provincial borrowings by the amount of the cost savings and cost sharing programs it is transferring to the provincial Treasuries through other government policies? The Government's financial policy is totally irresponsible in a country which must have money if it wishes to expand and if it wishes to consume.

It disturbs me that the Department of National Revenue has become so desperate to collect money that it has initiated quotas in the tax collection system, whether it is by way of revenue collected by the income tax collector or by way of financial or employment rewards to customs officers. I am concerned that the Government, in desperation, leans on the small Canadian taxpayers to make demands for amounts that are too small to defend but which the small taxpayer virtually must pay because he finds himself helpless against the system which tries to collect the money.

I am concerned about the method of promotions in the customs division of National Revenue. Those employees are in the position where their performance as tax collectors is criticized if they do not meet a specified number of seizures within a year or a month. I am also critical of the fact that these employees receive pay increases or higher classifications that correspond to the number of seizures they make. That seems to be the purpose of their jobs.

It seems that the Government will borrow more money than Canadians will save. At the same time it will ignore the borrowing at all other levels of Government. The Government is leaning on average Canadians to collect taxes and is pressuring departmental employees with the threat of no promotion for not meeting certain quotas.

We have seen a deterioration in fiscal policy ever since the Budget which was introduced by the aspirant for the Liberal leadership. He set the pattern for the downgrading of the Canadian economy when he introduced his Budget. At that time I predicted that if the following budgets continued the same trend, we would eventually see an 80-cent dollar. Our dollar has continued to drop to the point where it has reached 78 cents after successive Liberal Budgets. The first Budget I am talking about which set this pattern was the Turner Budget. Since the Government followed his philosophy we have finally reached this point. Some of us will be going home during the Easter break to see our grandchildren. When I do so, I must say that I will face them with a very guilty conscience, because it is they who will have to pay this bill for the Government's financing. For the first time in my life I have reservations about being a Member of Parliament and part of a Parliament of Canada which would do this to our children and the generations to follow. It is very close to heresy and very close to a sabotage of our economy when the Government takes this persistent approach without any consideration for the long-term well-being of Canadian citizens.

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, like my colleague from Carleton-Charlotte (Mr. McCain), I speak to this Bill today with mixed feelings. While I am pleased to participate in the debate, the subject matter is not something which makes one happy. We are discussing a Bill to give the Government borrowing authority of $29.5 billion. That amount is astronomical and almost incomprehensible to the average person, let alone to the average Member of Parliament. It is even more bewildering when one realizes that Bill C-21 seeking to borrow $29.5 billion is actually the eighth borrowing Bill that the Government has introduced since this Parliament was resurrected after the last election. The total of those borrowing Bills is over $102 billion. As I say, billions are almost incomprehensible and are difficult to register in terms of why we are so concerned about this borrowing authority for $29.5 billion.

● (1640)

I have been informed that the $29.5 billion is more than the accumulated deficits of the Government of Canada, whichever Party was in power—and unfortunately the Liberal Party has been in power far too long—from 1867 to 1975-76. That is a sad commentary on what the present Government is asking the Parliament of Canada to do.

If we use the base of 25 million Canadians, every billion dollars means $40 per capita. If we take the $29.5 billion, which in effect is $30 billion, then we are talking about $1,200 for every man, woman and child in Canada. In effect that will be the future debt with which they will be saddled as a result of just this one Bill, not the previous seven I mentioned. Of course, for a family of four that means $4,800 of extra debt as a result of the actions of the Government of Canada. Debt has to be paid for. Debt has to be serviced by interest. In effect, the interest on the debt of Canada is now one of the largest items in the Budget. It is over $20 billion, which amounts to $800 per person and, for a family of four, to $3,200.

Those are just a few graphic figures which indicate why Canadian taxpayers feel a bit under the weather, especially when they start to appreciate the wanton spending of this Government since 1980. Since we are recognizing changes in positions at the post—new Leaders come and go—I would like to go back to those halcyon days of June 1968 when the just society was supposed to have burst on to the Canadian horizon like a comet in the air and with starlight vision. One of the best ways to typify what has happened to the psyche of Canada or to the economy of Canada is to refer to the first Budget of the Prime Minister (Mr. Trudeau) in 1968. It included an amount of a little over $12 billion as the total spending program. I was a Member of the House when that Budget came down. The first Budget was for about $8 billion or $9 billion but with supplementaries, as the public accounts will show, the actual Budget of that year was $12.4 billion or $12.5 billion. The total Budget of 1968, the year of the supposed just society, is now equal to the present payout of the unemployment insurance fund of $12 billion for 1983-84. That is a graphic, horrible statistic. It capsulizes what has happened with government spending at the federal level since the days of yore of 1968 when the total spending program was $12 billion plus, let alone the fact that this Bill asks for a borrowing authority of $29.5 billion.

We in Atlantic Canada still try to be a little frugal. We recognize that a dollar is worth a dollar even in an inflationary world and with the debts of governments. I would like to describe in another way this amount of $29.5 billion. It is more than the total Gross Domestic Product—they do not call it Gross National Product—of the four Atlantic provinces combined. The Conference Board forecasts for calendar year 1984 that the Gross Domestic Product for Nova Scotia will be $9.2 billion; for New Brunswick, $7.4 billion; for Prince Edward Island, $1.1 billion; and for Newfoundland, $5.3 billion, for a total of $23 billion. The Gross Domestic Product is the product of provincial governments and of the peoples of those four provinces in the goods and services they produce. The borrowing authority in this Bill is more than those figures combined. That is another way of putting this amount into perspective. This is why, perhaps, Hon. Members on this side of the House have been using the time of the House of Commons to repeat and perhaps to belabour the fact that the Auditor General has said that the spending programs of the Government are out of control.

It is a tremendous Bill to have on the floor of the House when we talk about the legacy of the present Prime Minister, when we talk about his 1968 Budget of $12 billion, which is now equal to the payout of the unemployment insurance fund, and when we look at the present incumbents or contenders for succession to the office of the Prime Minister. It is interesting to look at how four Ministers of Finance of the present Government have fared. At the moment only two of them are in the race; perhaps the other two will not join in. As other speakers have indicated, the spending programs of Government started to go out of control in the seventies when the then Minister of Finance, John Turner, brought in a Budget which ended up with a deficit of $5.4 billion. Then the Minister of Energy, Mines and Resources (Mr. Chrétien) came along as Minister of Finance with a deficit of $12.2 billion in his Budget. The succeeding Minister of Finance, the Deputy Prime Minister (Mr. MacEachen), came in with a budget of $25.2 billion. If the leadership of the Liberal Party is to be determined by the deficits racked up by Ministers of Finance, not their Budgets, then the present Minister of Finance and his deficit of $31.5 billion would certainly give him the titular crown.

The figures are too vast for any human being to comprehend. I have tried to reduce them to terms with which people could identify, be it provincial budgets, provincial Gross Domestic Product, the deficits in previous Budgets or the unemployment insurance fund. With only ten minutes in this debate, I am extremely limited. I hardly had time to hiccup before I got going. I see Mr. Speaker indicating that I must wind up. I find that very difficult in ten minutes. It takes me about ten minutes to warm up, and then I like to really move. The only thing which is moving quicker than I am at the moment is the dollar. It is going down. The reason it is going

down is that government programs have been going up. Interest rates have started to go up, and now I am supposed to sit down.

In conclusion, I say that it will take a change in government to correct the situation. If the Governor of the Bank of Canada wants to go out and play golf because interest rates will have to rise to protect the dollar and to help it find its own float, then we should send him out to play golf with the Government. They should be sent out to pasture.

The Acting Speaker (Mr. Herbert): Order, please. The Hon. Member's time has expired.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, indeed the ten and a half minutes or the ten and three-quarter minutes of the Hon. Member were very entertaining. However, if he were to be informative, the hiccup he proposed would have been a much more intelligent contribution than the speech we heard on the topic at hand.

● (1650)

We have been hearing, it seems to me, an awful lot of political nonsense about this Bill and about the Budget that was brought down. We have heard Conservatives opposite comparing the deficit position today versus the circumstances in 1968. They are taking federal numbers and data isolated from comparative figures for provincial deficit spending, municipal deficit positions and deficits currently being incurred by other nations in the world. If they had a comparative look at numbers, not isolated from reality, they would see the position of the federal government stands it in very good stead indeed relative to other nations in the western world and relative to the position of provincial Governments.

I find it somewat presumptuous on the part of Members opposite to stand and say that there has to be a reduction in the deficit, that we have to cut this deficit greatly. But they do not tell us which programs they have earmarked should be cut.

Mr. Nowlan: Your salary.

Mr. Tobin: God forbid they form a government. It seems, as I said, somewhat presumptuous to see that kind of approach being taken. I had intended to stand and debate in very technical ways and rationalize the current Bill before the House. But seeing there is no sensible, logical, well-prepared and documented serious argument opposite, there is no point.

Let me say to Members opposite that when I look at the kind of examples of Conservative administration in action—the examples we have of provincial governments—I shudder to think that there is a possibility this crew across the way could form a national government in Canada.

Mr. Nowlan: Give us a chance.

Mr. Tobin: We have a spectacle in British Columbia of brutal Bill Bennett and his minions attempting to balance the budget on the backs of those who can least afford it. The sad part is that his Government is not even balancing the budget. His Government is merely picking on those who can least defend themselves and is taking the proverbial axe to their necks.

We have the example of great Conservative philosophy in action in Newfoundland in the person of Premier Brian Peckford. He announced to his employees after years of 4 per cent, 3 per cent, 3 per cent and 2 per cent that for the next two years they will get zero and zero. His Government is giving no increases. He is announcing to his public servants that if they so much as dare expect that collective bargaining should have a place in the Province of Newfoundland it will simply not be a zero and zero increase, it may well be no jobs.

Only in Benito's Italy and the other fellow's Germany was that kind of dictatorial approach taken, that kind of swipe at the fundamental rights of citizens of a province exercised by governments. We look at this great panic across the way by those who profess to be the disciples, the apostles, of Ronnie and the apostles of Margaret. What do we see in the United States? We see a President elected on a commitment to balance the budget in four years, now giving the U.S.A., that great bastion of free enterprise and capitalism, the largest deficit ever incurred by that nation. It is the largest by far, Mr. Speaker. There is not even a close second. These are the apostles of Ronnie across the way.

In Britain, we see Margaret Thatcher elected during a period of emotional war fever—war fever, Mr. Speaker, not economic policy. Where does she stand now in the opinion polls just a few months later? Where does she stand now when thousands are on the streets in that nation? She stands where she properly belongs as far as economic policy is concerned, and that is at the bottom of the opinion polls.

It is not at all unusual to have a contingency fund. Much has been made about a $4 billion contingency fund. The Government is acting in a responsible manner to make that kind of money available. A contingency fund has traditionally been included in the request for borrowing authority. It means the money is there if and when it is needed. It also means that should funds be spent, the funds have to be approved by this Parliament, by the peoples' representatives. It also means that if the money is not spent it lapses from year to year. It is absolute nonsense to try to describe as an election porkbarrel or to try to ascribe some devious motive to what is quite accepted by many nations of the world as the proper procedure to follow.

Talking about the prospect of this crowd opposite forming a government, I find it frightening, when I look at the statements of the five major candidates for the Conservative leadership campaign. What do I see? Isee the Hon. Member for Central Nova (Mr. Mulroney) who so brazenly gave the Hon. Member for St. John's West (Mr. Crosbie) a backhand on the question of universality. When I look through my notes going back to the leadership campaign, I find that it was he himself who proposed that there be a means test, that the notion of universality was not sacrosanct and that it had to be looked at. I see the Hon. Member for St. John's West proposing the same thing. I see the Hon. Member for Etobicoke Centre (Mr.

Wilson) proposing exactly the same. The only candidate who said, "We have to be careful" was the Rt. Hon. Member for Yellowhead (Mr. Clark), the former Leader of the Conservative Party who is now as loyal to the Hon. Member for Central Nova as the Member for Central Nova was loyal to him when he shook his hand in Montreal previous to the pin-cushion exercise of a convention the Tories had in western Canada.

As frightening as that is, I look at the question of Crown corporations. These people, the Tories, are going to reduce the deficit. The Hon. Member for Etobicoke Centre wants to sell all Crown corporations. The Hon. Member for St. John's West wants to eliminate CDIC. The Rt. Hon. Member for Yellowhead, when told of this, said, "Frankly, I find that position dangerous". Then I looked at the Hon. Member for Central Nova, the current Leader, and what he said about Crown corporations. When told that the Hon. Member for Etobicoke Centre wanted to sell off Air Canada, he asked why does he say such things? Who is going to pay for it? I do not know. What bank is going to finance it? On a fundamental question, Mr. Speaker, five different front-benchers, presumably five different Cabinet ministers, cannot agree. And what do they say about free trade with the United States? The current Leader says, "Free trade with the U.S. is like sleeping with an elephant". The Hon. Member for St. John's West says, "We have to open the borders and study the possibility of a common market". The Rt. Hon. Member for Yellowhead said, again, "Frankly, I find the proposals of the Hon. Member for St. John's West dangerous". And what about the Hon. Member for Etobicoke Centre? He says, "Talks of free trade strike me as unrealistic and naive".

We have been making a mistake on this side. We have been saying that the Tories will not tell us where they stand because they have no policy. But that is not true, Mr. Speaker. The Tories on the front bench have five different policies for any question you name, including the Manitoba language question. The Tories have not been very successful in keeping their differences on that one quiet either. I think that until these gentlemen make up their minds—

Mr. Forrestall: That was about Turner and Trudeau.

Mr. Tobin: —that they stand for something rather than just against the honest attempts of this Government to provide good management of our economy during a difficult time, they had better go back and do their homework.

Mr. Forrestall: Tell us about the anointed and the about-to-be anointed.

Mr. Tobin: The people of Canada simply will not be fooled by rhetoric and lust for power.

Mr. Darling: Mr. Speaker, because of the time, may I call it five o'clock?

[*Translation*]

The Acting Speaker (Mr. Herbert): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Herbert): Shall all orders and items listed preceding Order No. 71 be allowed to stand?

Some Hon. Members: Stand.

The Acting Speaker (Mr. Herbert): Stand.

* * *

[*English*]

GOVERNMENT AFFAIRS CONTROL ACT

MEASURE TO AMEND

Mr. Howard Crosby (Halifax West) moved that Bill C-208, an Act to provide for the control of conflicts of interest in Government affairs, be read the second time and referred to the Standing Committee on Privileges and Elections.

He said: Mr. Speaker, in presenting to the House of Commons legislation respecting conflicts of interest in government affairs, my purpose is to draw attention not only to the specific provisions of this Bill but to the spirit that it represents. Bill C-210 is entitled the Government Affairs Control Act. It is an attempt to codify in a sensible way some of the rules with respect to conflicts of interest that ought to be imposed upon Cabinet Ministers in the Government of Canada and those who work in the employ of the Government of Canada and its various agencies.

I do not suggest for one moment that this Bill is a complete answer to the conflict of interest situation or that indeed it provides a code of conduct for Members of the federal Cabinet or the officers of the Government of Canada. However, it at least offers an indication that some legislative action can be taken in order to provide not only for the protection of the public but for the preservation of the high degree of honesty and integrity which the public expects of the elected people who assume the offices of Cabinet Ministers in the Government of Canada and those who also assume various other offices within the Government of Canada.

What I really mean by the spirit of Bill C-210 is that we recognize that we must impose upon those who hold the high offices of Cabinet Ministers some restrictions regarding their activities and we must establish some method by which they are held accountable for their actions even though, by com-

parison, those in the private sector would not be held responsible in the same way. Simply stated, we want to impose a higher degree of responsibility upon members of the Cabinet and upon those who assume office within the Government.

I am reminded of a survey that was referred to on a television program. In that survey, people were asked what qualities they were most concerned with in elected representatives. That is to say, it asked what qualities the people felt were most important in those seeking public office. It was very clear from the survey that what people expected from candidates for public office was, first and foremost, honesty. Second, they expected intelligence, and third, they expected an element of compassion. It is important to note, Mr. Speaker, that the quality which everyone desires in those elected and seeking public office is that of honesty. That is really what Bill C-210 and its provisions are all about.

The Acting Speaker (Mr. Herbert): Just a moment, please. I hate to interrupt the Hon. Member. He should know his Bill better than I do, but I had read a Bill C-208 standing in the name of the Hon. Member. This is the third time the Hon. Member has mentioned a Bill C-210. Just to avoid any confusion, perhaps it would be possible for a correction to be made.

Mr. Crosby: I am sorry, Mr. Speaker. The number of the Bill is indeed C-208. I might explain that it was introduced in the House of Commons during an earlier session. I am guilty of experiencing some confusion with the numbers. However, for the record, the number of the Bill is C-208. It is, as I have said, an Act to control conflicts of interest in government affairs, and the short title, for the record, is the Government Affairs Control Act.

I indicated that my purpose is to advance what I believe to be the interest of the public in terms of the responsibilities of elected officials, and particularly members of the Cabinet, and that is, the preservation of honesty and the assurance that they will deal honestly with public matters that are brought to their attention. There are other Bills before the House that relate to conflicts of interest and provide codes of conduct. I am reminded of a Bill introduced at the first session of this Thirty-second Parliament by the former Member for Nepean-Carleton, the Hon. Walter Baker. He introduced a Bill numbered C-679 which is entitled the Public Officers Standards of Conduct Act. That Bill contains much more extensive provisions that would affect a much larger group of public officials including, as I understand, Members of Parliament. For the moment, the Bill that I propose simply applies, as I have said, to members of the Cabinet and to those who hold public office.

I would like to review briefly the provisions of Bill C-208 in order to indicate how the Act would apply. First and foremost, the Act defines the persons who would be included by the term government officer and official. As I have indicated, that would include members of the Cabinet and all employees and officers of the Crown including officers of Crown agencies. In Clause 3, the Bill specifically sets out all of those circumstances which constitute conflicts of interest. That is to say, it sets out in some detail the circumstances under which a Cabinet Minister or government officer would be considered to be involved in a conflict of interest. That includes, for example, a situation in which a government officer or Cabinet Minister becomes involved in a contract or in bestowing any kind of benefit on another person.

The importance of setting out in clear terms conflict of interest situations is that when these situations arise, some action can be taken. The action proposed by Clause 4 of the Bill is that the Deputy Registrar General, having been made aware of a conflict of interest situation, presents the facts and circumstances to a judge of the Federal Court of Canada. The judge of the Federal Court of Canada can then conduct a judicial review and determine what action ought to be taken in order to protect the public interest with respect to that conflict of interest. The action that could be taken by the Federal Court judge in the case of a Cabinet Minister who involves himself or herself in a conflict of interest situation is that the appointment could be terminated. That is relatively drastic action but certainly action totally justified when a Cabinet Minister becomes involved in a conflict of interest.

The administration of the Act would fall under the Deputy Registrar General, and that is the officer who now administers the so-called voluntary code of conduct or guidelines that applies to members of the Cabinet and employees within offices of Cabinet Ministers. Provision is made for the administration of the Act in that way.

One problem that exists, and I think one of the reasons why we do not have clear conflict of interest legislation in Canada or a code of conduct applicable to Members of the House of Commons, Cabinet Ministers and other government officers and officials, is that it is a very difficult subject with which to deal. It is very difficult to define specifically the things that constitute breaches of a code of proper behaviour or indeed a conflict of interest. I want to illustrate the effect of this Act in clear terms so that we all know what we are talking about when we seek to present to the House of Commons conflict of interest legislation or legislation establishing a code of conduct.

By way of example, Mr. Speaker, Clause 3(1)(f) of the Bill would declare a conflict of interest situation as being one in which an employee or an official of the Government of Canada including a Cabinet Minister gives preferential treatment or privileged access to others and particularly to former employees or officials of the Government of Canada. Very simply, that means that if a Cabinet Minister gives preferential treatment to a former employee of the Government, a conflict of interest situation arises.

• (1710)

I have before me a newspaper report which makes it very clear that that is exactly what happened in the case of Jim Coutts. As all of us know, he was principal secretary to the Prime Minister of Canada (Mr. Trudeau) and resigned from that post to seek a seat in Parliament. He was unsuccessful for reasons known to the voters of Spadina. If anyone wants to ask

me what the reasons were I would be glad to contribute my view. I will not even mention his arrogance or his career in the Public Service in which he assumed authority beyond the scope ever intended to be assumed by any public servant. He was defeated in the election, and that verdict has my complete endorsement. Did Mr. Coutts quit and go off into so-called honest employment? No, Mr. Coutts could not give up the kind of activities he had pursued while he was in government on the public payroll. Instead, he established himself in the riding of Spadina in Toronto as a sort of super-parliamentarian or extracurricular parliamentarian. He was defeated, but he continues to reside in Spadina notwithstanding the fact that he claims to be a former resident of Alberta and to have lived in other parts of Canada, including Ottawa.

According to this public report by Lawrence Martin which appeared in our so-called national newspaper, Mr. Coutts is the man to contact if you need some help in Ottawa, where he still maintains an apartment. A Mr. Chen wanted to get his father to Toronto from Hong Kong and got hung up in red tape. The article reads:

> Call Jim and he'll call Immigration Minister Lloyd Axworthy. When Jim calls, people such as Mr. Axworthy still listen.

The article goes on to say exactly how that immigration case was settled and how the subject of it got into Canada—just because Jimmy Coutts called Lloyd Axworthy. apparently there is no law on record that says to Jimmy Coutts and the former Minister of Employment and Immigration, now the Minister of Transport, that they simply cannot get together on the telephone and decide who shall come into Canada and who shall not according to their own ideas and attitudes.

Clause 3 of Bill C-208 would make it a conflict of interest when a Cabinet Minister gives preferential treatment and privileged access to a former employee and officer of the Government. It is a shame that there is no legislation on the books that would prohibit that kind of action on the part of a Cabinet Minister and a former government official. If we only pass this one provision of Bill C-208 it would stop Mr. Jim Coutts from calling a Cabinet Minister, as reported in this article and in other places, and getting preferential treatment. Is it too much to ask the Parliament of Canada to pass a law to stop that kind of activity forever so that no person in the country will get special treatment simply because of a relationship that existed in the past and is projected into the future?

I will not even give advice to Liberals—perhaps they do not want it—but I would ask them if they want a man like James Coutts as the leader of their Party, a man who goes to Toronto and sets himself up in the constituency of Spadina as a kind of super-parliamentarian. It is not enough that he calls Cabinet Ministers and gets immigration cases fixed, now he wants to become leader of the Liberal Party. I hope they make him leader of the Liberal Party because then all Canadians will see what kind of person he is. I will not have to stand up in the House of Commons and list the mischief he has performed in the country and the arrogance he has shown for the governmental process over the years. If the Bill stops that preferential treatment then it will serve the interests of Parliament and of Canada.

There are many other cases that have come to light that demand this kind of legislation, Mr. Speaker. I want to refer to the travesty that took place in February or March of 1983 and which was evident in the House of Commons by the "Coalgate" affair. It involved a former Minister of the Crown, Alastair Gillespie, who, notwithstanding so-called guidelines issued by the Prime Minister, set out to obtain a very special kind of contract with the Crown. He did this with the full knowledge of the Minister of Finance (Mr. Lalonde) who was at that time Minister of Energy, Mines and Resources and with the full knowledge of other Members of the Government. When the case was brought to light they said that the guidelines were just voluntary and that he did not have to observe them. They clearly prohibit the kind of arrangement made by Mr. Gillespie, but apparently they are only voluntary guidelines and if Mr. Gillespie does not see fit to observe them there is nothing the Government can do.

There was a hue and cry from Members of the Progressive Conservative Party and of the New Democratic Party, and together we brought a resolution to the House demanding that a parliamentary committee inquire into the subject and set guidelines. It was defeated by the Liberal Government. Instead, it appointed a task force to establish conflict of interest guidelines and a code of conduct. It is supposed to report by the end of 1984. It will be interesting to see what it says, but if it does not bring forward recommendations to stop the Coutts type special treatment or the Gillespie type nibbling at the public purse, then its work will have been useless.

There are provisions in the Senate and House of Commons Act and in the Canada Elections Act governing the qualifications of Members of Parliament and the Senate. I can give you a horrible example of that, Mr. Speaker. In the Constitution Act it is set out very clearly that if a Senator is convicted of a felony, a serious offence, he or she must vacate the seat. We have such a case in the Senate of Canada. We have a Senator who was convicted under the Criminal Code of Canada who still sits in the Senate, who was fined $25,000, who could pay that fine two or three times over from the amount he has received in Senate compensation since he was convicted, but nobody is the least concerned about it. I can tell you that the people of Canada are worried about that kind of mischief, Mr. Speaker. They recognize that there ought to be a law that Members of Parliament, Senators, Cabinet officers and all government officials should not be allowed to get away with a standard of conduct lower than the standards that prevail in the private sector among ordinary people. Quite the contrary, Mr. Speaker; the public insists upon parliamentarians and members of Government having a standard higher than normal.

I have presented Bill C-208 which deals with one aspect of the problem, Mr. Speaker. I am not asking the Parliament of Canada to pass that measure; all I want is that it be referred to a committee so that we will at least recognize that we know a problem exists. We know that the public demands high stand-

ards and we should be prepared, at least, to look into the imposition of standards on ourselves to govern our conduct and our position with respect to matters of personal interest. At least, then, we will have relieved ourselves of the burden which is places on us to provide a code of conduct with which we can all live and from which the people of Canada will benefit.

● (1720)

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I am pleased with this opportunity to speak to the issue of conflicts of interest, and more specifically to Bill C-208, an Act to provide for the control of conflicts of interests in Government affairs, introduced by the Member for Halifax West (Mr. Crosby).

Mr. Speaker, it is a subject that is very close to us and that requires reflection. In fact, for over twenty years a great deal of reflection, effort and initiative has been expended on this matter by the Government. The concept that official duties, public or otherwise, should be performed in an entirely objective and disinterested manner—which is the principle of integrity—is the cornerstone of all good Government, and I am pleased to see that the Member for Halifax West also recognizes the importance of this issue and has put it before the House for consideration.

Bill C-208 which the Hon. Member is presenting today gives a list of personal activities that constitute circumstances where a conflict of interest arises for a Minister or public servant; it authorizes the Deputy Registrar General to inquire into cases of conflict of interest and to put the results before a judge of the Federal Court of Canada. The judge would then take the necessary steps or measures. If there is a conflict of interest, he may terminate the employee's employment and, in the case of an official who is not an employee, suspend or revoke the appointment of the official. Interestingly, although the Bill before the House is aimed at maintaining a standard of ethical conduct, it tends to stress the control aspect, and I would refer Hon. Members to the explanatory note on page 1a):

> The purpose of this bill is to ameliorate the control of conflicts of interest by Cabinet ministers and officers and employees of the Government of Canada by defining the circumstances under which a conflict of interest is deemed to arise and by providing a method of enforcement through the Deputy Registrar General and the Federal Court of Canada.

Mr. Speaker, before going any further, I would like to remind the Members of this House that in our system of Government, the issue of ethical conduct is still relatively recent. I said earlier that the Government has been considering this question for twenty years, and I am referring to the matter of establishing a set of ethical guidelines for members of Cabinet and Government employees. Mr. Speaker, I believe that any new initiatives in this field should be put in perspective and be considered within the general context of the Canadian situation. If we go back to the sixties, which is not so long ago, we find there were no conflict of interest guidelines. It was then up to one's own standards of moral behaviour and one's personal conscience. Employees did not have to be told what to do. When they entered the Public Service, they did whatever was necessary so as not to be in a conflict of interest situation. Guidelines and regulations were not necessary.

I realize that times have changed, but to what extent? What do we have to do now to make sure that public servants observe high standards of ethical conduct? I believe this is a question that the present Members of this House will have to consider very carefully.

Times have changed, and the Government realized this early on. In 1964, the then Prime Minister, the Right Hon. Lester B. Pearson, wrote to his Cabinet Ministers, stressing the importance of maintaining a high standard of ethical conduct and emphasizing that the same standards should apply to their staff. In the same letter, he formulated what was to become the basis and the essence of the standard of conduct to which all public servants would have to conform for many years to come. I shall, if I may, quote some extracts from this letter, Mr. Speaker:

> It is by no means sufficient for a person in a position of responsibility in the public service to act within the law. There is an obligation not simply to obey the law but to act in a manner so scrupulous that it will bear the closest public scrutiny. The conduct of public affairs must be above all suspicion, in terms of standards of conduct, objectivity and equal treatment.

Another aspect of Prime Minister Pearson's philosophy in this field was that Ministers must refrain from giving preferential treatment to their friends and acquaintances, that Ministers of the Crown and their excluded staff must act in such a way that no one would consider it possible to have privileged access to staff or services, that they should not have a pecuniary interest that would conflict with their official duties and that they should not use information acquired in the performance of their official duties for their personal benefit. Mr. Speaker, these points, as you may have noticed are still relevant.

In the late sixties, the Public Service of Canada underwent many changes. The number of employees increased, the duties and specializations became more diversified, more technical and, of course, more complex. Many Government organizations were decentralized. The situation had to be reviewed because it had become important that Government employees be better informed about what was expected of them in their particular field. The Government acknowledged the situation and, in June 1973, the Prime Minister told the House, and I quote:

> An effort will be made by the Government to reconcile the very real desire of the people of Canada to have people of eminence in their service . . . with the important principle of avoiding a conflict of interest situation where such a person would serve his own personal interest in serving the public.

That was when the Government began drafting conflict of interest guidelines. As you recall, Mr. Speaker, guidelines for Ministers of the Crown and public servants were issued in December 1973, guidelines for people appointed by the Gover-

nor in Council were issued in November 1974, guidelines similar to those applicable to people appointed by the Governor in Council were issued in November 1975 for Lieutenant Governors and, finally, those guidelines were extended in 1978 to cover ambassadors, high commissioners and heads of missions. In November 1975, guidelines were issued for so-called excluded personnel, namely people working in a Minister's office who are not necessarily public servants. Finally, in January 1978, guidelines for any Government employee—Minister or public servant—were issued to avoid conflict of interest situations after their employment with the Government.

• (1730)

The purpose has always been the same, Mr. Speaker: to maintain the impartiality and the integrity of the Government. I am talking about the initiative of the Government in that field, and that leads me to mention a project which was begun not so long ago. I am referring, of course, to the task force on conflicts of interest set up last July at the request of the Prime Minister. Their mandate, Mr. Speaker, is to review the policies and rules which now govern the conduct of people who hold or have held public office. The mandate emphasizes that the study must take into consideration, first, the fact that those people must discharge their official duties so as to maintain public confidence towards the Government and, second—an important point raised by the Hon. Member for Halifax West, I am sure—the fact that the Government has to recruit highly qualified people with wide-ranging career profiles to look after public affairs and the administration of the country.

We all know, Mr. Speaker, that the problem of conflicts of interests is a complex one. What is important, and that is the difficulty, when faced with the task of developing standards of ethics for such a large body as the Public Service, is to strike a fair balance between, on the one hand, a set of rules that are strict enough to ensure integrity and public confidence and, on the other hand, a system which is reasonable enough so as not to discourage Canadians from entering the Public Service and which does not preclude the Government from hiring the qualified employees it needs to administer the nation's business and offer to the public high quality services which the public not only expects but, I add, which Canadians are also entitled to.

Mr. Speaker, I said earlier that conflicts of interests are a complex matter. One point to consider is the field of application. Is it more appropriate and more equitable to have only one set of rules for all employees, whatever their rank and function, or several for different groups?

I note that the proposal introduced by my colleague from Halifax West, and I refer to the definitions that are included in the measure, applies to any member of the Cabinet who holds a portfolio in the Government or who is a Minister of State, to any official of the Government or of any government agency, as well as to any person, other than an employee, who is a member of the governing board, council or body or who holds some office or official appointment in the Government or a Government agency.

In some cases, similarity of responsibilities could justify a single wide ranging system. However, in other cases, more particularized systems could be more effective in meeting our objectives.

Another thing I would like to mention, Mr. Speaker, is the method or means to be used to ensure that employees adhere to the standards of ethics advocated by the Government and to avoid that they be tempted to serve their personal interests before the interests of the public they are supposed to serve. While I recognize that there is some need to exercise control, I must admit that I have reservations as to the means to do so. In my view, an excessively rigid system would interfere with the obvious requirement for the Government to hire the qualified personnel that is needed, and indeed, it might possibly affect motivation and morale among existing staff. I repeat that we must aim for a system or mechanisms which provide a balance between the need to guarantee the integrity of the Government system and the necessity to attract and retain qualified and able people within our organization.

I believe that the whole issue of control and of the proper mechanisms to ensure this control must be reviewed. I am speaking about both the administrative mechanisms and the legal provisions which can be implemented. I regognize that it is not easy to determine what is the best way to protect the Government against disreputable practices used by employees, for instance. But still we must aim for a balanced position between legal provisions and administrative mechanisms, in other words, acts and regulations on the one hand, and procedures and guidelines on the other. If I had enough time, Mr. Speaker, I would explain the difference between an act and a regulation. However, I am running out of time and I would like to conclude my comments.

Mr. Speaker, a system should reflect the balance between rigidity and flexibility and between the general and the specific. If we look at the present system, we find that Government employees are already subject to several acts which dictate their behaviour and provide penalties for possible offences. I am thinking for instance about the provisions dealing with fraud and corruption in the Criminal Code and in other acts such as the Customs Act, the Financial Administration Act, the Unemployment Insurance Act, the Income Tax Act, the Public Service Employment Act, especially Section 33, as well as many other acts which for lack of time I cannot mention here. All of them provide guidelines and prescribe a certain behaviour for the public servants to whom they apply.

Mr. Speaker, I admit that these laws are useful because they undoubtedly discourage temptation and dishonesty and clarify possible penalties for certain offences. However, some of these laws are sometimes needlessly restrictive and do not always

provide an effective answer to cover the various activities of an employee. We must look closely at practices generally viewed as disreputable and determine the most appropriate system to define prohibitions and penalties. Experience and research show that if penalties are too severe, people have a tendency to overlook reprehensible actions. However, if the system is too flexible, it may invite abuses. We must not forget that cut and dried situations are very scarce in our system. The difference between a serious offence and what is simply an act which calls for a reprimand is often difficult to determine. Any government must have at its disposal, based on the nature of the misbehaviour or the seriousness of the offence, several means for settling the issue, such as a reprimand, disciplinary action, suspension and even dismissal. These mechanisms are already provided for in our legislation. I am thinking about the Public Service Employment Act, which contains a clear and specific provision about conflicts of interest for public servants, and I have already mentioned others. I would like to thank the Hon. Member for having called the attention of the House to this question. At the end of his comments, he moved that the subject matter of the Bill be referred to a committee. I believe that, in due time, as parliamentarians, we should seriously consider this very important issue, and I thank the Hon. Member for having given me the opportunity to make these few comments.

• (1740)

[*English*]

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I would like to congratulate my friend and colleague, the Hon. Member for Halifax West (Mr. Crosby) for introducing Bill C-208, an Act to provide for the control of conflicts of interest in government affairs. This is long overdue with regard to some of the examples of conflicts of interest we have witnessed on the government side over the years. When they are caught, they have no shame whatsoever and they carry on. They do not have the decency to resign.

I will give an example of a conflict. The Minister of Transport (Mr. Axworthy), the Member for Winnipeg-Fort Garry, recently transferred the auditing of Canada Ports Corporation from the Auditor General to a friend of his in Winnipeg, a Liberal hack. Of course we in Winnipeg have a great knowledge of ports so that is a great place for it to go. The Minister of Transport had no shame in transferring this nice little plum to a friend of his in Winnipeg who has been a Liberal official agent responsible for collecting funds donated to the Party and forwarding them to Ottawa since 1978.

That is an example of a conflict of interest. We should not be using our powers as Members of Parliament or Members of the Cabinet to look after our friends back home in this manner. This was of great concern to the Auditor General. The Auditor General said that such appointments should be perceived to be independent by all Canadians. There is nothing independent about giving the auditing work in the Canada Ports Corporation to a Liberal hack in Winnipeg, Mr. Speaker. That is a definite conflict.

Mr. Evans: Why do you not say those things out of the House?

Mr. Fisher: Go outside and say that.

Mr. Evans: I will sue you right up to your neck.

Mr. McKenzie: I hear a lot of yelling and shouting from Liberals in the House, Mr. Speaker. It is something along the lines that I am afraid to attack Liberals outside of the House. I have been attacking Liberals outside and inside the House for 20 years and I will continue to expose them at every opportunity.

Mr. Evans: You just attack individuals in the House.

Mr. McKenzie: I would also like to mention our former colleague in the House, the late Hon. Walter Baker. This was a matter of great concern to him.

Mr. Evans: You do not have the right to mention Walter Baker's name.

Mr. McKenzie: He introduced a Private Member's Bill to deal with conflict of interest. Mr. Baker stated that ex-Ministers and former public officials covered by the conduct code would face fines of up to $10,000 for each standard breach in a conflict of interest situation. Mr. Baker's Bill was a result of Opposition MPs' frustration over their inability to force the resignation of the Minister of Finance (Mr. Lalonde) when he was involved in a special arrangement with another former Liberal Cabinet Minister. He was caught but did not have the honour and decency to resign. That is why we need this type of legislation as outlined by my friend from Halifax West and the late Walter Baker.

Mr. Baker said that there have to be legal sanctions governing the conduct of public officials because the Prime Minister's (Mr. Trudeau) voluntary conflict of interest guidelines were not working. We have seen ample evidence over the years that these voluntary guidelines simply were not working. We now need laws to deal with this.

Mr. Baker went on to point out that public life in Canada has been degraded by the revelations in the Coalgate deal. Another example, of course, is the Minister of Transport giving a contract to his friend in Winnipeg. That is why many Canadians are disgusted with Parliament and Members of Parliament and this type of conduct.

On March 15 I was proud and also saddened to see my friend and former colleague, the former Member for Scarborough East (Mr. Gilchrist), handing in his resignation because he was involved in a tax trial. He did the honourable thing in the parliamentary tradition, he resigned. I would like to read part of his statement. He stated: "It is my unshakeable belief that my constituents are entitled to the best possible representation without any shadow of doubt cast on the integrity of their Member of Parliament." That is an honourable state-

ment and he did the honourable thing. We have the example of another Liberal Member who is involved in a tax trial, the Member for Burin-St. Georges (Mr. Simmons). We do not see him resigning his seat.

If you are involved in a tax trial, Mr. Speaker, you could be guilty. It is time consuming. You are going to have to spend time in court, with your lawyers and so forth. You are certainly not going to be able to fulfill your duties properly as a Member of Parliament. It was certainly refreshing to see someone with that sense of honour in the House setting an example for other Members. I was very pleased to see that a number of the media editorialized on this saying that it was an honourable day when we finally saw a Member resigning when he had a conflict of interest rather than hanging on as a person who has no shame whatsoever would do.

I hope that Government Members do not intend to talk this Bill out. It has a lot of merit. There have certainly been enough examples over the years to show why we need stricter guidelines and laws to deal with conflicts of interest after what we have observed many Members on the Liberal side doing over the past years.

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, I am pleased to rise very briefly to speak and give general support to Bill C-208, an Act to provide for the control of conflicts of interests in Government affairs. The explanatory notes states:

> The purpose of this bill is to ameliorate the control of conflicts of interest by Cabinet ministers and officers and employees of the Government of Canada by defining the circumstances under which a conflict of interest is deemed to arise and by providing a method of enforcement through the Deputy Registrar General and the Federal Court of Canada.

I do not intend to discuss this at length, but we have had a number of examples during the last year which have been referred to by the author of the Bill, which have demonstrated at least some inadequacies with the current informal guidelines as to the code of behaviour. I do not want to say anything more than that. However, I believe that there has been, amongst the public and many of the media, as well as Members on both sides of the House, some feeling that those informal guidelines are, at best, rather inadequate.

In earlier months some reference has been made by Members on the other side to the fact that after all these are only guidelines. At least one of the debates we had in the House on one of the subjects referred to, I believe it was the Coalgate affair, was enough to cause many of us to think we needed something that codified the area of conflict of interest a little more carefully and succinctly.

There may be some problems with the definition as proposed in Bill C-208 itself. My colleagues and I have no objection to the Bill and are interested in seeing it receive consideration in the Standing Committee on Privileges and Elections. We are pleased to give our support to take it at least that far.

There is one possible problem which I can see. We should take some care, for example, with respect to some new concepts of management which have been referred to even in the Throne Speech. For example, these involve labour representation on boards of directors and the concept of worker directors, which has been explored and experimented with in some jurisdictions across the country, particularly with regard to Crown corporations. This idea is in its infancy. I would be careful about Clause 3 which states:

● (1750)

> (1) For purposes of this Act, a conflict of interest in relation to Government affairs shall be deemed to occur when any of the following circumstances exists:
>
> (a) when an employee or official of the Government or of a Government agency seeks, holds, enjoys, undertakes or executes any contract, agreement or arrangement of any kind with the Government, any Government agency or Government officer for valuable consideration, or supplies or provides any goods, services, work or matter of any kind to the Government or a Government agency or a Government officer for valuable consideration.

It may be that such a clause, if presented without some caveat elsewhere in the Bill, might prevent us from exploring some of the new concepts in industrial relations which are being given some consideration. With that consideration, and there may certainly be others, I would like to see the Bill go to committee now so we could give some attention to that area just to ensure that we do not kill the possibility of an idea before it has been further explored.

With that comment, I am pleased to support the thrust of the Bill and I congratulate the Member for introducing it. I hope that by speaking briefly I can assist in seeing that it does get some further consideration.

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I am extremely interested in rising to speak to this particular Bill. I had a good deal of material that I wanted to go through.

The Hon. Member for Kootenay West (Mr. Kristiansen) just raised a rather interesting point. I think the Bill is so seriously flawed that there is no way we should send it to committee until it has been reconsidered by its author.

Let me give some examples. I am a Member who represents a large number of public servants. Probably 50 per cent of the people in my riding are public servants and a higher proportion are the families of public servants. The Hon. Member for Kootenay West just referred to Clause 3 of the Bill which states:

> For purposes of this Act, a conflict of interest in relation to Government affairs shall be deemed to occur when any of the following circumstances exist:

The Hon. Member just read Clause 3(1)(a). Let me read Clause 3(1)(b), which reads:

> (b) when an employee or official of the Government or of a Government agency sells, transfers, conveys, leases or otherwise disposes of any property or interest in property to the Government or a Government agency or a Government officer;

I can think of some situations where this would arise, especially in Ottawa where we have increased the presence of the federal Government. Let us suppose that a public servant owns some land in Ottawa or on the outskirts of Ottawa and the federal Government indicates its desire to build a federal office building there. It indicates to the individual that it wants to purchase that land. If the federal public servant sells the

land, immediately a conflict of interest in relation to government affairs shall be deemed to have occurred.

What happens when this conflict of interest is deemed to occur? Let us move on to find out what heinous things can happen to the individual. Clause 4 of the Bill states:

Where a conflict of interest is deemed by Section 3 to occur, the Deputy Registrar General shall apply—

—not may apply—

—to a judge of the Federal Court of Canada seeking a declaration that a conflict of interest has occurred and an order directing the action to be taken by each person involved in the conflict of interest.

In situations where individuals in Ottawa who happen to work for the federal Government, whether they are secretaries, clerks or deputy ministers, were involved in a land transaction, a conflict of interest is deemed to have occurred and action shall be taken.

This is the kind of nonsensical overkill that does not make for good law in the country. It seems to me that we cannot deal with conflict of interest with laws and laws alone. We now have laws on the books that deal with conflict of interest. I believe we also have a very good set of conflict of interest guidelines that set general principles that should guide Members of Parliament and members of the Public Service in their behaviour in situations where the possibility of conflict of interest arises.

I would like to go through precisely what those guidelines are. They were brought down by a person whom I considered to be a great Canadian, the present Prime Minister (Mr. Trudeau), in 1973. Let me quote from these guidelines as follows:

1. These Guidelines may be cited as the *Public Servants Conflict of Interest Guidelines*.

They are currently in force and have been since they were brought in by this Government in 1973.

2. It is by no means sufficient for a person in a position of responsibility in the public service to act within the law. There is an obligation not simply to obey the law but to act in a manner so scrupulous that it will bear the closest public scrutiny.

Laws dealing with conflict of interest situations exist right now. These guidelines set general principles above that law. Guideline 2 continues:

In order that honesty and impartiality may be beyond doubt, public servants should not place themselves in a position where they are under obligation to any person who might benefit from special consideration or favour on their part or seek in any way to gain special treatment from them. Equally, a public servant should not have a pecuniary interest that could conflict in any manner with the discharge of his official duties.

That guideline is quite clear. I do not believe there is any need to make additions to it. The guidelines continue:

3. No conflict should exist or appear to exist between the private interests of public servants and their official duties. Upon appointment to office, public servants are expected to arrange their private affairs in a manner that will prevent conflicts of interest from arising.

4. Public servants should exercise care in the management of their private affairs so as not to benefit, or appear to benefit, from the use of information acquired during the course of their official duties, which information is not generally available to the public.

5. Public servants should not place themselves in a position where they could derive any direct or indirect benefit or interest from any government contracts over which they can influence decisions.

6. All public servants are expected to disclose to their superiors, in a manner to be notified, all business, commercial or financial interests where such interests might conceivably be construed as being in actual or potential conflict with their official duties.

7. Public servants should hold no outside office or employment that could place on them demands inconsistent with their official duties or call into question their capacity to perform those duties in an objective manner.

8. Public servants should not accord, in the performance of their official duties, preferential treatment to relatives or friends or to organizations in which they or their relatives of friends have an interest, financial or otherwise.

The key to this is that this is a set of guidelines that guide behaviour. They are a set of principles against which behaviour can be evaluated and measured. However, I suggest that measurement is, by definition, subjective. It will be a matter of degree and it will have to be evaluated within that context. I suggest that to try to codify the moral behaviour in a statute such as this is an impossible task. To bring such a law into being would make it extremely difficult to operate at all because this net is cast so broadly that it goes beyond a matter of whether a public servant could benefit from becoming involved in the decision-making about a certain situation. It deals with public servants involving themselves in any relationship with the Government whether or not they have an interest or the ability to affect the decisions that are being made. If the NCC, being a government agency, leased or purchased land held by a current public servant for a new park—and this could be a high probability in the City of Ottawa—the public servant would be in direct conflict of interest according to this law. The extent of the ludicrous nature of this particular law when we have adequate conflict of interest guidelines—

● (1800)

The Acting Speaker (Mr. Herbert): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADA MORTGAGE AND HOUSING CORPORATION—NON-PROFIT HOUSING—ALLOCATION SOUGHT FOR TORONTO AREA

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, the other day I rose to ask the Minister responsible for housing his reactions to the recent Ontario decision to omit both the City of Toronto and Metropolitan Toronto from the 1984 allocations for public non-profit housing. I believe the Ontario Minister of Housing, Mr. Claude Bennett, is ignoring the traditional partnership which exists in the social housing area. He is attacking the most vulnerable people living in the

Toronto region because of his actions. Furthermore, he is attacking the smooth operation of federal-provincial affairs in housing matters.

Let me look at those three areas and explain my charges to the House. First, social housing projects are a partnership. There are three main streams under this marvellous federal program: the co-operative stream handled by private citizens; the private non-profit stream handled by churches, associations and other private groups; and the one about which I am concerned, the public non-profit stream which is a partnership among federal, provincial and municipal governments.

The federal Government allocates a budget annually for public non-profit social housing. In Ontario this year that budget allows for the construction of 1,400 units. The provincial Government then takes those funds and divides them, presumably equally, across each province to each municipality. The municipalities then receive the funds and the unit allocations. The build the projects and they supervise and manage them into the future.

By and large this system has been successful. It is one of which we in Ottawa can be very proud. We have seen over 100,000 units built from coast to coast in the past four years under the General Social Housing Program. Regretfully Ontario under Claude Bennett has attacked the system financially in the past. By now ignoring the needs of the Metropolitan Toronto region he is attacking the people themselves.

Metro Toronto, together with the City of Toronto have over 5,000 applications on file from people who need to live in social housing projects. Canada's biggest urban area faces the prospect that it will not get one unit allocation to meet the needs of these 5,000 applications. This abuse by the Government of Ontario has hurt both the people and the facilities at the municipal level designed to serve them.

● (1805)

What kind of people am I talking about? They are single parents, disabled, pensioners, and low income families. Let me take an example from my own region. In Peel we have excellent facilities managed and built by the Peel Non-Profit Housing Corporation. One thousand seven hundred units have been built in this area between 1979 and 1983. Seven hundred and seventy-three of those units are within my own riding of Mississauga North. Two hundred and thirty units are specifically rent geared to income. Of the other 543, families generally must have incomes annually below $29,000 to be eligible to live there. We know today that in a city like Mississauga $29,000 annually is not a rich man's income. There are another 400 units currently under construction. One hundred will be specifically geared to income and 300 will be at market rents for moderate income people. These are the people the Government of Ontario is attacking by its neglect.

The other day when I asked my question, the Minister of Public Works (Mr. LeBlanc) who replied said:

—we recognize in the area of social housing that we must make a special effort to direct housing units to those most in need and who have been waiting the longest.

These are the people who are being overlooked by this gesture from Ontario. It is unconscionable.

Further, this action attacks the basic partnership between the federal and provincial governments which I described a moment ago. This attack had already taken place financially. In Peel's budget for 1984 $16 million is being allocated to this area. The Ontario Government is paying only 4 per cent of that figure. The federal government is paying 51 per cent. The tenants are paying 44 per cent. Now we have a new strain put on this partnership, the strain of ignoring the most populated city with the largest number of applications and with the greatest proven need.

I ask the Minister or his Parliamentary Secretary to object most strenuously and to point out the basic negligence and abuse that this move by Ontario represents.

[*Translation*]

Mr. Jean-Claude Malépart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I feel first of all that the Hon. Member should be praised for his dedication to the cause of social housing especially for medium and low income families.

I wish to reply to the question which the Hon. Member raised on March 15 concerning the allocation of funds for the construction of public non-profit housing units within Metro Toronto municipalities.

The Hon. Member is certainly aware that under federal-provincial agreements, the federal government allocates funds for social housing to the provinces which in turn are responsible for sharing these funds between their respective municipalities. To meet the criteria of the program, the Canada Mortgage and Housing Corporation allocates these funds to the provinces on the basis of their respective requirements for proper and affordable housing.

On this basis, the share of the funds earmarked for Metro Toronto municipalities should have been considerable. Unfortunately, the Ontario government seems to apply its own rules for setting up priorities and has decided to ignore the needs of that metropolitan area.

Mr. Speaker, the federal minister responsible for housing has asked CMHC officials to examine all 1984 proposals to determine priorities. He has also invited provincial representatives to carry out a similar study of the housing quotas allocated to them. As the minister himself indicated in reply to this question, the province of Ontario has ignored the needs of medium and low income families living in the Toronto area in not providing this urban centre with unit allocations.

Mr. Speaker, it is hard to believe that the province of Ontario is using this pressure tactics to force the federal Government to increase its housing unit allocations to meet the needs of that area. The province knows fully well that it takes quite some time to put together public non-profit social housing development packages within the various municipalities,

and it is unfortunate that it ignored the housing needs of families and senior citizens when it decided two months ago to distribute the funds allocated by the federal Government.

• (1810)

[*English*]

EMPLOYMENT—ALLOCATION OF FUNDS TO NOVA SCOTIA RIDINGS. (B) AFFIRMATIVE ACTION PROGRAM FUNDING

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, a couple of months ago I raised a question in the Chamber with respect to the cutting off of funds which were allocated to a program which happened to be occurring in Dartmouth, though it was a metropolitan area program. It dealt with and related to affirmative action designed to assist women entering the work force and women desirous of re-entering the work force, once they had left it for one reason or another. The funding was cut off quite unilaterally, arbitrarily and suddenly.

Perhaps the funding of projects of this nature should be dealt with at arm's length but this program has particular significance because it dealt almost entirely with members of the black community. I am rather curious about why this would have happened at a particular point in time when funds were privately and secretly being made available to Liberal Members of Parliament for whatever projects they wanted.

At the same time, I was very curious and will continue to be curious in the weeks ahead about the decision process behind the decision of the Hon. Member for Cape Breton Highlands-Canso (Mr. MacEachen), the distinguished senior Minister from Nova Scotia, to cause massive disruption in the lives of students attending the Nova Scotia Nautical Institute. He decided unilaterally that he wanted that institute to be located within his constituency in a place called Port Hawkesbury. I suspect he wanted it there because he will not receive the pipeline activity for his constituency which he thought he might receive this election year. Let us not deal with that but with the Nautical Institute.

The Nautical Institute has been located in Halifax for 112 years. Four thousand students pass through its doors annually. It is the principal and indeed only nautical institute of its kind for the private sector in Atlantic Canada. It is the place to which seamen, engineers, mates, mates seeking master's papers and all of those seamen who must have emergency training must go. It is located in Halifax because Halifax is the centre of marine activity in Atlantic Canada.

Halifax is the most active port in Atlantic Canada and it is the university centre for Atlantic Canada. To become a master seaman today, one must have an extraordinarily high level of knowledge of marine law. Dalhousie University is located in Halifax. To move the marine institute from Halifax to Port Hawkesbury would be to deny students access to that institution which offers the help they need.

Perhaps the Parliamentary Secretary can tell me why it was that the universities were not consulted, the shipping companies were not consulted and the officers of Bedford Institute of Oceanology which has exchange services were not consulted? Why were Fisheries and Oceans and other government Departments closely associated with the Nova Scotia Nautical Institute not consulted? Above all, why were the 4,000 students, 90 per cent of whom live within a half-hour's commuting distance of the school, not consulted? Does it not matter that a man spends two months at sea, comes home for the purpose of upgrading his certificate and is forced to move 200 miles away from his family, when in fact his livelihood keeps him away from his family? Why were the students not consulted? The students at the Nova Scotia Nautical Institute want answers to questions like that. Was there a quick fix?

• (1815)

Where was the Hon. Member for Halifax (Mr. Regan)? Did he give up an $18 million project for a $5 million federal contribution toward a $50 million white elephant in the heart of an area already congested with traffic in the City of Halifax? Did he even know about it? Did he enter into a deal, a *quid pro quo*, so to speak? Talk about conflict of interest, Mr. Speaker.

Will the Parliamentary Secretary tell us why this matter cannot be suspended; why any further movement should not be taken until such time as the students, the teaching staff, the institution, the shipping community, and government departments are all consulted so a rational, sensible decision can be made? The institute must be replaced and renewed and it should be renewed in the metropolitan area of Halifax-Dartmouth somewhere, not on the Strait of Canso at Port Hawkesbury, depriving 90 per cent of the students daily access to their homes and families.

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, it would be a pleasure to answer the question put by the Hon. Member but I am afraid there is some misunderstanding about it. The answer I have in front of me is to a question that the Hon. Member put to the Minister of Employment and Immigration (Mr. Roberts) on February 23. That is not the question he put just now. I am afraid I do not have an answer for the question he just posed. The question listed for the late show, and which was submitted to the Department, was about a problem on February 23, not about the school and the students that the Hon. Member referred to. I will be very pleased to answer the question the Hon. Member just put by letter, but right now I will give the floor to another Member who has a question on the late show. Perhaps I can discuss this with my colleague.

The Acting Speaker (Mr. Herbert): For the purpose of clarification, I should say that the question announced for discussion tonight by the Hon. Member for Dartmouth-Halifax East (Mr. Forrestall) was Allocation of funds to Nova Scotia ridings, Affirmative action program funding, and the reference is *Hansard*, February 23, 1984, pages 1669 to 1670.

Mr. Forrestall: Mr. Speaker, I have a point of order.

The Acting Speaker (Mr. Herbert): Unfortunately there can be no point of order during the adjournment debate. I just put that on the record so that the matter might be clarified.

FORESTRY—NEGOTIATION OF FEDERAL-PROVINCIAL AGREEMENTS. (B) EXPENDITURE OF FUNDS IN BRITISH COLUMBIA

Mr. Lyle S. Kristiansen (Kootenay West): Mr. Speaker, on February 10 I put two questions to the Minister of Finance (Mr. Lalonde) in the absence of the Minister of the Environment (Mr. Caccia) who is responsible for forestry. I asked:

> Can we have the commitment now from the Minister of Finance that the $5 million out of the $130 million that had been allocated will in fact be available—

That referred to the negotiations for a renewal of the Canada-B.C. forest subsidiary agreement. Initially, the federal Government had supposedly allocated some $52 million, to be matched by funds from the Province of British Columbia, for a $100 million plus campaign to begin to restock some of the 640,000 hectare backlog of non-satisfactorily restocked forest land in the Province. There has been a renewal of the existing agreement which, instead of providing for $52 million plus $52 million, provides for a total of $11 million being spent on that grave problem in the Province.

• (1820)

This is a missed opportunity, Mr. Speaker, which simply cries out for attention because, according to the federal Government's own reports, more than 30,000 direct jobs and 30,000 indirect jobs will be lost between the next 5 to 20 years in British Columbia alone. This will necessitate the probability of a massive financial bail-out of the entire Province of British Columbia, if we do not get started now on a massive reforestation project. It will be a disaster which is almost beyond comprehension to people like myself, the people I work with and the communities who depend on the forest industry for their very existence.

Another question I asked on that date of the Minister of Finance (Mr. Lalonde), in the absence of the Minister responsible for forestry, was whether he would give us some assurance that the moneys not spent from this year's allocation, because of the failure of the Province and the federal Government to reach agreements, will be added to whatever moneys might be planned for this coming fiscal year in order that we can save whatever little is left of the most important industry in this country. The Minister of Finance at that time answered that it would be given consideration.

Shortly thereafter, Mr. Speaker, we had the government estimates which showed that expenditures forecast for 1984-1985 for forestry, as compared to the expenditures forecast for 1983-1984, fell in total by some 61 per cent, from $115 million to almost $45 million. This is at a time when not only British Columbia, but almost every major forestry province across Canada, is crying out in anguish because the fall-down effect is going to begin hitting very soon. We will see community after community go the same way as the former British Columbia community of Ocean Falls. It was totally obliterated from the map because we simply have not done the job.

My colleagues and I realize, Mr. Speaker, that under our Constitution—and this Party played a part in strengthening that section—the prime responsibility and jurisdiction is with the Province. However, the fact is, by the Government's own report, that unless we begin now to expend that money, whether or not it is matched, we are going to have to bail out the Province of British Columbia and communities in other Provinces anyway. While I can understand the problems of the Government, we cannot afford to wait any longer.

Finally, Mr. Speaker, the action of the Minister of the Environment in not attending the founding meeting of the Canadian Council of Forest Industries just a few days ago, which was held just a couple of blocks away from Parliament Hill, was absolutely abominable. The Minister said in a recent meeting in Vancouver with the professional forestries association that he would do anything possible to ensure the forestry industry's survival. Shortly after making that commitment in British Columbia—and he made the same commitment to my leader on February 13 in the House of Commons—he did not attend that very important meeting. We have been trying for 10 or 20 years to get representatives of the Canadian forestry industry into one group which could speak with one united voice to the federal Government yet the Minister could not even go that few blocks to the conference. I do not know if he was visiting with royalty or what he was doing, but he should have at least accorded that industry the recognition of its rightful place in Canada.

That industry, in terms of dollars coming into this country, is the most important industry we have. Some Members on that side of the House, Mr. Speaker, must get that message sunk in to their heads or we are all in for trouble in a few short years.

Mr. Denis Ethier (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, having regard to the charge concerning the absence of the Minister at that conference, I wish to tell the Hon. Member that when the Minister is here he will reply to that, I am sure.

In answer to the Hon. Member's question with respect to forest renewal, the framework for forest renewal approved by the federal cabinet in 1982 spoke of increasing the federal contribution to forest renewal in Canada to $130 million annually by 1987, through a new generation of five-year federal-provincial forestry agreements. It was understood, however, that the $130 million figure represented a notional amount for which funding for each agreement would be sought on a case by case basis through submissions to cabinet. Although only notional amounts, some Provinces, including British Columbia, took it for granted that the figures mentioned in the framework paper had been approved. Such is not the case.

● (1825)

The Minister intends to put before his Cabinet colleagues federal-provincial agreements which would implement the forest renewal policy. Indeed, officials of the Canadian Forestry Service began negotiating such a deal with officials of the B.C. Ministry of Forests close to a year ago. As of January, 1984, it became obvious that it would not be possible to conclude any new agreement with B.C. which would allow us to launch a major forest renewal program before March 31. Since both the current intensive forest management agreement and the general development agreement expire on that date, the Minister agreed with provincial officials that an extension of the current agreement was the best course of action for now, thus avoiding a costly interruption of the federal-provincial co-operative forest management programs in British Columbia.

Earlier today the Minister tabled before Cabinet a proposal to obtain the $5.5 million required to carry the current agreement for one more year. A decision is expected momentarily and I do not foresee any difficulty in obtaining approval. This extension does not in any way preclude our reaching an agreement with British Columbia which would involve substantial levels of funding over a five-year period.

The proposal I just mentioned would see both Governments spend $11 million jointly this year, mainly on reforestation and silvicultural prescriptions as well as research and development. This would lay the groundwork for further initiatives to be undertaken with the Province and industry of British Columbia, within the framework of a new forest renewal agreement that could be implemented as of 1985-86.

I take this opportunity to remind the Hon. Member that this Government has steadily increased its financial support to forestry in B.C. over the past years. Through the ongoing research and development work of the Pacific Forest Research Centre, the current intensive forest management agreement, the UI/JC-Forest Sector Program and Co-operative Overseas Market Development Program, unique to B.C., we have brought federal expenditures in B.C. from $10 million in 1979-80 to $35 million in 1983-84, totalling over $112 million over the last five years. A few examples of this are, increased funding to the Faculty of Forestry at UBC, the upgrading of the Pacific Forest Research Centre in Victoria, and a current innovative study to develop an economic timber supply model for B.C.

Let me conclude by assuring Members of the House that this Government will maintain its commitment to the forest sector, in B.C. as well as in the rest of the country, as expressed in our policy on forest renewal.

[*Translation*]

The Acting Speaker (Mr. Herbert): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m.

At 6.28 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Wednesday, March 21, 1984

The House met at 2 p.m.

• (1405)

[*English*]

VACANCY

SCARBOROUGH EAST—GORDON GILCHRIST BY RESIGNATION

Mr. Speaker: Order. I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Gordon Gilchrist, Member for the electoral district of Scarborough East, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

INCOME TAX ACT

RELIEF SOUGHT FOR PARENTS SUPPORTING UNEMPLOYED OFFSPRING

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, we are all fully aware that we are living in very difficult times now, with the number of unemployed approaching the two million mark. The greatest percentage of unemployment is found among young men and women under the age of 25, many of whom have not even had the opportunity to find their first job. These young people are becoming more and more disillusioned with their lot in life and have practically lost hope of any future for themselves.

Because they cannot find work to support themselves, many of these young people who are over the age of 18 have no other choice but to live at home with and be fully supported by their parents. However, according to the Income Tax Act parents cannot claim these young people as dependants for income tax purposes. I believe that the Income Tax Act should be changed in order to accommodate this very important problem. Therefore, Mr. Speaker, I call upon the Government to take the steps which are necessary to change the Income Tax Act in order to offer tax relief to those parents who are fully supporting their children who are 18 years of age and over and are unable to find employment in these very difficult economic times.

[*Translation*]

INDUSTRY

REFUSAL OF LAND GRANT TO BELL HELICOPTER BY QUEBEC GOVERNMENT

Mr. Marcel Roy (Laval): Mr. Speaker, my statement is about the refusal on the part of the Commission de protection du territoire agricole to cede to Bell Helicopter at Mirabel a portion of land zoned as farm land.

Municipal authorities at Mirabel and federal Members from the Laval and Laurentian areas are becoming increasingly concerned that Bell Helicopter may decide not to locate at Mirabel. We are aware that the decision to have Bell Helicopter locate at Mirabel has led to numerous meetings and representations by local Members to the Minister of Finance (Mr. Lalonde) and the Minister of Communications (Mr. Fox).

We are convinced there is no justification for further delay in establishing Bell Helicopter at Mirabel, which would provide 3,000 jobs for the region in the high-tech field. We urge the Minister of Agriculture, Fisheries and Food, Mr. Jean Garon, who was never in favour of the Mirabel project and has always oppposed plans for developing Mirabel, to make representations to Mr. René Lévesque so that we can ensure Bell Helicopter will be able to locate at Mirabel.

* * *

[*English*]

SPORTS

CALL FOR EXTENSION OF ASSISTANCE TO DEVELOPING ATHLETES

Mr. Otto Jelinek (Halton): Mr. Speaker, as a former Olympian I would like to take this opportunity to welcome to the nation's capital participants from nearly 30 countries in the World Figure Skating Championships. I am sure that the House joins me in wishing them good fortune and good sport. It is in this spirit of sportsmanship that I call upon the Government, and specifically upon the Minister of State for Fitness and Amateur Sport (Mr. Olivier), to extend athletic development fees, such as the ones provided to hockey, to other sports.

Using an example to explain this, Mr. Speaker, figure skaters in Canada are presently assisted financially through Sport Canada during their developing years, only to be plucked by foreign professional ice shows which in turn are not obligated to contribute toward that development.

This innovative system could be applied to numerous other sports, which in turn would help support amateur athletics in Canada while at the same time reducing the financial burden on the taxpayer.

* * *

INSOLVENCY ACT

DEMAND FOR EARLY PASSAGE

Mr. David Berger (Laurier): Mr. Speaker, recent events surrounding the Maislin bankruptcy settlement of unpaid employees' back salaries poignantly illustrate the immediate urgency for a new Bankruptcy Act providing wage protection for workers. When Parliament prorogued in December, 1983, the Finance Committee had started its hearings and there was an understanding that all Parties would move the Bill expeditiously to committee stage in the new Session. The Insolvency Act, now Bill C-17, has been ready and waiting for second reading, and the Finance Committee impatiently awaits its work.

Attempts have been made to accommodate our colleagues on the other side, and we have urged their continued co-operation. In response to their request, proposed amendments were submitted to them for study some four weeks ago. Ironically, it has been the New Democratic Party which has been obstructing all constructive efforts to move the Bill forward. In view of the vital significance of this Bill, and in view of its long and tortuous legislative history, I call upon members of the New Democratic Party and members of the Official Opposition to exert all possible efforts to bring the Bill to immediate second reading with speedy passage to committee stage.

* * *

RAILWAYS

FUTURE OF WINNIPEGOSIS SUBDIVISION

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, all those concerned with the importance of retaining the Winnipegosis subdivision welcomed the January 11, 1984, announcement made by the Minister of Transport (Mr. Axworthy), which indicated that he was recommending to Cabinet the retention of 10 miles of CN track between Sifton and Fork River, Manitoba. As the Minister stated: "Producers delivering to this point would face unreasonable extra hauls if their point was abandoned."

• (1410)

I welcome the Minister's letter of February 28 which stated that he was seeking to have this portion rehabilitated and added to the basic network. There is concern, however, over the fact that two months have elapsed and no Cabinet decision has been announced, possibly due to the present leadership race.

I would therefore urge the Government to act immediately to add the Winnipegosis subdivision to the permanent rail network. I also call upon the Minister of Transport to review the Oakland and Inwood subdivisions, for in those cases also there exists an urgent need for retention. The Amaranth Rail Retention Committee has documented the negative impact that rail line abandonment on the Oakland subdivision would have on that area. It is important that the Oakland subdivision be added to the permanent network. Similarly, the Inwood subdivision must be retained.

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[*Translation*]

BUDGET

PROVISIONS CONCERNING ELDERLY

Mr. Carlo Rossi (Bourassa): Mr. Speaker, Canadians across this beautiful country of ours were very interested in what the Minister of Finance (Mr. Lalonde) had to say in his Budget on February 15 of this year.

Pensioners were particularly well served by the Minister's announcement that the guaranteed income supplement will be increased by $25 as of July 1 and by another $25 on December 25 of this year. This $50 increase in the guaranteed income supplement means that the Government will be paying an additional $460 million to help pensioners.

Mr. Speaker, although the Opposition has preferred to ignore the attractive provisions of the last Budget, I can assure you that all Canadians, and especially the people in my riding of Bourassa, applaud these new measures which are a way of expressing the gratitude we owe our elders.

* * *

EXTERNAL AFFAIRS

ATTITUDE OF CIDA REGARDING SUCO FUNDS

Mr. David Kilgour (Edmonton-Strathcona): Mr. Speaker, on behalf of SUCO representatives, I got in touch with the Secretary of State for External Affairs (Mr. MacEachen) to get answers to certain questions, including this one: How does he explain that the Canadian Organization for Solidarity and Development already receives funds from CIDA, although it has been in existence for only a few months and several of its administrators are directly responsible for SUCO's huge deficit of the last fiscal year?

Why does CIDA reject the position of the Canadian Council for International Cooperation, the Quebec Association of International Cooperation Organizations and many other non-government organizations in favour of negotiated solutions? And why does CIDA refuse to accept in the case of SUCO

certain solutions which in the past were acceptable in the case of other non-government organizations?

Since funds will no longer be allocated to SUCO as of April 1, Mr. Speaker, on behalf of Quebecers directly involved, I am asking the Minister to give me precise answers to precise questions.

Mr. Gimaïel: If I may, Mr. Speaker, I should like to draw attention to the presence in the gallery of several young Canadians who are members of the Youth Forum—

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[*English*]

VETERANS AFFAIRS

DELAYS IN DELIVERY OF PENSION AND ALLOWANCE CHEQUES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in World War I, World War II, and during the Korean conflict, hundreds of thousands of Canadians came forward to serve their country and were prepared to give their lives to ensure that future generations of Canadians would live in freedom and peace in a democratic country. Today, many veterans, many veterans' widows, and many veterans' families depend solely on the pensions and allowances provided by the Department of Veterans Affairs. These pensions and allowances are inadequate to meet their financial needs satisfactorily, and in parts of British Columbia these inadequate cheques often arrive many days late. For many individuals and their families this results in their not having sufficient funds to purchase food. It also forces veterans to stand in line-ups at local food banks, and to use welfare food vouchers.

These humiliating experiences are inexcusable. Our war veterans, their widows and their families, deserve much better. I urge the Minister for Veterans Affairs to take steps immediately so that those who were prepared to die for their country are able to live out their lives in dignity. They should be provided with a pension adequate to meet their needs, and the Minister should ensure that their cheques are mailed to arrive on time.

* * *

● (1415)

MARINE TRANSPORT

CALL FOR IMPROVED ARCTIC NAVIGATION SYSTEMS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, yearly the volume of shipping in Canadian Arctic waters increases, to the extent that it has now become commonplace. Merchant vessels and specialized offshore oil and gas explanatory equipment ply the waters, and we can look forward to the day when the Northwest Passage will be a well established and viable international trade route. To encourage these developments and ensure safety to mariners, the Government of Canada should continue to promote more detailed hydrographic surveys, improved weather forecasting and ice reconnaissance, together with better electronic navigation systems.

The Canadian Coast Guard is to be complimented on its desire to increase Arctic ship safety, and on its plan to acquire icebreakers designed to Arctic specifications. The administration of the Coast Guard should be changed in due course to establish a northern region with headquarters in the North, in order to eliminate the problems caused by the present fractionalization of jurisdiction in the Arctic by the existing regional offices.

Furthermore, we need improved international co-operation between Canada, the United States, and Denmark, the states which border the Arctic Ocean and Northwest Passage.

ORAL QUESTION PERIOD

[*English*]

SMALL BUSINESS

EFFECT OF INCREASED INTEREST RATES ON JOB-CREATION POTENTIAL

Hon. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday in the House the Minister said in reply to my colleague, the Hon. Member for Halton, and I quote from page 2240 of *Hansard*:

> For us the small business sector is the most important element in terms of job creation. We have shown our determination to support it with the measures in the Budgets of last April and last February.

I can agree with the Minister on that, Mr. Speaker. Two-thirds of the jobs in this country are created by the small business sector. But how does the Minister expect the small business sector to expand and create new jobs when, in the Minister's own estimation, interest rates will continue to go up?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, if my friend checks what I said in the House yesterday, he will see that I have not indicated that interest rates will continue to go up. I have indicated that, if interest rates in the United States increase, it will be very difficult for Canada to keep interest rates lower than those in the United States for any extended period.

I have not forecast continuing increases in interest rates. The evolution of the situation will very much depend also on what will happen in the United States over the next few weeks and months.

REQUEST THAT MINISTER ACT TO OFFSET POSSIBLE INTEREST RATE INCREASES

Hon. James A. McGrath (St. John's East): Mr. Speaker, if interest rates continue to expand—and this is not strictly hypothetical—this will more than offset what little there was

in the last two Budgets to provide incentives to the small business sector to expand. In view of the fact that unemployment in this country continues to increase, whereas in the United States it continues to go down, what steps does the Minister propose to take, what leadership does he intend to provide, to offset high interest rates and to allow the small business sector to expand to provide jobs for the million and a half people in this country who are in danger of being left behind?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, my friend starts his question by saying "if" interest rates continue to increase. That is obviously a hypothetical question, and we will have to see whether or not it is verified over the next few weeks and months. Interest rates have gone up half a point—

Mr. Blenkarn: They have gone up a whole point in the last three weeks.

Mr. Lalonde: If they had gone down half a point I do not think my friend would have said that this was a fantastic factor for growth and that all our problems will be resolved. On the other hand, because interest rates have gone up half a point, there is no reason to believe the recovery has come to a halt or that we will know a recession.

There are movements in interest rates, and we are trying to keep those movements to the minimum on the upward side. I hope that the situation in the United States will stabilize without generating further increases in interest rates in that country. If that were to be the case, we would be in a position to have no further increases in our country either.

As far as the Hon. Member's reference to unemployment is concerned, obviously we are very concerned about the number of unemployed in our country. However, I want to remind my friend again that employment has also increased quite significantly in our country. As of last month we have created 54,000 new jobs. I hope we will continue to do so over the next several months.

COMPARISON WITH UNITED STATES ECONOMIC TRENDS

Hon. James A. McGrath (St. John's East): Mr. Speaker, the dollar continues to hover around 78 cents. The Minister knows in that kind of scenario interest rates have to go up.

● (1420)

Since the Minister continues to compare our situation with that of the U.S., can he explain how it is in the last three months unemployment in Canada continued to increase, whereas in the U.S. it continues to decline? It is now below 8 per cent. The U.S. employment rate is about 2.8 per cent ahead of where it was when the recession started, and we are 1.3 per cent behind. Can the Minister explain why we continue to fall behind and the U.S. continues to move ahead?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, again my friend forgets to mention that employment has also increased quite significantly in Canada in the last several months, particularly in the last month. As I said, it has increased by 54,000 new jobs. As far as industrial production is concerned, my friend makes a very selective choice of statistics. For example, in *The Economist* of March 17 there is reference to changes in the annual rate of industrial production. In Canada it is plus 13 per cent; in the United States it is plus 9.9 per cent. There are statistics which show there is faster growth in the U.S. than in Canada and in other areas there is faster growth in Canada than in the U.S., as in industrial production.

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FINANCE

INTEREST RATES—OPTIONS INQUIRY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, with all the data out today there is no question that the Canadian economy is growing less quickly than that of the U.S. Some 50,000 jobs have been created in Canada as against 2.7 million in the U.S.—not a very good performance.

This morning Mr. Feldstein, chairman of the U.S. Council of Economic Advisers, said that higher interest rates are a natural consequence of the much stronger U.S. economy. Last week Governor Bouey said there is no domestic reason for higher interest rates in Canada. Yesterday the Minister said if interest rates go up in the U.S. we are going to follow in lock-step. Since the Minister's Budget in no way anticipated the higher interest rates, would he let the Canadian people know the options open to us if in fact interest rates in the U.S. continue upwards the way they have over the past few weeks?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member refers to what Governor Bouey said, that there are no domestic reasons for the rate increases we have known. He went on to explain the external reasons for the increases we have known. If my friend can explain to me how we can have a situation in Canada where people who are saving will get, let us say, 9 per cent, but 11 per cent in the U.S., and why they would keep their savings in Canada rather than the U.S., then he will have the answer to his own question.

As long as we have a situation where our economies are so interdependent, and where there is freedom of movement in capital markets, he will realize we must have competitive interest rates in Canada if we want to keep investment and growth in this country. Even the Conservatives would be the first ones to ship their money to the U.S. if they could get a higher return.

Some Hon. Members: Oh, oh!

Mr. Lalonde: I am sure he knows that.

SIZE OF DEFICIT—EFFECT ON POLICY FLEXIBILITY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, the Minister has indicated by his response that his hands are tied. He has no other option, no independence of action.

If the deficit in Canada were much lower than it is today, would he have more flexibility and independence of action? In other words, interest rates would be lower than they are today and he would have room within his Budget either to decrease taxes or direct specific funding toward those people who are being hurt by higher interest rates. Would he have that increased flexibility?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have no trouble answering the Hon. Member. The answer is no. There is no indication that if our deficit were lower than it is at the present time, interest rates would be lower as well, for the simple reason, and I repeat, that our interest rates are very closely linked to those prevailing in the United States. Again, we must keep our interest rates competitive if we are to keep investment and money in Canada. This has no connection with the present level of the deficit in Canada. The Hon. Member knows that in spite of the deficit we have now, there is no pressure on financial markets inside Canada, or, as the Governor of the Bank of Canada said, there are no domestic reasons that would justify an increase in the interest rates. The reasons are external, and they are particularly linked to what is happening in the United States.

• (1425)

[*English*]

GOVERNMENT'S INTEREST RATE POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance and it is on the same subject as the previous question. A minute ago the Minister was once again linking growth in the Canadian economy with his high interest rate policy. This is the same argument which the Government made a couple of years ago for its high interest rate policy then. Instead of having growth we had a record number of business bankruptcies, a record number of Canadians losing their homes, and the highest debt load for farmers in any period since the Great Depression. That is the kind of growth we had with his high interest rate policy.

Since we had all these negative effects in the past few years from a high interest rate policy which was undertaken not that long ago, why does the Minister think things will be any different now? Why does he think things will get better instead of worse with this high interest rate policy? Everyone in the country, except the Minister, knows very well that this will not be the case.

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Government does not have a high interest rate policy. The Government's policy is to keep interest rates in Canada as low as possible. In fact, during the last two years, we succeeded in eliminating the gap between interest rates in Canada and the United States. The Hon. Member will recall that there was a difference of up to 5 per cent, when interest rates in Canada were 4 to 5 per cent higher than they were in the United States. We have succeeded in eliminating this gap. We have been able to bring about a substantial decrease in interest rates in Canada, but I am sure my hon. colleague will admit that if interest rates in Canada are lower than they are in the United States, even the most dogmatic members of the New Democratic Party will be the first to move their funds to the United States where they can get a better rate and a better return on their investment. We are in a situation where we remain competitive with the American market, and I am referring to both the financial and other markets. That is the Government's policy. We are not out to have high interest rates. Our policy is to bring down inflation, to increase growth, to reduce unemployment and to have the lowest possible interest rates compatible with our North American context.

[*English*]

EFFECT OF HIGH INTEREST RATES ON FARMERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as the Minister himself said just over a week ago, the reality is that if we let our dollar assume a more realistic level instead of imposing high interest rates on Canadians who cannot afford it, we would have increases in the number of jobs in Canada because we would increase our exports. That is the reality.

Apart from the job implication itself, in the past couple of weeks, because of the Government's high interest rate policy, farmers on typical farms have experienced increases of $3,000 in their costs this year. These increased costs to the farmer will result in increased profits for the banks. Why is the Government continuing to favour a high interest rate policy, which means more profits for the banks and more bankruptcies for Canadian farmers?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, it is rather difficult to answer the Hon. Member's question because it is based on a false premise, namely that the Government has a high interest rate policy. I spent several minutes after the Hon. Member's first question explaining that this was not the Government's policy—anything but. Our policy in Canada is to have the lowest possible interest rates in this country. However, we are also interested in a degree of stability in prices and in our economy, and we do not want a resurgence of the inflation we experienced at the beginning of the eighties, which brought us into our recent recession.

Therefore, the Government's policy is not aimed at keeping interest rates high, as the Hon. Member is alleging. As far as his allegation regarding bank profits is concerned, again I would say he is mistaken, because there is no guarantee that increased interest rates will necessarily be reflected in

increased profits, since the banks will have to pay more on their own deposits. Everything depends on the margin between the two.

• (1430)

[*English*]

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that the spreads have been at record levels. The amount that the banks are charging for loans, compared to what they are paying depositors, cause them to reap record level profits in Canada. For example, the Toronto Dominion Bank profits are up 33.6 per cent; Canadian Imperial Bank, 59.8 per cent; the Bank of Nova Scotia had a profit increase of 66 per cent last year, and then there is the poor Royal Bank with a profit increase of 130 per cent in Canada last year.

Why is the Minister favouring a high interest rate policy that can only mean fewer jobs in the Canadian economy, increased pressure on mortgage holders, and can only increase the debt burden of the farmers? Why does he continue a policy that does what Governor Bouey and the banks want, instead of what the ordinary people of this country would like?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, again my hon. friend seems to be selective. He might have added to his list the profits made by the credit unions, co-ops and caisses populaires in the last year. He might have mentioned that indeed these have known increases in profits, and for a very good reason. The increase in profits must be looked at in terms of from where you start. My friend knows that in the last few years financial institutions have been in serious difficulty in this country and that they are recovering from a period when they have known serious difficulty.

The Member says again that the Government is favouring a high interest rate policy. I told him twice in French that this is not the policy of the Government. I said that in English in response to the Conservative question before, I have to give him the same answer in English, that the Government does not have a high interest rate policy.

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AIRPORTS

MIRABEL INTERNATIONAL AIRPORT OPERATING LOSSES

Hon. Don Mazankowski (Vegreville): Mr. Speaker, my question is directed to the Minister of Transport. In a recent interview with *The New York Times*, the Minister complained about the extravagance of Canada's airport system resulting in the continuing heavy losses in the Airport Revolving Fund. Since the system is plagued by the continuing heavy losses in the operation of Mirabel International Airport, for which the current estimates indicate $48 million in this particular year, what plans, if any, is he contemplating or prepared to undertake to reduce this loss at Mirabel which impairs the total Airport Revolving Fund?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, first I would remind the Member for Vegreville that, as he knows, we are presently engaged in a major review of airline policy. The purpose of that is to generate a much broader range of competitive forces in the airline industry, and from that acquire a stronger sense of growth. I think that would have a very important and beneficial effect for an airport like Mirabel and other airports that are underutilized.

The answer to many of our economic problems is to generate more growth and activity, and to give a greater opportunity for the airline industry to provide consumer choices and options. That is a very clear message.

In addition, we have specific initiatives prescribed for Mirabel. We have a report that promotes the development of a new corporation that would undertake marketing for the area. We are selling off certain of the lands, and we are looking at other options for Mirabel and other airports that would give an incentive and added attraction to provide more airport activity. I think we are trying to make a better and much more effective use of the facilities that we now have.

Mr. Mazankowski: The Minister is saying that he is going to propose another series of studies.

REQUEST FOR MINISTERIAL ACTION

Hon. Don Mazankowski (Vegreville): Mr. Speaker, given the fact that the burden of those costs of the operation and maintenance of Canada's airport system, which the Minister referred to in his interview as containing many Taj Mahals, falls directly upon the consumer, and since the Minister is engaged in a campaign to deregulate, with the expectation that air fares will come down, what specific action will he take to reduce the burden of costs which would provide cheaper air fares to the consuming public? He has to do more than simply another study.

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I agree with the Hon. Member. Of course more studies will not be the answer. But what we are engaged in at the present time is a responsible series of public hearings so that a wide variety of Canadians from industry and consumer groups can present their points of view. Second, we are also engaged in working internally on how we can reduce costs throughout our system. I would remind the Hon. Member that the primary and critical ingredient to provide for the better utilization of our airports is to get more growth, activity, and action in our airline industry. That means giving the consumers a better choice. That is what we intend to do.

PENITENTIARIES

ARCHAMBAULT RIOT AFTERMATH—REQUEST FOR PUBLIC INQUIRY

Hon. Ray Hnatyshyn (Saskatoon West): Mr. Speaker, my question is addressed to the Solicitor General. I believe that Canadians have had a feeling of shock, almost revulsion, caused by disclosure of the Amnesty International report with respect to the Archambault riot, which concluded that there exists at least a reasonable ground to believe that there was torture, or other cruel and inhuman or degrading treatment of prisoners after the July 25, 1982, incident.

Canadians have been under the impression that this only occurs in countries where tyranny reigns, or in some banana republic. How can the Minister say that there has been no torture, no other cruel and inhuman or degrading treatment within the federal institution, Archambault, when he is still waiting for his own in-house report? If he has nothing to hide, why does he not proceed with an open inquiry, a judicial inquiry which will be open to the public, so that they can see precisely what is going on in our federal institutions?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, I indicated that, with the evidence that I had, and I, of course, followed the matter very closely and examined every shred of possible evidence of extreme incidents of torture which were alleged, I was not convinced by them.

I also took account of the fact, and I would ask the Hon. Member to take account of this as well, that the inmates in Canada's federal penitentiaries are not like the inmates in some tyrannical country or banana republic as he mentioned. They have very strong available recourses. They have the right to sue the Solicitor General and the Correctional Service of Canada. I encouraged them, week after week, if they had allegations of the sort they were making, to take that course. After all, there are a number of lawsuits outstanding right now against the Correctional Service of Canada, against the Solicitor General, that prove that the inmates do have that available recourse.

The fact is that they have not done so. The fact is that these allegations have become retroactively more and more serious. At the beginning, shortly after the incidents when lawyers first began making statements on behalf of their client inmates, no suggestion at all was made of the kinds of serious incidents that were alleged to the investigators of Amnesty International.

These are all the reasons why I prefer to encourage the inmates to proceed as I have indicated, and why I continue to believe that a public, open judicial inquiry would not be appropriate.

Amnesty International asked for a "full, independent, and impartial investigation". The correctional investigator is an officer who is qualified to undertake such an investigation, and he is doing so.

Mr. Hnatyshyn: That will come as news to Amnesty International.

INMATES' ACCESS TO DRUGS

Hon. Ray Hnatyshyn (Saskatoon West): Today the coroner for eastern Ontario disclosed a recent report in which he said security in the prisons is so loose and correctional employees feel so impotent that they cannot prevent drug abuse within the prison system, and that this has led to a substantial increased degree of murders and assaults within the institutions.

What is going on within the institutions when inmates apparently have unlimited access to marijuana, hashish, valium, home made booze, and a number of other drugs? Are these institutions out of control? What does the Minister propose to do to stem this tide of illicit drugs within, of all places, federal penal institutions?

• (1440)

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, we live in a drug-infested society. It should not be surprising to Members to find that an institution like a correctional institution, a federal penitentiary, has very serious limitations on the degree to which entry of drugs can be prevented. Hundreds of people visit these institutions every week. Dozens of the inmates are out in the street for periods of time during the week. In spite of that, a high degree of control is maintained, and the drug problems which I can see do exist in the institutions are controlled as much as possible.

I read the report with a lot of interest. It is worth reading. I think a broader perspective needs to be taken before changes in policy can really be adopted. To move to a system that would have the amount of repression, investigation, and inspection that is called for in that report would raise its own problems. I think I would want to give a lot of account to the kinds of problems that would result from extreme measures of search and isolation of inmates, which are the recommendations in that report, and what the consequences would be before moving from a more balanced position than the one we presently have.

I am interested to have the Amnesty International report on the one hand, which finds repression in our institution, or allegations of it, and then this report on the other hand which says we are too soft on inmates. The policy that we try to follow is somewhere between the two.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION—FRANCE NATIONAL ASSEMBLY

Mr. Speaker: Order, please. May I draw the attention of the House of Commons to the presence in the gallery of a parliamentary delegation from the National Assembly of France.

* * *

[*English*]

PENITENTIARIES

ARCHAMBAULT INSTITUTION—AMNESTY INTERNATIONAL'S CALL FOR INDEPENDENT INVESTIGATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a question for the Solicitor General. The report issued yesterday by Amnesty International showing that there are reasonable grounds to believe that prison inmates in Archambault had tear gas sprayed into their mouths, were burned on their flesh with lighted cigarettes, were severely beaten, and were the victims of water torture, surely represents the kind of activity which is condoned in repressive banana republics and not here in Canada.

Given the fact that the Amnesty International report calls for a full, independent, impartial inquiry, not a perceived whitewash by a government employee, paid by the Government of Canada, reporting to the Solicitor General directly, when will the Minister finally live up to his obligations and accept this essential recommendation of Amnesty International and order a full, public, judicial inquiry into these shocking allegations?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the qualifications of a public inquiry and a judicial inquiry do not appear in the Amnesty International recommendations. They were omitted. What appears here is a "full, independent, and impartial investigation".

Mr. Nielsen: How can the investigator be independent?

Mr. Kaplan: This House knows well the mandate of the correctional investigator. He was established pursuant to a recommendation of a parliamentary committee, and it was a unanimous recommendation of all Parties that that individual be given those authorities. He was given those authorities. He is exercising those authorities. The Hon. Member is criticizing the report and undermining it before it is even written.

I have undertaken to make that report public as soon as I get it. I will honour that commitment and make the report public when I get it. I think if the Member is wanting now to lay a foundation for attacking the credibility of the report, he should at least, in fairness to the correctional investigator, wait to see it.

Mr. Robinson (Burnaby): Mr. Speaker, if the Minister fails to act on this unprecedented Amnesty report, he will certainly bring international shame to Canada, and in particular to his Government.

[*Translation*]

Mr. Speaker, considering the outright rejection of the response to those very serious accusations, why did the Minister refuse to make a clear and unequivocal statement, as recommended by Amnesty International, against any kind of torture and inhuman treatment in prisons throughout Canada?

Mr. Kaplan: Mr. Speaker, it is because, in that respect, our laws, our Canadian Charter of Rights and Freedoms, and the guidelines issued by the Commissioner of the Correctional Service are already clear enough to warn Canadians and establish the position of the Government and Canadians against this kind of behaviour. There is no need to tell a group of professionals such as correctional officers in our institutions that they must not resort to torture.

* * *

CANADA POST CORPORATION

REQUEST FOR DETAILS REGARDING RETAIL OUTLETS

Mr. Henri Tousignant (Témiscamingue): Mr. Speaker, my question is directed to the Minister responsible for the Canada Post Corporation. Could he tell the House just what the intentions of the Canada Post Corporation are with respect to its grand project to turn itself into retail outlets, thus competing unfairly with small businesses and merchants that must keep inventories? In addition, could the Minister tell us as well whether Canada Post has given him the names of the shareholders of that company, which I refrain from naming to avoid publicity, but which is now on a honeymoon with the Canada Post Corporation?

Hon. André Ouellet (Minister of Labour): Obviously, Mr. Speaker, the Hon. Member is mistaken if he thinks that the Canada Post Corporation has become retail outlets. The fact is that Canada Post is responsible for delivering both letters and parcels, and the project mentioned by the Hon. Member is a pilot project launched in a few regions of Canada to give better service to the clients of certain companies. That is part of the general responsibilities of Canada Post to deliver mail rapidly.

However, I can tell the Hon. Member that, as a result of representations made by him and some of his colleagues on the Government benches, the President of the Canada Post Corporation has assured me that he would reconsider the question and discuss with Canada Post customers the best way to correct the situation.

[*English*]

NATIONAL ENERGY PROGRAM

MINISTER'S POSITION

Miss Pat Carney (Vancouver Centre): Mr. Speaker, I would like to address my question to the Minister of Energy, Mines and Resources, if I could take his attention away from his running mate, the Minister of Justice.

Some Hon. Members: Oh, oh!

Miss Carney: My question deals with the Minister's statement that he has no problems with the national energy policy which his Government introduced. Could the Minister tell this House what elements of the National Energy Program cause him no problem? Is it the loss of 35,000 jobs, or the increase in oil imports, which his own Department estimates? Or possibly is it the $8.1 billion in PIP grants that he is paying oil companies to drill dry holes? Could he tell us why he is so satisfied with these accomplishments?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, I think the energy policy that was put in place had some goals that are being met. The Canadian content of the industry is increasing every day. Of course we have become self-sufficient. We produce more oil than we consume now. The policy is on target. There was a big increase last year in the completion of wells, new wells being drilled and so on. I am amazed after being the critic of my Department for a year and now I am in the race that the Hon. Member dares to get up to ask some questions. The Conservatives have not produced anything. Their Leader gave a speech in Calgary. Two days after that—

Mr. Nielsen: Order.

Mr. Speaker: Order, please. The Hon. Member for Vancouver Centre is recognized for a supplementary question.

* * *

PETRO-CANADA

OIL RIG EXPENDITURES

Miss Pat Carney (Vancouver Centre): Mr. Speaker, my supplementary question is also addressed to the Minister of Energy, Mines and Resources. He will find, if he checks *Hansard*, that the last three times I raised energy issues in this House he was not in the House.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Miss Carney: The Minister should be aware that Canadian taxpayers—

Some Hon. Members: Oh, oh!

An Hon. Member: More.

Miss Carney: Mr. Speaker, do I have the floor?

Some Hon. Members: Oh, oh!

Miss Carney: The Minister should be aware that Canadian taxpayers are paying about $300,000 a day, for a total of an estimated $61 million, for an offshore rig half owned by Petro-Canada. It is sitting in port for repairs. Considering that we have such high unemployment in this country, can the Minister explain why Canadian taxpayers should pay for a rig that is not working?

• (1450)

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member just said that the rig needs repair. There is nothing mechanical that does not sometimes need repair.

Some Hon. Members: Hear, hear!

Mr. Chrétien: When I think about the energy policy of the Opposition, I see that it has been under repair for years.

I can tell the Hon. Member that there was an increase in Saskatchewan of 127 per cent of wells completed in the last year. There was an increase in Alberta as well of the number of wells. Everything is much better than a year ago. We are making progress in the field of energy, but I know that the Opposition cannot make up its mind. The Opposition wants to abolish the back-in in our policy. The Premier of Nova Scotia, Mr. Buchanan, wants me to introduce a Bill right now because he wants the back-in, and he does not trust the Opposition should they become the Government.

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NATIONAL ENERGY PROGRAM

COSTS OF CANADA LANDS EXPLORATION

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. I would point out that it is the national energy policy that needs repair. How does the Minister justify spending taxpayers' dollars, approximately $12 billion by 1986, on high-risk exploration on Canada Lands when the results to date are poor? The same $12 billion directed to oil sands mining would create thousands of jobs. The technology is in place. The oil is there. We know it is there.

[*Translation*]

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, it looks like the Hon. Member is ready to take over from the first critic who asked me a few questions. Helping industries carry out exploration in Canada's North and off the coasts of Newfoundland and Nova Scotia is of fundamental importance to Canada because we must know what our resources are and how much our petroleum and natural gas reserves are worth, if we are to

ensure self-sufficiency and security of supply. Under our system, we are providing exploration incentives rather than tax incentives, for the simple reason that we want to encourage our Canadian industry to participate in the development of our resources. If the opposition were to form the Government, Canada's entire oil industry would be given back to the Americans. Our policy is to provide for Canadian participation in Canada's oil and gas industry.

[*English*]

OIL SANDS POTENTIAL

Mr. Jack Shields (Athabasca): Mr. Speaker, surely the Minister recognizes that it is not prudent to be spending billions of dollars of taxpayers' money on high-risk exploration when in Canada we have the oil sands, with known quantities of oil, the largest single reserve in the world.

The Minister avoided my question. How does he justify spending billions on inefficient exploration, high-risk exploration at high cost, when the same amount of dollars invested in the oil sands would create thousands of jobs across this country?

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, if the Hon. Member were aware of the facts, he would know that in the last few months I have made agreements with the provinces and with industry for heavy oil projects in western Canada, and upgrading in Saskatchewan. For example, the Cold Lake project in the Hon. Member's riding is going ahead with Imperial Oil. There is the BP and Petro-Canada project at Wolf Lake. Another project by Amoco was announced a few weeks ago. Many programs are going ahead in the development of heavy oil and tar sands in western Canada. I am consulting and collaborating with the provincial Governments. We are making a lot of progress. It is possible to develop that kind of resource in western Canada and, at the same time, ensure that there is development in northern Canada, and in the eastern provinces where more activity is needed than anywhere else in the country.

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EXTERNAL AFFAIRS

HONDURAS—REFUSAL TO SIGN UNITED NATIONS AGREEMENT ON REFUGEES

Mr. Dan Heap (Spadina): Mr. Speaker, in the absence of the Secretary of State for External Affairs I would like to direct my question to the Prime Minister. Honduras, which the Secretary of State for External Affairs will visit next month, has refused to sign the United Nations Agreement on Refugees. It has detained 7,000 or 8,000 El Salvadoran refugees in a detention camp in Colmoncagua, where they are entirely supported by the United Nations and relief agencies, but harassed by the Honduran military.

Remembering that the U.S. and Honduran armies are poised to invade El Salvador through that same area, will the Prime Minister ask his Minister to request the Honduran Government to sign the UN agreement for the protection of refugees, and to give the El Salvadoran refugees the same freedom as it gives Nicaraguan refugees in Honduras, and forbid the use of Honduras as a base for the U.S. lead invasion of El Salvador?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member has requested an intervention with a foreign Government in relation to a matter that is within its jurisdiction. Canada's position in relation to the encouragement of proper treatment for refugees is well known. No country has been more open and generous in receiving political refugees than has Canada. That continues to be our position.

PLAN TO RELOCATE REFUGEES

Mr. Dan Heap (Spadina): Mr. Speaker, my question to the Prime Minister is with regard to an international obligation of Honduras to sign the agreement on refugees. It is an international obligation to give good treatment to them and not to promote war with its neighbour. Considering that the Roman Catholic Church has supported the refugees in refusing to be relocated out of their camp, will the Prime Minister ask his Minister to ask the Honduran Government not to go ahead with its plan of forced relocation, and to consult with the church and the United Nations about the refugees' request to be relocated, if necessary, to a third country, or to be repatriated to El Salvador under United Nations protection?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member will be aware that persons become political refugees eligible to apply for acceptance into Canada and many other countries when they have left their country of origin and are located in refugee status in another country. People who are in that position in Honduras, who have come from Nicaragua or El Salvador, are in a position to make application to Canada or to other countries for consideration of their case. With reference to decisions taken by the Honduras Government within its own jurisdiction, the Hon. Member will realize that the Government of Canada cannot interfere in those domestic decisions.

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[*Translation*]

CANADA POST CORPORATION

ALLEGED TRANSFORMATION TO RETAIL OUTLETS

Hon. Roch La Salle (Joliette): Mr. Speaker, my question is for the Minister responsible for the Canada Post Corporation.

The Minister seems to be well aware of the objections to which have given rise the Department of Labour's plans to transform post offices into something like general stores. I have seen, for instance, postal employees busy filling out orders while people who wanted to buy stamps had to wait in line.

In view of these circumstances, as the Minister is well aware of the main purpose of the Canada Post Corporation, which is to provide the best service possible, I would like to ask him, first, whether he was serious when he said that the Corporation would reassess its plans, and second whether he has received any representations with regard to this brand of competition which, at least in our opinion, cannot but shock the private sector?

Hon. André Ouellet (Minister of Labour): Mr. Speaker, as I said earlier, the President of the Corporation has assured me that he would reconsider these plans because of the representations he has received. The Canada Post Corporation has signed a contract with one of its customers to be able to serve it better.

What the Canada Post Corporation did was to carry out a pilot project in about ten Canadian municipalities for a limited period of time to see how it could, first, better serve the public, second, provide a better service to one of its regular users, and third, determine whether such an operation could increase its profits.

However, the President has assured me that, in the light of the representations he has received, he is willing to reconsider this plan and take whatever action is necessary.

REQUEST FOR MINISTER TO MAKE A COMMITMENT

Hon. Roch La Salle (Joliette): Mr. Speaker, the Minister has just admitted that the Canada Post Corporation is anxious to provide better services to one of its users when everyone is well aware that it has, in fact, millions of users.

In view of the circumstances, since the Minister is aware of the main purpose of the Canada Post Corporation and also of the objections such action will create as the Minister himself has said in the House that Opposition Members have already made representations to him, concerning this unacceptable project of the Canada Post Corporation, I simply want to ask the Minister whether he will undertake on behalf of this House to recommend to the Corporation that it confine itself to its primary job and forget about competing with the private sector in the marketplace.

Hon. André Ouellet (Minister of Labour): Mr. Speaker, what the Hon. Member seems to be forgetting is that the thousands of Canadians who use the Canada Post Corporation to order merchandise are all customers of the Corporation and users of the postal service.

The Hon. Member is therefore quite wrong when he suggests that this new service provided by the Canada Post Corporation is offered to just one customer. In co-operation with a private business, the Corporation offers this service to the thousands of Canadians who will want to use it.

However, quite apart from this question, I can assure the Hon. Member that the other issue he has raised as to whether the Corporation is entering into unfair competition with small businesses by extending its services is something that the President of the Corporation has accepted to reconsider, and I expect a report from him in the very near future.

* * *

• (1500)

[*English*]

PENITENTIARIES

KINGSTON AREA INSTITUTIONS—REQUEST THAT TASK FORCE MAKE REPORT PUBLIC

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, I have a brief question which is addressed to the Solicitor General and is supplementary to questions which were posed to him earlier today. As the Minister will be aware, there has been another murder of an inmate and a stabbing of two guards in the Millhaven penitentiary in recent days. This is causing great concern within the community and great concern to people who work in the penitentiary, as well as to the inmates.

Could the Minister give the House his assurance that the investigation team he has set up under the leadership of Dr. Vantour will report publicly to Members of the House and to the Commissioner of Penitentiaries on its findings regarding the escalating violence in the penitentiaries in the Kingston area?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the Hon. Member has reminded the House that I have indeed established a task force and asked it to examine the situation in Kingston area institutions relating to the violence which has occurred lately, including the tragic incident to which the Hon. Member referred. That task force is composed of three officials, and Mr. Vantour is the chairman. It includes, as well, one non-official, a former RCMP investigator, who I expect will make a very good contribution. I undertake that the report of the committee will be made public and it will be made public as soon as I receive it.

* * *

PETITION

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: Order. I have the honour to inform the House that the petition presented by the Hon. Member for Parry Sound-Muskoka (Mr. Darling) on Tuesday, March 20, 1984, meets the requirements of the Standing Orders as to form. The petition presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) on Tuesday, March 20, 1984, does not meet the requirements of the Standing Orders as to form.

Point of Order—Mr. Nielsen

POINT OF ORDER

MR. NIELSEN—SUGGESTED IRREGULARITY IN SUPPLEMENTARY ESTIMATES (C)

Hon. Erik Nielsen (Yukon): Mr. Speaker, I would like to make a brief point of order with respect to the validity of one of the Estimates in Supplementary Estimates (C). As you know, Sir, tomorrow has been set down as being the final allotted day in the current supply period and the House will be asked to pass Supplementary Estimates (C) before the end of the sitting tomorrow. This gives some urgency to the need for a ruling on the point of order which I am submitting before the close of business today so that if the Chair does not find itself in agreement with my submissions, we do have the option of filing an Notice of Objection. However, I hope that my argument will appeal to the Chair.

As a result of this, I would like to ask the Chair to consider the procedural acceptability of Vote 1c under the Department of National Revenue, Customs and Excise. The explanation of the requirement for this Vote outlines the fact that the Department is requesting some $209,000 for a personal alarm security system and a further $225,000 for the "Offshore extension of Customs and Excise jurisdiction". I am not entirely certain about what the personal alarm security system is but that is not the part of the Vote which concerns me. Rather, I am concerned about the fact that the Department of National Revenue, through the Vote, has requested $225,000 for the extension of its jurisdiction before legislation has been passed by the House authorizing such an extension of jurisdiction.

I am sure that all of the important aspects of this issue will be touched upon at such time as the legislation to authorize this extension is brought before the House for debate. What does concern me is the fact that the Department, prior to any debate having taken place on Bill C-16 which purports to authorize the extension of customs jurisdiction, has asked that $225,000 be voted to the Department to allow it to extend its jurisdiction. By any definition, Mr. Speaker, such an Estimate anticipates the decision of the House with respect to Bill C-16.

It might be claimed, specious as the argument may be, that it is common practice for the Government to implement tax changes as soon as a Ways and Means motion has been passed by the House and that on this basis, the mere introduction of a Bill based on a Ways and Means motion is sufficient to permit the Department to proceed. Frankly, Mr. Speaker, I am not enamoured of that practice at the best of times, but using that argument in this case would clearly be a rationalization by the Government of an unparliamentary procedure.

If the passage of a Ways and Means motion is sufficient to authorize government expenditures, then we have no need at all to waste the time of committees or the time of the House as a whole when dealing with the Business of Supply. We could consolidate Supply with Ways and Means proceedings and save ourselves a lot of time and effort. The passage of a Ways and Means motion may be sufficient to permit the immediate implementation or levying of a tax, but I submit to you, Sir, that it is not sufficient to authorize expenditures.

It has already been well established by your predecessors, Mr. Speaker, that Estimates should not be used to legislate by creating new regulations or altering existing statutes. Surely any Vote which is explained in part as being for the offshore extension of customs and excise jurisdiction is one which seeks to authorize the Government to take action in the absence of enabling legislation.

For the reasons that I have just outlined, Mr. Speaker, I would hope that you might subject Vote 1c to some close scrutiny and rule it out of order on the grounds that it anticipates a decision of the House on Bill C-16. This is a decision which, I might point out, has been delayed by the Government's own failure to bring the Bill forward for debate.

• (1510)

Mr. Speaker: The Chair will take the point raised by the Hon. Member under advisement and, recognizing the courtesy he has extended by giving notice, will attempt to bring a decision on it to his attention as soon as possible.

Mr. Nielsen: Mr. Speaker, I hope—

Mr. Speaker: I am aware that the Hon. Member may want to file a notice of objection in the event that the decision of the Chair is a certain way. The Chair is fully cognizant of his position and will attempt to meet that request.

Mr. Nielsen: Mr. Speaker, I thank you kindly for that. I simply want to re-emphasize that tomorrow is the last day of Supply in this Supply period.

Mr. Tousignant: Mr. Speaker, I rise on a point of order. It has become evident in the House that Members on this side and even on the other side are worried about the Leader of the Opposition (Mr. Mulroney) not being in the House—

Mr. Speaker: Order. It is not the practice of the House to refer to the absence or presence of Hon. Members.

ROUTINE PROCEEDINGS

[*English*]

HEALTH, WELFARE AND SOCIAL AFFAIRS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. David Weatherhead (Scarborough West): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Health, Welfare and Social Affairs in both official languages.

RACIAL DISCRIMINATION

INTERNATIONAL DAY FOR THE ELIMINATION OF ALL FORMS OF RACIAL DISCRIMINATION

Hon. D. M. Collenette (Minister of State (Multiculturalism)): Mr. Speaker, 18 years ago, the United Nations Generaly Assembly declared this day the International Day for the Elimination of all Forms of Racial Discrimination. It is appropriate that we in Canada take note of this important day. While our record in this area is better than that of most countries, we cannot afford to be complacent and we must sustain our efforts to eliminate all forms of racial discrimination.

[*Translation*]

Canada's multiracial profile has become more noticeable during the last ten years, but that is not to say it is a recent phenomenon. It goes back to the very origins of this country, when European settlers and native peoples met. The first groups of Chinese, Japanese and Africans arrived more than a century ago. As for Canadians of other than European or native descent, in many cases they have been in Canada for four or five generations. They feel truly Canadian and share the hopes, dreams and expectations of other Canadians.

[*English*]

It is my firm conviction that the vast majority of Canadians share our determination to make this society one in which all of us, whatever our racial background, whatever the colour of our skin, can participate and contribute fully to building a Canada of which we can all be proud. Although our record has blemishes, we have nevertheless established within this nation the capacity to deal with racial discrimination in a forthright and public manner. The strengthening of this capacity can ensure that we will remain in the forefront of nations whose actions and deeds clearly communicate to the world that racial prejudice and discrimination are not tolerated in Canada.

Mr. McDermid: Mr. Speaker, I was interested in the statement of the Hon. Minister and I should like to put a question to him. As he is so strong on discrimination, could he announce when the Government might introduce legislation to remove discrimination from the Indian Act which discriminates against Indian women in this country?

Mr. Collenette: Mr. Speaker, as you know, this matter is under discussion now and a constitutional conference has dealt with it. I think the question should rather be addressed to my colleague, the Secretary of State (Mr. Joyal), in another forum perhaps, or to the Minister of Indian Affairs and Northern Development (Mr. Munro).

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to reply to the Minister's statement on behalf of this Party. With the Minister of State for Multiculturalism (Mr. Collenette) I welcome the opportunity to speak briefly on this International Day for the Elimination of Racial Discrimination. This is of particular importance in Canada and this Parliament must give it absolutely the highest priority. Racism still exists in Canada directly or, in many cases indirectly. I do not think any Canadian of good conscience, and certainly not Parliament, can rest until racism at all levels, in all sectors and with all people has been eradicated.

This country is a multiracial, multicultural society made up of Canadians—Canadians first and foremost, but with different backgrounds and different languages—coming from all parts of the world. We must obviously work toward a society in which race, colour, religion and even clothing make absolutely no difference to the kind of lifestyle and the goals that we want to set.

This can be achieved in two ways, Mr. Speaker. The first is by education. The federal Government could take the lead, but it has not up to this point, in educating all levels of our society in the eradication of discrimination and in raising the consciousness level of people who are different from what we perceive to be the norm.

The second area in which Parliament can work toward the eradication of racism is in the area of legislation. We must strengthen the Criminal Code, for example, and strengthen the Human Rights Commission. These are areas with which Parliament has not dealt with adequately.

We have a long way to go in this country and I believe Parliament can achieve its goals, provided that we give this matter the kind of priority that this Party thinks it should have and that I know all Canadians think it should have.

Mr. Laverne Lewycky (Dauphin-Swan River): Mr. Speaker, I should like to respond on behalf of the New Democrats to the Minister's statement on this International Day for the Elimination of Racial Discrimination. I do not want to say too much regarding the inception of this day or the decade for action to combat racism and racial discrimination which was inaugurated in the United Nations in 1973 and continued until 1983. In 1979, the United Nations proclaimed a week of solidarity with peoples struggling against racism and racial discrimination. Since then, annually on March 21 we have been asked to observe this day.

I had hoped that the Minister might have made a positive statement regarding some of the representations made by this Party recently. He pointed out very correctly some aspects of our Canadian history which show a sad lack of action in the area of eliminating discrimination. For the benefit of the House I would like to underline one or two such representations that this Party has made or will make.

The Hon. Member for Broadview-Greenwood (Ms. McDonald) our justice critic, has obtained caucus approval for an all-Party resolution regarding the injustices that were perpetrated upon Japanese Canadians in World War II. We will be seeking all-Party support for this resolution and our justice critic will be approaching the other caucuses and the independent Member to my right here to seek their support for the acknowledgment of the wrongfulness of measures taken at that time. I had hoped that the Minister would have indicated that he was favourably disposed toward such action. I trust we will

be able to work together on the representations that will be put forward.

We have not heard anything from the Government regarding some aspects of the War Measures Acts, which had implications for Japanese during World War II. Some action should be taken in that regard.

The Hon. Member for Vancouver East (Ms. Mitchell) has raised the whole question of the Chinese head tax in this House. To date she has received well over 600 representations, some including receipts for the head tax paid by Chinese Canadians. I had hoped that the Minister might have responded to some of those representations. I know that various organizations, as a result of this matter having been raised in the House by my hon. friend, have also been writing to the Government making representations. The Chinese-Canadian National Council has talked about this head tax compensation request which was made by my colleague, the Hon. Member for Vancouver East. It views the head tax as among the most blatantly racist and shameful acts in the history of our country. I was hoping that perhaps on this particular day the Minister would respond to the representations made by my colleague. The Human Rights Commission also has issued a statement in support of the requests which have been made with regard to compensation for Chinese Canadians. I hope that the Minister will see that some action—

• (1520)

Mr. Speaker: The Chair hesitates to interrupt the Hon. Member, but the practice of the House has been that comments should not exceed the length of time of the original statement by the Minister. The Hon. Member has now exceeded the time of the original statement. Therefore, I hesitate, but I feel I should interrupt the Hon. Member.

Mr. McKinnon: Mr. Speaker, I rise on a point of order to point out that we did have a short debate on this subject several years ago in the House when Ministers adopted the habit of making extremely short presentations, thereby cutting off any real discussion on the matter. The Minister's presentation was very short today.

Mr. Speaker: Nevertheless, the Chair is bound by practices of the House. The Chair has not stopped questions. The Chair has simply called to the attention of the Hon. Member speaking that he has already gone beyond, something like two minutes beyond, the length of the original statement. The Chair is trying to be reasonable, but I would ask him to bring his remarks to a close.

Mr. Nielsen: On the same point or order, Mr. Speaker, I believe it is only fair to say that the Minister did speak with me prior to following the procedure we are now following with respect to making a brief statement. He expressed the hope that, after the same privilege had been extended to the spokesperson for the Conservative and New Democratic Parties to make a similarly brief statement, in this exceptional instance, because of the nature of the statement and the occasion, we would even refrain from asking any questions in the hope that perhaps more statements will be made by Ministers in this slot in the future.

Mr. Speaker: The Chair is trying to be fair, and the hon. spokesman for the Official Opposition, the Hon. Member for Lisgar (Mr. Murta), did observe roughly the same limits as the Minister. I am inviting the Hon. Member for Dauphin-Swan River (Mr. Lewycky) to do likewise.

Mr. Lewycky: Mr. Speaker, I would just like to conclude by saying that we each have a ministry of reconciliation which we can bring about in this country. I hope that the Minister will take it upon himself to act upon these representations I have mentioned. When the report of the Special Committee on Visible Minorities is brought forward, I hope he would act immediately on these representations, as well as incorporate them in the Multiculturalism Act at the time it is brought forward.

Mr. Yurko: Mr. Speaker, I wonder if I may have a chance to say a few words on this matter?

Mr. Speaker: The Hon. Member for Edmonton East (Mr. Yurko).

Mr. Bill Yurko (Edmonton East): Mr. Speaker, I will be brief, but I would like to say a few words on this very important matter before the House because today is the International Day for the Eradication of Racism. This matter has been rather close to my heart. I have constantly asked myself what racism is. It is a most despicable form of hate and discrimination among mankind. Some of us have repeatedly indicated the need for the equality of man in the eyes of man.

All I want to say, Mr. Speaker, is that I was in Brunei recently to recognize the independence of that country. One of the people there made the most profound statement to me in terms of this question of discrimination between peoples of different colour, different race or different sex. He said, "I want you always to remember, Mr. Yurko, that we all have the same colour of blood".

* * *

PETITIONS

MS. MITCHELL—TESTING OF CRUISE MISSILE ON CANADIAN SOIL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I have the honour to present petitions from over 4,000 people who live in Vancouver East, including many that are written in Chinese. The attached petition states: that whereas residents of Canada are alarmed by the threat to the survival of humanity posed by the existence of nuclear weapons and the continuing arms race; and that whereas the Government of Canada permitted the testing of the Cruise missile over the soil of Canada on March 6, 1984, thus contributing to the nuclear arms race; and that whereas the following statement was endorsed unanimously by the United Nations in 1982:

The increase in... nuclear weapons, far from strengthening international security, on the contrary, weakens it. Enduring peace cannot be built on the accumulation of weaponry.

And that whereas the testing of weapons of war, such as the Cruise missile, contribute to the escalation of the arms race and weaken international security; therefore your petitioners humbly pray that the House of Commons will make every effort to prevent future testing of the Cruise missile in Canada.

MR. NYSTROM—SOCIAL MEASURES FOR SENIOR CITIZENS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have the honour to present a petition on behalf of approximately 1,000 Saskatchewan residents. The petition states:

That, in the opinion of your petitioners, of Canada's senior citizens, and more specifically the members of Saskatchewan Senior Citizens "Action Now" Association favourable consideration should be given by your Honourable House to the proposals set out herein.

They mention several proposals such as federal pensions being substantially increased so that there is parity not charity for pensioners; that the basic income tax exemption be raised above the poverty level; that there be established in this country a department of senior citizens' affairs—

Mr. Speaker: Would the Hon. Member give a brief explanation of the purpose of the petition?

Mr. Nystrom: That pretty well summarizes it, Mr. Speaker, except to add that they ask as well that the original health Bill supported by federal conditional grants be reinstated. I cannot read the rest of it, but that is the general thrust of the petition on behalf of around a thousand senior citizens in Saskatchewan.

* * *

NORTHWEST TERRITORIES ACT AND THE YUKON ACT

MEASURE TO AMEND

Hon. Serge Joyal (for the Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-26, an Act to amend the Northwest Territories Act and the Yukon Act.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 95, 391, 456 to 459 inclusive, 498, 515, 571, 581 and 703.

Order Paper Questions

[*Text*]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—MEDIA RELATIONS STAFF

Question No. 95—**Mr. Howie:**

How many persons engaged in public relations, media relations or publicity are employed by the Department of National Health and Welfare?

Hon. Monique Bégin (Minister of National Health and Welfare): Thirty-three.

SPECIAL COMMITTEE ON PORNOGRAPHY AND PROSTITUTION

Question No. 391—**Mr. Howie:**

1. Did the Ministry of Justice establish a Special Committee to study the problems associated with pornography and prostitution in Canada and, if so, what (a) were the names of the non-public service members of the Committee (b) were their terms of remuneration (c) was the purpose of the Committee?

2. Will the Committee receive public presentations?

3. Will the Committee hold hearings outside Ottawa and, if so, at how many locations?

4. What is the estimated total cost of the Committee's operation?

5. Within what time frame is the committee expected to complete its work?

Hon. Mark MacGuigan (Minister of Justice): 1. Yes.

(a) Paul Fraser, Joan Wallace, Mary Eberts, Andrée Ruffo, John McLaren, Susan Clark.

(b) The Chairman is to be paid $500 per day. Other Committee members are to be paid $300 per day, subject to a maximum of 60 days.

(c) The terms of reference of the Special Committee are as follows:

(1) to consider the problems of access to pornography, its effects and what is considered to be pornographic in Canada;

(2) to consider prostitution in Canada with particular reference to loitering and street soliciting for prostitution, the operation of bawdy-houses, living off the avails of prostitution, and the exploitation of prostitutes and the law relating to these matters;

(3) to ascertain public views on ways and means to deal with these problems by inviting written submissions from concerned groups and citizens and by conducting public meetings in major centres across the country;

(4) to consider, without travelling outside Canada, the experience and attempts to deal with these problems in other countries including the United States, European Economic Council and selected Commonwealth countries such as Australia and New Zealand;

(5) to consider alternatives, report its findings and recommend solutions to the problems associated with pornography and prostitution in Canada, as soon as possible, but not later than December 31, 1984.

2. Yes. The Committee welcomes written and oral submissions from the public.

3. Yes. Other than the national capital region, the Committee was scheduled to appear in 20 locations across Canada and has already appeared in some locations: Calgary, Edmonton,

Vancouver, Toronto, Niagara Falls, London, Windsor, Montreal, Val D'Or, Sherbrooke, Quebec City, Victoria, Regina, Winnipeg, St. John's, Charlottetown, Fredericton, Halifax, Whitehorse and Yellowknife.

4. Five hundred thousand dollars.

5. The Committee was appointed June 23, 1983, and is due to report by December 31, 1984.

INCOME TAX REASSESSMENTS

Question No. 456—**Mr. Blenkarn:**

1. In 1979 were any income tax reassessments made by Department of National Revenue auditors and, if so, how many taxpayers were reassessed?

2. How many of the reassessments (a) were withdrawn (b) gave rise to litigation (c) were confirmed by a court?

Question No. 457—**Mr. Blenkarn:**

1. In 1980 were any income tax reassessments made by Department of National Revenue auditors and, if so, how many taxpayers were reassessed?

2. How many of the reassessments (a) were withdrawn (b) gave rise to litigation (c) were confirmed by a court?

Question No. 458—**Mr. Blenkarn:**

1. In 1981 were any income tax reassessments made by Department of National Revenue auditors and, if so, how many taxpayers were reassessed?

2. How many of the reassessments (a) were withdrawn (b) gave rise to litigation (c) were confirmed by a court?

Question No. 459—**Mr. Blenkarn:**

1. In 1982 were any income tax reassessments made by Department of National Revenue auditors and, if so, how many taxpayers were reassessed?

2. How many of the reassessments (a) were withdrawn (b) gave rise to litigation (c) were confirmed by a court?

Hon. Pierre Bussières (Minister of National Revenue):

1.

Year	Number of Reassessments
1979/80	255,349
1980/81	255,169
1981/82	253,710
1982/83	328,500

2.

	1979/80	1980/81	1981/82	1982/83
(a) Objections allowed in full	6,693	7,080	9,106	12,961
(b) Cases submitted to litigation	1,855	1,958	1,989	2,614
(c) Reassessments confirmed by a court	721	961	920	833

DPW—CONTRACTUAL COMMITMENTS FOR LEASES

Question No. 498—**Mr. Howie:**

Does the Government maintain records showing the extent to which it is contractually committed for each fiscal year beyond 1983-84 for leases and other goods and services and (a) if not, for what reason (b) if so, for each year, what is the dollar value of those contractual commitments?

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): I am informed by the Departments of Public Works and Supply and Services as follows: For leases, yes; for goods and services, no.

(a) The Department of Supply and Services, as the main contractor of government goods and services, does not keep records of the global amount of long-term commitments. In order to provide a global amount, each department would have to look to individual transactions which in time and money would be prohibitive.

(b) Contractual Commitments—Leases	Dollar Value
April, 1983—March, 1984	249,006,958.55
April, 1984—March, 1985	255,928,094.43
April, 1985—March, 1986	179,058,721.03
April, 1986—March, 1987	144,100,263.88
April, 1987—March, 1988	111,737,303.33
April, 1988—March, 1989	86,633,864.71
April, 1989—March, 1990	65,513,495.86
April, 1990—March, 1991	62,343,993.63
April, 1991—March, 1992	60,805,696.81
April, 1992—March, 1993	50,819,331.27
April, 1993—March, 1994	33,753,062.68
April, 1994—March, 1995	27,569,510.50
April, 1995—March, 1996	24,269,226.76
April, 1996—March, 1997	23,003,479.63
April, 1997—March, 1998	22,687,355.65
April, 1998—March, 1999	22,687,354.65
April, 1999—March, 2000	22,687,321.65
April, 2000—March, 2001	22,687,321.65
April, 2001—March, 2002	22,687,321.65
April, 2002—March, 2003	22,687,321.65
April, 2003—March, 2004	22,687,321.65
April, 2004—March, 2005	22,687,321.65
April, 2005—March, 2006	22,687,321.65
April, 2006—March, 2007	22,687,321.65
April, 2007—March, 2008	22,687,321.65
April, 2008—March, 2009	22,687,321.65
April, 2009—March, 2010	22,687,321.65
April, 2010—March, 2011	22,687,321.65
April, 2011—March, 2012	16,838,431.00
April, 2012—March, 2013	16,838,431.00
April, 2013—March, 2014	16,838,431.00
April, 2014—March, 2015	18.00
April, 2015—March, 2016	18.00
April, 2016—March, 2017	18.00
April, 2017—March, 2018	18.00
April, 2018—March, 2019	18.00
April, 2019—March, 2020	18.00
April, 2020—March, 2021	18.00
April, 2021—March, 2022	18.00
April, 2022—March, 2023	18.00
April, 2023—March, 2024	18.00
April, 2024—March, 2025	18.00
April, 2025—March, 2026	18.00
April, 2026—March, 2027	18.00
April, 2027—March, 2028	18.00
April, 2028—March, 2029	18.00
April, 2029—March, 2030	18.00

The foregoing amounts include short term crown-lease contracts and long term lease-purchase contracts the latter normally covering a period of up to 35 years. This explains the abrupt reduction of commitments in the year 2014. Moreover, the amounts exclude operating and other costs which can only be committed on an annual basis at the start of each fiscal year. A further point to recognize is that commitment values change from month to month due to new leases entered into and old lease terminations.

AIR CANADA BOARD OF DIRECTORS

Question No. 515—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of Air Canada and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Lloyd Axworthy (Minister of Transport): The management of Air Canada advises as follows: (a) See list below. (b) See list below.

Compensation. See Report on Governor in Council Appointees tabled in the House of Commons on November 17, 1983. Compensation for all other positions not listed in the report is regarded as proprietary information to Air Canada.

Current Officers of the Company

Geno F. Francolini
Chairman of the Board (interim part-time)

Claude I. Taylor
President & Chief Executive Officer

B. R. Aubin
Vice-President, Facilities & Supply

A. Bodnarchuk
Vice-President, Computer & Systems Services

D. Bryce-Buchanan
Vice-President, European Region

G. Chiasson
Vice-President, Passenger Marketing

L. C. DesBois, Q.C.
General Counsel

L. S. Desrochers
Vice-President, Financial Planning

M. Fournier
Vice-President, Public Affairs

G. G. Gauvreau
Vice-President, Eastern Region

B. A. Gillies
Vice-President, Cargo

C. H. Glenn
Executive Consultant

D. J. Groom
Senior Vice-President, Finance & Planning

P. J. Jeanniot
Executive Vice-President & Chief Operating Officer

H. H. Cantor
Vice-President, In-Flight Service

J. P. Labrie
Vice-President, U.S. & Southern Region

R. W. Linder
Senior Vice-President, Marketing, Sales & Service

J. C. McDougall
Vice-President, Maintenance & Engineering

J. R. McMurthy
Vice-President, Central Region

B. F. Miller
Vice-President, Atlantic Canada Region

L. M. Raverty
Senior Vice-President, Technical Operations

W. J. Reid
Vice-President & Treasurer

W. J. A. Rowe
Vice-President, Western Region

C. H. Simpson
Vice-President, Flight Operation

F. Vallée-Ouellet
Secretary of the Company

R. T. Vaughan
Senior Vice-President, Legal & Government Affairs

J. Whitelaw
Senior Vice-President, Human Resources

H. J. Whitton
Vice-President, Operational Planning & Control

Board of Directors

Geno F. Francolini, F.C.A. (Chairman: Interim Part-Time) Vice Chairman of the Board Chief Executive Officer Livingston International Inc.	Tillsonburg Town Center Suite 100, Tillsonburg, Ont. N4G 5A7
Claude I. Taylor (Businessman) President & Chief Executive Officer	Place Air Canada Montreal H2Z 1X5
I. H. Asper, Q.C. (Lawyer) Chairman & Chief Executive Officer CanWest Capital Corporation	1900 Lakeview Square Winnipeg, Manitoba, R3C 3H8
Jacques Bock, B.Sc. (Businessman) President Bock et Tétreau Inc.	601 Côte de Liesse, Coin de Stinson Montreal, Quebec H4N 2N1
Harry G. Colwell (Lawyer) Partner Gilbert, McGloan, Gillis	Harbour Building 133 Prince William Street Box 7174, Postal Station "A" Saint John, N.B. E2L 4S6
Michael G. DeGroote (Businessman) President & Chief Executive Officer Laidlaw Transportation Limited (est. 1961)	110 King Street West Suite 490 Hamilton, Ontario
Lawrence C. Jolivet (Businessman) President, Oakwood Holdings Ltd., & Christopher Lawrence Ltd.	8th Floor 595 Howe St. Vancouver, B.C. V6C 2T5
Arthur J. LeBlanc (Lawyer) Partner LeBlanc, MacDonald & Pickup Barristers & Solicitors	301 Pitt Street P.O. Box 700 Port Hawkesbury, N.S. B0E 2V0
Pierre Levasseur (Management Consultant) President Groupe Levasseur	910 Lagauchetière St. East Montreal, Quebec H2L 2N4
Robert S. Lucenti (Lawyer) Senior Partner Lucenti & Rivard	108 Main Street East North Bay, Ont. P1B 1A8
J. W. McLoughlan (Businessman) President McLoughlan Supplies Limited	22 Blackmarsh Road P.O. Box 877 St. John's, Nfld. A1C 5L7
W. T. Molloy (Lawyer) Senior Partner MacDermid & Company	905-201-21st Street E. Saskatoon, Sask. S7K 0B8
Branny Schepanovich (Lawyer) Barrister & Solicitor McCuaig Desrochers	1824 Royal Trust Tower Edmonton Centre Edmonton, Alberta T5J 2Z2

FARM CREDIT CORPORATION BOARD OF DIRECTORS

Question No. 571—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Farm Credit Corporation and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. E. F. Whelan (Minister of Agriculture): The Farm Credit Corporation advises:

(a)	(b)
E. H. Anderson	Chairman
P. Babey	Vice-Chairman
G. I. Trant	Member
E. J. J. Doyle	Member
R. Lambert	Member
C. T. Palmer	Member
I. Perlich	Member

The Chairman and Vice-Chairman are full-time executives and their salaries are $73,000–$85,920 and $61,090–$71,890 respectively. Other members who are not employed by the federal Government receive a $200 per diem allowance fixed by the Governor in Council for each day in attendance at Corporation meetings. However, Dr. Trant does not receive an honorarium due to his position with the federal Government.

ATOMIC ENERGY CONTROL BOARD

Question No. 581—**Mr. Howie:**

Did the Atomic Energy Control Board establish standards for workers exposed to radioactive substances and, if so, is this information available to the general public and, if so, where?

Mr. Leonard Hopkins (Parliamentary Secretary to Minister of Energy, Mines and Resources): Atomic Energy Control Board reports as follows: Yes, AECB has established standards for workers exposed to radioactive substances. This information is available upon request either by telephone or by mail from AECB.

EXEMPT STAFF OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Question No. 703—**Mr. Hnatyshyn:**

1. Are any exempt staff employed by the Minister of Consumer and Corporate Affairs and, if so, what are their (a) titles (b) positions (c) names?

2. Do any of the staff mentioned in part I receive income, financial assistance or other benefits related to their employment from sources other than the ministerial budget and, if so (a) which members (b) what are the details of the income, financial assistance or other benefits?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): 1. Yes, as follows:

(a), (b) and (c) Justyna Kuryllowicz, executive assistant to the Minister; Judy Blanchard, private secretary to the Minister; Robert Benoit, senior policy advisor; William Babcock, senior special assistant; Peter Black, special assistant; Steven Megannety, special assistant; Jean Parri, special assistant.

2. No.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, if Question No. 182 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 182 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

OUTSIDE CONSULTANTS EMPLOYED BY DEPARTMENT OF EMPLOYMENT AND IMMIGRATION

Question No. 182—**Mr. Blenkarn:**

1. In the fiscal year (a) 1981-82 (b) 1982-83 were outside consultants employed by the Department of Employment and Immigration and, if so (i) how many (ii) what was the total amount paid?

2. Were any consultants paid more than $20,000 and, if so, in each case what (a) was his/her name (b) was the amount (c) services were provided?

Return tabled.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

● (1530)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed from Tuesday, March 20, consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am pleased to be able to say a few words on Bill C-21. However, before I do so I would like to present an amendment to the motion for second reading of Bill C-21 as follows:

That all of the words after the word "That" be deleted and the following substituted therefor:

"this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount required to meet the Government's needs to the end of the fiscal year is objectionable in principle and this House therefore declines to give second reading to Bill C-21, an Act to provide borrowing authority."

Mr. Deputy Speaker: I think it is incumbent upon me to take the matter under advisement. I will attempt to render a decision on the acceptability of the motion presented by the Hon. Member later this day. In the meantime, we will carry on with debate.

Mr. Darling: Mr. Speaker, we have had a good many of these Bills presented to us in this Parliament. It is rather staggering to go over some of them. We have had presented to us Bill C-30 for $12 billion; Bill C-59 for $14 billion; Bill C-111 for $6.6 billion; Bill C-125 for $7 billion; Bill C-151 for $10.7 billion. Now we have a Bill before us, Bill C-21, for the highest amount, some $29.55 billion. This brings the total to $102 billion all in one Parliament, and we are still going.

This Bill, as we are all aware, is to pay for past borrowing. One third of tax dollars are used to service our national debt. Our national debt could be as high as $180 billion, most of it because of this Government. All Canadians should realize that governments borrow money just like individuals. However, when the Government goes to market and asks for $29 billion, it has the effect of driving up interest rates for everyone else. This is precisely what is happening today.

I am well aware, Mr. Speaker, that the Government needs money to operate. It needs money just to pay interest on its debt. However, I believe the Canadian people have already made up their minds as to what they are going to do with this Government when the next election comes along. They are going to say we have had enough of them, we are going to give them their walking papers. Kick the rascals out.

A lot of us are interested in how this money being sought is going to be spent, Mr. Speaker. Rather than just saying it should not be passed, some of us might like to make some suggestions as to what could be done. Certainly it has been a profligate Government. It has been handing out money like a drunken sailor to various pet charities, shall we say. I refer to such programs as the Winter Works Program and others in ridings throughout the country. Coincidentally, the lion's share of this money seems to fall in Liberal ridings, primarily those of Cabinet Ministers.

I suggest that the Government could use a considerable amount of money this year and in succeeding years to combat one of the greatest and most serious problems we have, that of acid rain. The Minister of the Environment (Mr. Caccia) is meeting with his counterparts from nine European countries as well as from the ten provinces. I hope they are going to come to some conclusions and that the federal and provincial Governments will put their money where their mouth is. They should enact legislation to reduce nitric oxide emissions from automobiles and sulphur dioxide emissions from these huge smelters.

Canada is certainly a fairly substantial polluter, emitting some five million tons a year. This compares to our American friends' emissions of 25 million tons a year. Comparing that on a population basis it should be more or less ten to one, so we are certainly not lily white by any manner or means. I therefore hope this Government will take positive steps in this area this year, because it will only have the power to do so for this year.

The Government also spends a good deal of money advertising itself. We see these full-page ads extolling the Ministers and their Departments, and that runs into many millions of dollars. Despite the high powered advertising by the soap companies and various others, the biggest advertiser, the biggest spender, is the federal Government. It is about time it looked to cutting down on advertising considerably. Another particular interest of mine is the tourist industry, the second most important industry in Canada. It generates $18 billion a year. There will be some comments about that tomorrow because I believe the Opposition Day motion will be on the tourist industry, and the Government should be doing more to help this industry which employs 1.1 million people. The name of the game is to get more people back to work, which will turn the economy around. I am hoping some things can be done in that area.

We have some real prizes when it comes to subsidizing various Departments. I am thinking particularly of Crown corporations. I think of the Canadian Broadcasting Corporation which has been referred to by many people as the "crazy broadcasting corporation" and it is costing the taxpayers about $900 million a year.

Mr. Masters: About the same as public broadcasting in the U.S.

Mr. Darling: I am well aware of that. However, it is a $900 million expenditure. When a great event takes place here in the House of Commons, the Budget or the Prime Minister's resignation, when you go out front you see the whole place is cluttered up with CBC trucks. CTV and Global, which manage to put out pretty good programs, do not need all that paraphernalia. It makes you wonder how much of this $900 million touch could be cut considerably. Canada Post is a Crown corporation which is supposed to deliver the mail within a reasonable time at reasonable expense. We do not expect Canada Post to operate as a self-sufficient entity right now. A lot of Members are taking a very dim view of Canada Post going into the general store business to try to raise money which will put small business people out of business. That is another area into which the Government should check.

• (1540)

There is also the $4 billion slush fund, which is a reserve fund for whatever the Government is going to do. There is a Bill for $25 billion as well as the $4 billion. Maybe this is to be held as a special election fund to bring out additional goodies to try to save the Government as it slides downward into oblivion. I see you are signalling to me, Mr. Speaker, that my time is up.

Mr. Bob Ogle (Saskatoon East): Mr. Speaker, I am glad to have a few minutes to make some remarks this afternoon on Bill C-21, which is an Act to provide borrowing authority to the Government for $29.55 billion for the fiscal year 1984-85. This is made up of $25.6 billion for financial requirements and

an extra $4 billion for unseen contingencies. Individual people in the House of Commons are going to be asked to vote to put the country into almost $30 billion worth of debt.

The word "debt" is a word we do not hear too often in the House I am afraid. It is a word I heard very clearly when I was growing up. Like many other people of my age in the House, I grew up when times were tough. It was a time of depression. One word that I can remember being taught was a bad word is the word "debt". It meant that we were not able to pay for what we were doing. The budget at our home was nothing compared to what we are talking about today.I would like all Members in the House to consider what debt does and what it means to borrow and put people into debt. Even though debt is now talked about in billions of dollars, it is not unlike the debt which was in people's homes during the depression. In homes and communities it meant that people were going to go broke. They were not going to be able to continue living the way they had been prior to the depression. It is important that Houses of parliament and governments do not forget the word "debt". When times became good again people took for granted that they could always get credit. The word debt became credit. I suspect the Government is looking upon this Bill today as if it were raising credit. It in fact remains debt, which is something that has to be paid off.

We must be aware that the problem of debt has brought governments, people and countries down. In the last few years some of the countries in Latin America which were taking off and beginning to become developed countries, suddenly got into the debt trap. This means they can no longer pay their debts. When that happens, the country goes down. It may come up or it may not come up. This is a new phenomenon in world international economic life.

I brought those points to the forefront in beginning my remarks because I believe that we do not frequently talk about debt. We do not talk about what debt does. We do not talk about the fact that if debt gets out of hand it can be totally destructive to a person, a family, a community or a country. I believe that is a serious situation which we have to keep in mind.

Several years ago the Government was elected under the phrase "a just society". I have no quarrel with that phrase. I believe it is a good phrase. I am sure there is not anyone in the House of Commons or in Canada who would not want to see a just society. I understand a just society to mean that every person within that society is treated in a way that is human and equal so as to make it possible for them to live a full life. I do not think anyone challenges that notion. However, did that happen? Was there a just society? Did that come about simply because it was said? Or, on the other hand, has it not been a just society? Is it a society which is not being just to great sectors of the population? I believe it is not being just. I do not believe that simply because we are going to borrow $30 billion, society will become just. I would like to say a few things about that.

To bring about justice in a society it is extremely important to remember the side which is weak, the side which has no power, the poor, those who do not have political connections. Remember them before you remember the side which is powerful, the side that does have political connections, the side that has wealth. To bring that just society about, those on the weak side must be looked after in a special way in order for them to live as human beings. I believe that is not the way the decisions are made.

Earlier today in Question Period my Leader made a simple statement about who became rich during the past year and who will get richer in the future. He used the Canadian banks as an example. The profits of the Toronto-Dominion were up 33.6 per cent last year. The profits of the Canadian Imperial Bank were up 59.8 per cent. The profits of the Bank of Nova Scotia were up 66 per cent. The profits of the Royal Bank of Canada were up 130.3 per cent. Profit is not a bad word. However, millions of young Canadians cannot get a job. Universities are not getting funding to allow young Canadians to go to school and become educated so they can go out and make their own living. As a senior citizen who is visiting from Saskatoon told me today, people cannot possibly live on $550 a month when their rent is $325 a month. How can they possibly live like human beings?

When we talk about borrowing money to bring about justice in a society, let us be very careful to see what is happening in the society. I believe that for the powerful, rich and those who have connections things have been good and are getting better. The example of the banks is a case in point. On the other hand, the odds of those who are poor, weak and do not have connections are poor and getting poorer. The weak are the young, unemployed, senior citizens and people in the middle who can no longer get a job. I do not believe that what is taking place in our country now is balancing that off so that there will and can be a just society, one to which we are all looking forward and which we want.

Who got the tax breaks in the recent Budget? Was it those who do not have anything, the poor? Did they benefit? No. The people in the upper income brackets were able to put money away in RRSPs. A person with a $50,000 income is able to save $1,600 on his taxes. Those who happen to be in a higher bracket, those who make over $86,000, were able to save $5,000 on their taxes. But will they be the ones who will pay the money? It is not the people in those brackets but the low income Canadians who will still be forced to pay at least another $9.2 billion in personal income tax as it was announced in the Budget last year.

• (1550)

That is what is happening to Canadians. I believe that when there is power on one side and weakness on the other, connections on one side and no connections on the other, the burden should go to those who have the power, strength and economic backing rather than upon those who do not.

We oppose this borrowing Bill on the grounds that it does not set out the correct priorities. Our experience in the House shows that the priorities are not being directed toward those who need the help most; they are being directed toward those

who already have economic power. I believe that is wrong. For that reason we are opposing the Bill.

Hon. Flora MacDonald (Kingston and the Islands): Mr. Speaker, when Bills come to the House of Commons we often look at them with a good deal of curiosity and sometimes with skepticism because the appearance of the Bills themselves are somewhat deceptive. I would say that this particular qualification applies to Bill C-21, the Bill requesting borrowing authority.

The Bill appears to be very simplistic because it is a two-page document with printing on one side only. One would not think that it amounted to much, yet what this Bill asks Parliament to do is to give the Government the authority to borrow almost $30 billion. The real effect of this Bill is to emphasize the lack of control that Parliament has over the spending of the Government. With its present majority, the Government can come to the House and force through a borrowing Bill for any amount of money while believing that it will get the acquiescence from this side of the House and be able to spend that money as it pleases.

During this debate and other debates, such as the Budget debate, my colleagues and I have been emphasizing the frightening size of the Government's deficit and the tremendous impact that it is having on the Canadian economy. When one considers the deficit, more than $30 billion now, it is the most significant road block to a sustained economic recovery in this country. It prevents the opportunity for 1.5 million Canadians to return to the paid labour force. It is a millstone around our necks and more so around the necks of those who are unemployed.

Whenever the Government ends its fiscal year with a deficit, as it did last year, the year before and as it will this year, the shortfall that it creates does not suddenly disappear or go away. Instead, it is added to the long-term national debt, a national debt which we know is increasing by leaps and bounds and on which we must pay mounting interest year after year. In turn, that interest payment increases the deficit. It is on a merry-go-round that we cannot seem to get off. The Government brings in additional moneys in borrowing to increase that deficit and, in turn, the interest charges go up as the national debt increases.

This year alone the interest charges will be $20 billion. That is some $800 for every man, woman and child in this country. Just last week those interest charges increased by some $750 million in one week alone. That was due to the fact that the Government's high interest policy allowed the prime rate to climb another notch higher.

The Bill before us today—this innocuous looking little Bill—illustrates most clearly that the Government has yet to come to grips with the roller coaster impact that its fiscal and monetary policies are having on the Canadian economy. Bill C-21 seeks authority to borrow some $29.5 billion, $4 billion of which is in a contingency fund.

That $4 billion calls for more than passing interest. I would say that the $4 billion which the Government says it will put aside as a contingency fund is really the Government's equivalent of mad money. It is that sort of fund that one tucks away to be there in case one feels the urge to go on a spree. All too often in recent years we have seen the Government go on a spree of wasteful spending of taxpayers' dollars. Those funds that it spends so foolishly and inefficiently on a continuous basis do not come from the pockets of government Members opposite, they come from the hard earned income of millions of Canadians who are already having enough trouble making ends meet.

The fiscal mismanagement that has been disclaimed time and again by this Government is nowhere more evident than in the way the Government allows Crown corporations to be run. This has been pointed out by many of my colleagues. Most of these Crown corporations should be, but are not, covered by this borrowing authority statute.

It is interesting to think of Crown corporations and how they operate. Crown corporations may borrow funds using the Government of Canada as a guarantor but without seeking any prior approval from Parliament. In fact, Members of Parliament are simply presented with a bill for Crown corporations without ever having had a chance to examine the expenditure plans of those corporations.

Nowhere is that more evident than in what we have seen in the last month with Canadair. Canadair came back to Parliament earlier this month to get additional funding. The Minister simply told us it would have additional funds. He did not come to Parliament to tell us that. We were told that Canadair lost $330 million in 1983. In the previous year it lost $1.4 billion. That is the largest annual loss in Canadian corporate history. Before that corporation is finally sold off, it will have cost the Canadian taxpayers some $3 billion, without any accountability for what has been done with that money.

Let us not forget that Canadair is only one out of some 300 Crown corporations that have been established in this country, all of which operate outside of borrowing Bills, such as the one that is before us today. Other examples include de Havilland which lost $226 million last year, with almost the same amount projected as a loss in the next 12 months; VIA Rail which lost $440 million in 1982-83, and Canada Post which was down by some $300 million.

Yet each of these Crown corporations, regardless of the magnitude of its losses, is allowed to continue to operate as though nothing were wrong. They need not seek additional credit at inflated interest rates. They do not have to face bank managers who are worried about repayment. They do not have to deal with the investigators and the auditors from Revenue Canada who might come along to threaten them or force them into bankruptcy for not being able to pay their taxes. No, indeed, Sir, that is not the way these Crown corporations operate. They simply spend as much as they want, usually more than they need, and then they forward the Bill to the Minister of Finance (Mr. Lalonde). The Minister then covers these debts without, as he told us, losing any sleep over the whole matter.

• (1600)

Who in the private sector would enjoy that kind of luxury? How many small business people can go to their local bank, refuse to pay off their past debts, and still borrow additional funds? What company can tell its stockholders that it has lost millions of dollars once again, yet continue to exist or at least not change some executives? How many farmers can hold off their bankers indefinitely while running up deficits? These things can be done by Crown corporations, but not by individuals and companies in the private sector, Mr. Speaker. Every time the Government comes before the House asking for borrowing authority, what it refuses to do is to bring Crown corporations under these borrowing authority Bills.

If there is one thing the Government should be addressing and could be addressing when it is considering asking the House for borrowing authority, it is means and mechanisms to bring Crown corporations under borrowing authority control. The newly introduced Bill C-24 does not address that, Mr. Speaker. If nothing else, in considering what the Government is doing here in asking the House today for borrowing authority, it should think of means and mechanisms to bring Crown corporations within the borrowing authority of this Parliament.

Mr. Douglas Roche (Edmonton South): Mr. Speaker, it is with distressing frequency that I have found myself rising in this House to speak on Bills which seek to provide this Government with more money. Bill C-21 marks the eighth time since the election of 1980 that Parliament is being forced to provide this Government with more borrowing authority. Each time I have been shocked by the sky-rocketing deficit and the rising debt burden on Canadians. Each time I have been appalled at the colossal economic mismanagement underlying the Government's necessity thus to go into debt. And each time I have seen no end in sight, for nowhere are there signs of government restraint nor efforts to curb the kind of waste graphically described in every annual report by the Auditor General.

But the Borrowing Authority Act, 1984-85 is not like other borrowing Bills that we have seen and criticized in this Chamber for two reasons. The first is its magnitude; the second is its timing.

In terms of magnitude, Bill C-21 goes far beyond its predecessors. Members will recall that last year around this time the Government extracted $19 billion in borrowing authority—at that time the largest borrowing Bill in Canadian history. This year, the Government not only matches that already astronomical $19 billion, it antes up an additional $10.55 billion, over 50 percent more. By demanding $29.5 billion, Bill C-21 now has the dubious distinction of being the largest borrowing Bill ever to come before Parliament. Like a desperate gambler, this Government is taking enormous risks in order to keep playing its unfortunate game, and the stakes in this Government's gamble are nothing less than the economic well-being and indeed the solvency of the Canadian people.

As one indicator, the borrowing requirements in Bill C-21 are equal to 91 per cent of forecast personal savings in Canada for this year. If this borrowing Bill goes through, by the end of this fiscal year Canada's net debt will be $180 billion, as compared to $17.7 billion in March 1968. That represents $7,000 to $8,000 for every man, woman, and child in Canada. And the future looks even more grim. The Government's budgetary projections are that net debt will have risen to $261.5 billion by March, 1988, which represents almost a quadrupling in the net national debt in eight years.

Of the annual Government expenditure of $100 billion, over 30 per cent is to be financed by going into debt. Imagine if you tried to run your household accounts and you, Sir, had to borrow one-third of your expenditures? How long would you last personally? The Government can last because the Government, as opposed to Hon. Members here, can print its own money and demand money, whereas individuals cannot do that. It is absolutely unrealistic and unfair to treat Canadians that way. Interest on the debt in 1984-85 will equal 4.7 per cent of Canada's GNP as compared to 2 per cent when the Government of the present Prime Minister (Mr. Trudeau) first took office. For every $3 that the Government spends it must borrow $1. In 1984-85, servicing that ever escalating debt burden will cost an estimated $20.4 billion, the equivalent of $800 for every man woman and child in Canada or $1,900 per taxpayer. The enormity of these figures is appalling. I do not know why Canadians are not rising in revolt and marching on the Government on Parliament Hill to demand that the financial enslavement they are being put into along with their children and generations yet unborn is stopped. However, they will have their opportunity to revolt. That day is coming, and coming soon.

That $20 billion required to service government debt in 1984-85 is equal to total government spending as recently as 1972-73, the very year I entered this Chamber. I am ashamed to have been part of a process, I even opposed it, for all but nine months, that has enslaved the Canadian people in this way.

The Government has a tendency to forget the speed and scale of increases in its spending and in the deficits underpinning them. Government spending has increased from $12.3 billion in 1968-69 to $96.9 billion in 1984-85, a jump of 668 percent. In the four years since the Liberals returned to office, government spending has almost doubled; spending in 1984-85 will be up by a further 9 per cent. Spending on a national accounts basis is now equal to 25 per cent of Canada's GNP; it was only 21 per cent four years ago.

Other Members of my Party have ably addressed the horrific consequences of this mess of red ink spilling all over the Government's accounts. This ever-growing interest burden, the loss of fiscal flexibility, comes at a time when we need it to fight the recession and to help its victims, and we are losing control over all sense of judgment and proportion in running our economy. We are crowding out private sector borrowing. As a consequence, unbearable interest rates are being charged

all sectors of the Canadian economy and home owners in particular. Loss of confidence in a government that so brazenly lives beyond its means is what we now face.

In brief, Bill C-21 both manifests and advances this Government along its road to economic destruction. No wonder Members on this side of the House are so vigorously opposing this Bill and will continue to do so until we are absolutely forced by the continued heavy-handed methods of this fiscally irresponsible Government to shut up. This comes at a time when it is at best inopportune and at worst inconscionable.

• (1610)

That brings me to my second point in the moment I have remaining, the timing of Bill C-21. Given that Bill C-21 makes such historically monstrous demands, one would have expected at the very least that it would be coming from a Government with a firm sense of direction along with a solid and lengthy mandate. Instead, the government's historic action comes at a time when its leadership is up for grabs and its mandate is about to expire. Why are the Members opposite seeking to borrow such a huge amount for a full year when they can claim to need it for only about half a year?

Next fall the country will be getting a new Budget and a revised borrowing requirement. That Budget will be the obligation of either the new but short-lived Liberal Prime Minister or, if an election is called, as the country fervently hopes and prays, a new Progressive Conservative administration. Either way, why is Parliament now being locked into a borrowing authorization beyond that which it must necessarily and can legitimately make? In short, $15 billion, half the amount demanded, would be enough to see this Government and this country through. At that time, and only at that time, new circumstances will suggest future borrowing requirements.

In conclusion, I cannot support Bill C-21 because of its thrust in general and because of the moment when it is appearing before us in particular. Every responsible Member of Parliament must oppose this Bill, and I congratulate my colleague from Mississauga South (Mr. Blenkarn) in helping us to bring before the House in this repeated form the sincere protests that Members of Parliament on this side have against such fiscal irresponsibility.

Mr. Tom McMillan (Hillsborough): Mr. Speaker, the Bill before us seeks to authorize the federal Government to borrow up to an additional $29.55 billion in new money. I want to address the Bill in relation to the Government's waste of the money it already has the authority to spend.

Yesterday, *The New York Times*, the United States' most prestigious newspaper, carried an extensive interview with the Minister of Transport (Mr. Axworthy). Blazened across the top of the page, in large bold letters, was the headline: "Canada Betrays a weakness for White Elephants". The article detailed one horror story after another concerning federal Government expenditures of hundreds of millions of dollars of taxpayers' money on projects that were neither wanted, needed, nor even used once completed.

I have a particular interest in the article in question because it mentioned the proposed new Charlottetown airport in my riding of Hillsborough in the same context as genuine white elephants such as Mirabel Airport, the ill-fated hydrofoil *Bras D'Or*, the Candu reactor and Canadair. Indeed the Minister of Transport himself raised the matter of the Charlottetown airport right in the *Times* interview to which I have made reference.

We in Prince Edward Island should be flattered and proud that the Minister of Transport saw fit to mention our fair isle in the middle of an interview with such a prestigious newspaper as *The New York Times*. But listen to what the Minister had to say in that interview.

To begin with, the Minister of Transport tried to explain how the federal Government could spend some $430 million building an airport like Mirabel, which the *Times* describe as "a national symbol of disastrous planning", representative of "extravagant Government projects that stand out in sharp contrast to the frugality of the Canadian people themselves." What was the Minister's explanation for such waste, such profligacy, such extravagance? He said, and I quote:

> With so much reliance on the federal Government (for airport construction), there are no constraints to limit design or planning from an economic point of view. Unlike the U.S., airports (in Canada) are a federal concern with no provincial or metropolitan oversight. So, who is going to complain that we are building Taj Mahals? As a result, we have a lot of Taj Mahals.

There you have it, Mr. Speaker, the Minister's explanation for federal Government waste of hundreds of millions of dollars of taxpayers' money. He says there are no constraints on the federal Government from the provinces and the municipalities. He says the federal Government can go on spending millions of dollars at will because there is no one to stop it from building Taj Mahals.

I want to bring to the attention of the House the Minister's primary example of the kind of waste to which he was making reference. It was not Mirabel, which has cost the taxpayers $800 million since it was built nine years ago, including the $430 million in initial construction costs. He did not refer to Canadair, *Bras D'Or* or any of these multimillion dollar projects that in most cases were a complete and utter waste of taxpayers' money. He cited, for all the world to see and to read in *The New York Times*, the Charlottetown airport. The Minister said the following to *The New York Times*:

> Only three airports in the country make any money, and right now we are spending $25 million on a new terminal building for Charlottetown.

I want to take issue not with *The New York Times* but rather with the Minister himself. How could he possibly imply that Charlottetown's new airport can be associated with Mirabel or with other such profligate wastes of taxpayers' money? He calls the Charlottetown airport a Taj Mahal. Let me set the facts straight.

First, the Government is not spending $25 million on a new terminal building for Charlottetown. The building itself will cost $7.1 million. The total redevelopment of the airport—including control tower, runway, land acquisition, water and sewage, vehicle parking and access roads, maintenance, garage

and firehall—is $27 million. By any reasonable standard, that amount is not extravagant for the complete modernization of an airport that is nearly half a century old and that the Minister's predecessor described in the House of Commons as antiquated and a disgrace, not only to his Department but to the entire country.

Second, whatever might be the amount being spent on the Charlottetown airport, construction of the new terminal building has not even begun. The project was announced seven years ago, in 1977, with great fanfare by the then Premier of the province, Alex Campbell, and the then Minister of Transport, Otto Lang. Ever since that time construction of the new terminal building has been delayed time after time. Indeed, the present P.E.I. Minister in the federal Cabinet—whom I am very fond of and whom I see in the House today, the Minister of Veterans Affairs (Mr. Campbell)—has announced tenders for construction not once but several times in the last four years. Yet I have been told by officials within the Department of Transport that construction of the new airport terminal will not begin this summer, next fall or next winter. It is not even likely that tenders will be invited by July 1. This means that the construction of the airport is not likely to happen in 1985 and perhaps not even in 1986. This is almost a full decade, Sir, after the facility was announced with great ballyhoo by Messrs. Campbell and Lang.

• (1620)

The new Charlottetown airport is not a Taj Mahal as described by the Minister of Transport (Mr. Axworthy). It is not even a fishing shack. In fact, it is nothing, because no construction has begun and no tenders have been issued. Islanders are wondering, quite rightly, Mr. Speaker, whether they will ever see a new terminal building constructed.

Tourism is the second largest industry on Prince Edward Island. The federal Government, the provincial Government, the City of Charlottetown and the private sector have combined to build a magnificent $32 million Convention Centre. We are soon to receive one of only four veterinary colleges in the country, thus rendering Prince Edward Island a major educational centre. In conclusion, we need a modern and efficient airport to get people and goods to and from the Province of Prince Edward Island and to help us become more self-sufficient and self-sustaining.

An airport is not a luxury and will not be a Taj Mahal. It is a vital part of the economic base of the province. I urge the Minister of Transport to view this important project in that light. I urge him to consider it as a vital economic tool for regional development. If he is not prepared to accelerate this project and particularly to issue tenders soon, I assure you, Mr. Speaker, that after the next election a new Progressive Conservative Government will be prepared to do so.

Mr. Deputy Speaker: Order. Before recognizing the Hon. Member for Hamilton Mountain (Mr. Deans), I would like to inform the House at this time that I am prepared to rule on the amendment proposed earlier in the debate by the Hon. Member for Parry Sound-Muskoka (Mr. Darling). The Chair finds the amendment acceptable.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I wish to make a few comments with regard to the Bill which is before us. I do not propose to take a great deal of time. I am delighted that you have chosen to accept the amendment proposed by the Hon. Member for Parry Sound-Muskoka (Mr. Darling) inasmuch as I do believe that it is inappropriate for the Government to ask permission of the House of Commons to borrow more money than it can demonstrate it needs to meet the current obligations for the present fiscal year.

As usual, the Government has asked for more dollars by way of borrowing authority than it can actually demonstrate that it requires. I therefore would put it to you, Sir, that if the Government really wants to receive approval for some borrowing, it would be advisable for it to come forward with an alternative piece of legislation. Whether one does or does not favour the concept of borrowing, there is no doubt in my mind that given the obligations of the Government to date and given what we know its obligations will be during the balance of this year, borrowing in some amount will be required in order to meet the on-going financial requirements of the nation.

I have pondered for some time whether government borrowing in itself is the reason for the economic chaos in the country or the consequence of the economic chaos in the country. There is an argument being advanced by members of the Official Opposition that borrowing is the reason for the economic chaos. I am not at all sure that that argument can be sustained in whole. I think that there is a certain element of truth to it but I do not believe that it is in fact accurate to say that all of the problems we now face are the result of the Government's borrowing during the last two to three years.

I think it would be more accurate to say that the reason why we face such difficult economic times is because the Government has mismanaged the economy. It has allowed interest rates to reach levels unprecedented in Canadian history. As a result of that action, hundreds of thousands of people have been driven out of business. There have been more bankruptcies in Canada than we have seen since the depression of the 1930s. Farmers in numbers far exceeding those which faced bankruptcy in the 1930s are now facing bankruptcy and losing their business. Individuals were faced with the inability to meet mortgage commitments on their family homes and were forced to lose all of their investments. I suspect that rather than being the reason for our economic chaos, borrowing is the consequence of our economic chaos.

I wish to look at this situation for a moment in light of what has happened since 1980. In addition to the things which I have already mentioned as being unacceptable consequences of actions on the part of the Government, we have also seen the cost to Government rise dramatically since 1980. The cost that must be borne by the taxpayer either through current taxes or the future burden of the cost of borrowing that we have undertaken as a nation in the last four or five years has risen dramatically. We have seen an economy which operated at 65 per cent of its capacity with a consumer market place reduced

considerably as a result of tremendous dislocation in the work place. Up to two million people were unemployed and unable to enter the consumer market place to buy the things they themselves, their neighbours and their friends all across the country were in the process or should have been in the process of manufacturing.

There are two consequences as a result of having two million people unemployed. The first consequence is that the day-to-day needs of the unemployed must be met either through unemployment insurance or welfare payments. That, therefore, adds a considerable sum to the cost side on top of the already large sums of money spent by the Government. Concurrently, it reduces on the tax side the amounts of money which normally would have been collected from those people who, had they been working, would have been earning money and paying taxes. By pursuing a policy which allowed two million people to become unemployed, the Government created a situation which inevitably resulted in the Government having to borrow more money. The Government reduced the tax base while at the same time taking on additional responsibilities on the expenditure side. It makes sense, does it not? I see that there is a lady in the gallery who is nodding her head. Yes, it does make sense and I agree.

An Hon. Member: She is probably your mother.

Mr. Deans: No, she is not my mother. She is obviously someone's mother but she is not mine.

Because of decreased productivity, there was a decrease across the board in the numbers of items sold which in turn decreased the amount of sales tax collectable, the amount of corporate tax chargeable and which further decreased the numbers of tax dollars that normally would flow to the Government. You can see the dilemma if you take into account those factors together with any number of factors including that the Government had to spend large sums in order to try to create employment in areas where unemployment levels had gone out of sight.

• (1630)

The Government's economic policy brought forward by the Minister of Finance (Mr. Lalonde) created the unemployment, the economic downturn, the situation where the tax base was eroded, the situation where the costs of doing business increased for most people, the situation where the Government required people to spend more money than they would otherwise have to spend, the end result of which was that it was forced to borrow more than it would otherwise have had to borrow.

If one were to level an indictment at the Government it would be that it pursued a policy which completely undermined the economy of Canada. I therefore say that the consequence is that because the Government is not now in a position to improve economic conditions given that it will not alter its headlong dash toward economic meanness, more people will be unemployed year after year, of course, there will be the need for even more borrowing. Either that or for those people still employed we will have to raise the level of taxation. The New Democratic Party would fight that because we know who would have to bear the additional burden. It would not be the Bank of Montreal or the corporate structure; it would be the average taxpayer.

For those reasons I should like to move an amendment to the amendment moved by the Hon. Member for Parry Sound-Muskoka (Mr. Darling). Therefore, Mr. Speaker, I move, seconded by the Hon. Member for Beaches (Mr. Young):

That the word "fiscal" in the fourth line of the amendment be struck out and replaced with the word "calendar".

The consequence of such action would be that the Government should not be authorized to borrow more today than it requires for its expenditures in this calendar year. It would have to return to the House of Commons at the end of the calendar year for approval for additional borrowing and to allow for further scrutiny of its economic policies. That would necessitate the Government's reducing the amount it is seeking from about $25 billion—I leave it to the Government to make that calculation although I could do it—to an amount in the order of $18 billion.

Mr. Deputy Speaker: Order. Before putting the motion to the House the Chair would like to reserve its decision and take the matter under advisement and come back to the House at the earliest opportunity with a ruling on the acceptability of the motion.

Mr. Donald W. Munro (Esquimalt-Saanich): Mr. Speaker, I like the motion submitted by the Hon. Member for Hamilton Mountain (Mr. Deans) to the effect that the Government might have to come back to Parliament to ask for the funds it needs and that its borrowing under this Bill would be limited to its needs in this calendar year. If only we could persuade the Government that it should come back on its knees, in abject submission, because it has bungled the economy of Canada in a manner which should make every Member who sits in this Chamber—at least those on this side—feel ashamed.

It is in shame that I stand here to castigate the Government on the record it has built for itself on economic and fiscal matters in this country. It is not just for this generation that I feel shame, Mr. Speaker, but also for the younger generation. Every child born today or any day this year will start life burdened with a debt of $7,000 which is the debt that each of us bears right now.

Yesterday I had a letter from a constituent who was being harassed by the Department of National Revenue. He has a mortgage of something like $7,000, which is a lot of money for many people. Because of the Government's bungling, each child starting life as of now will have a $7,000 debt on his or her back. That is a shameful admission to have to make, Mr. Speaker.

This morning the Canadian dollar stood at 78.20 cents compared to the U.S. dollar. It has climbed a little bit. Treasury bills were quoted at 10.45 per cent earlier today which suggests to me that when the Bank of Canada rate is announced tomorrow at one o'clock it will be in the order of

10.70 per cent. This is a sign that the Government does not know what it is doing in the fiscal sphere. It has squandered money. Profligacy is not the right word. There must be a stronger one but it does not come to mind, Mr. Speaker. If the bank rate is 10.70 per cent tomorrow, then what will mortgage rates be on Friday or next Monday? Where will people be who have to renegotiate a mortgage? In the last 10 days or so interest rates have gone up and there are signs that this will continue.

I do not quite know how to direct the attention of Members on the government side of the House to the reality of this Bill. I notice they are not contributing to the debate. Perhaps there is some shame over there. Perhaps they find it difficult to defend a Bill which seeks authority to borrow $29.5 billion, $4 billion of which is to be kept in reserve over and above what is currently needed. I suspect many Members opposite do not know just how much $29.5 billion is. I must admit, Mr. Speaker, that I am at a bit of a loss myself to know how much it is.

• (1640)

I will refer to the documents which were presented with the Budget. One of the documents which was presented at that time is entitled *The Fiscal Plan.* It is worth reading. It reveals and awful lot of things. Between 1973 and 1974 the national debt was pretty close to the amount of the borrowing authority we are debating today. In 1974-75 the expenditures of government climbed from $24.1 billion to $31.3 billion. So in that year the full expenditures of government were of the order of this particular borrowing. The deficit foreseen by this Government for this borrowing authority is of this order as well, give or take $1 billion or $2 billion.

I suppose we have become so used to talking in billions of dollars that we can easily give or take $1 billion or $2 billion. But it is a staggering thought, Mr. Speaker, that expenditures ten years ago equalled what is today the deficit. I looked at some of the tables on page 62 of the booklet *The Fiscal Plan,* which was presented with the Budget on February 15. At the time when we had to face our debt around the end of the war in 1946 and 1947, it is surprising to note that the net public debt—which, of course, does not include the Crown corporation borrowing, grants and so on—was $13 billion, which represented at that time 110 per cent of the Gross National Product. In other words, there was more national debt than there was Gross National Product. The net public debt was $13 billion after a war which lasted five years.

I mentioned that the net public debt for 1975-76 was $28 billion. In 1976-77 it was $34 billion. The preliminary estimate of the Government of the net public debt for 1983-84 is $150 billion, which represents 38 per cent of the Gross National Product. This percentage has been growing out of control. We now have 38 per cent of the Gross National Product represented by debt in this country. This is our gift to our young people. This is what makes me so ashamed, Mr. Speaker. We are loading on to the pages in this House, the children of the people in the galleries and on our own children a debt of this enormity, and that is shameful.

Mr. Deputy Speaker: Order, please. The Chair is now prepared to rule on the amendment presented by the Hon. Member for Hamilton Mountain (Mr. Deans). The Chair finds that the amendment is acceptable.

Hon. Jake Epp (Provencher): Mr. Speaker, I would like to put my comments on Bill C-21 on the record today. I know it is the general practice of Hon. Members to say, when they rise to speak in debate, that it is a pleasure or an honour to participate. I cannot use those words today, Mr. Speaker. We have had many debates in this House on Bills which have been put forward by this Government asking for borrowing authority. I feel that what we should do is recycle our speeches because what my colleagues and I have said on previous occasions applies on this occasion as well.

I said to the Government at an earlier time with respect to other borrowing bills: "Do not come back and ask for more". But once again this advice was rejected. However, if those other requests for borrowing authority were extreme in terms of the amount of borrowing authority requested, they pale in comparison to Bill C-21. The Government is asking this Parliament to give authority to borrow an additional $29.5 billion.

If one says that quickly enough and does not analyze what is behind that statement, one might say that is just another typical statement made in the House of Commons. But let us analyze just what the situation is. The Government is saying that it needs this kind of borrowing in order to tide itself over for a specific period of time. There is no knowledge in this House at the moment that this amount of borrowing will be sufficient to take the Government through to the end of the fiscal year in March, 1985. There is no evidence of that whatsoever.

What the Government wants, by its own admission in this House, is a certain amount of money which it can prove it needs to carry on the functions of government. Then additionally it wants a slush fund, a contingency fund, a fund which it can have in its back pocket, so to speak, so that it does not have to come back and have the onerous task of asking Parliament for more borrowing authority. The greater tragedy though, Mr. Speaker, is that this Government has such a legacy of borrowing, and Canada now has such a large structural debt, that long after we are gone from this place and this earth, and long after those who are younger than we are are gone, that debt will still remain. In fact, today we do not pay for our debt. All we do is take a major portion of our revenue and pay the servicing of the debt, the interest.

Government really should be no different from any other household. When one has mortgaged a house, one cannot get a second mortgage to pay for the groceries. That is what the Government is asking this House to do again today. It is a shame what this Liberal Government has done to the Canadian people. It is a shame that today, other than health care costs and post-secondary education, the largest expenditure on the Public Accounts of Canada is debt servicing. It is a shame

that Canadians yet unborn will have to pay for this debt. It is a shame for Canadians who want to maintain social security safety nets, pensions, health care and post-secondary education. Those very programs, valid in each and every case, are today jeopardized because of the profligate spending and economic mismanagement of this Government.

The legacy of this Liberal Government, Mr. Speaker, should not be forgotten. Every Hon. Member of this House should take it upon himself or herself to remind Canadians that that legacy will be the long-term legacy of this Government, and the people who will pay for it are those who have not even had an opportunity to vote against this Government. It is absolutely inexcusable that we are looking at expenditures of some $90 billion, some $30 billion of which must be financed with money we do not have. Then, when interest rates are starting to climb, what does the Minister of Finance (Mr. Lalonde) say? "Oh, I do not think we have any trend; no, I do not see any great problem". Well, Mr. Speaker, Canadians have a tremendous problem. All you have to do is look at the headlines in today's papers. We are seeing the spectre of rising interest rates.

• (1650)

That is the tragedy of this Government's profligate spending. In some cases people lost their businesses and homes in the interest rate crunch of 22 per cent or 23 per cent. Others survive through various means, such as restraint or personal adjustment. But if interest rates begin to rise again, and I suggest they do not have to go to 22 per cent or 23 per cent, merely to 15 per cent or 17 per cent, what do Canadians do?

Mr. Young: Throw these guys out, obviously.

Mr. Epp: That is one thing that should happen. But what do they do to survive? They have made all kinds of adjustments, rationalized expenditures, and what do they do on the second go-round? Do Members opposite know the percentage of total borrowing by Government in this country today? I understand it is 90 per cent.

Mr. Blenkarn: It is 93 per cent.

Mr. Epp: It is 93 per cent. I ask you, Mr. Speaker, how can this Government come shamelessly to this House and the Canadian people and say: "Give us another $29 billion and it will not have any effect on you. Do not worry, Canadians; governments do not have to pay debts". You have heard that argument, Mr. Speaker. But yes, they do, and you know how they pay for it. It is we who pay, through higher interest rates, when people cannot afford their homes and lose their businesses. We pay for it when people lose their farms. That is why you have farm survival groups breaking out in western Canada. They are trying to survive.

The greatest tragedy of all, Mr. Speaker, is that this Government has mortgaged away the future of Canada. When you take away the right to dream and the possibility that that dream will be fulfilled, when you remove that vision from people, then the country is desperate in the extreme. Members of this House have gone through the west door in this House of Commons. They have looked at the Peace Tower to their left as they have walked out. Over the arch there are biblical words to the effect that where there is no vision, the people perish. What has happened across the country today is that Canadians are losing their dreams and visions.

Mr. Blenkarn: Mortgaging them.

Mr. Epp: Their future is being mortgaged because this Government decides it knows best how to spend the people's money.

I look forward to the next election, Mr. Speaker, because I want to place the record of this Liberal Government before the Canadian people. I will dig out every one of my speeches on every one of the borrowing Bills the Government has brought forward and I will repeat those speeches in the small towns of my riding. I have found when you talk to the people, when you are square with them, they say that we must get back to economic management. The potential of this country is so great, but this Liberal Government has betrayed the heritage of Canadians. The best thing we can do is defeat this Bill and then go to an election and defeat this Government.

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, in joining in this debate I felt it might be helpful if we tried to put what we are talking about into better perspective. We can talk in terms of $20 billion or $29 billion of borrowing authority, and most of us, including me, have no way of relating to that amount of money. But I think it is important to remember that if you accept the budgetary projections of the Minister of Finance (Mr. Lalonde) as tabled on February 15 in this House, it means that for every dollar of revenue the Government anticipates collecting, it is spending $1.50. In short, the Government is out of whack as far as income and expenditures are concerned by 50 per cent.

The reason I say that is that often you will hear people say that the interest on the debt alone in Canada is responsible for 20 cents of every dollar of expenditure. True, but the more significant point is that when you consider every dollar of income the Government is actually receiving, whether the revenue and expenditures are matched or not, the Government has to earmark over 30 cents of that dollar to pay interest on existing debt. We are facing a situation where the debt of this nation by 1990 will have doubled once again from its current level. That is why I agree with my colleagues when they reflect their concern in this debate over this borrowing authority Bill. The fact is, if we go on with this type of irresponsible Government spending, the world will set us straight eventually. The world will only accept so much of our debt and then they start asking questions.

That has already begun. A few months ago, for the first time in many years, we found that an issue of the Government of Canada did not sell well on international markets. The result was that the current issue announced only yesterday, maturing in the year 2004, was sold to yield 13.6 per cent. Imagine, the Canadian covenant is now such that to raise

money we have to pay the lender over 13.5 per cent. In a little over five years the cumulative effect of that interest rate doubles the debt. Just divide 13.6 into 72 and you get the number of years it takes to double the debt.

• (1700)

In short, if this nation persists with the type of gang which has been running the country to date, with its irresponsible handling of our finances, we are headed for the bankruptcy world courts. This is completely inevitable. The IMF is what we call the bankruptcy world court. It is the one that calls you in. It tells you that until you sober up there are certain terms and conditions which you must live by in order to get bailout credit. That is not a nice experience for any people to have to live through.

The forerunner to this may be a questioning of our current credit rating. We have a high credit rating now but the first step will be to move it downwards. That makes it more difficult and costly to raise money. If you do not correct the outflow and arrest the demand for the borrowed funds, eventually some outside group such as the International Monetary Fund has to come in. You are a basket case and they have to bail you out.

Why did we get into this position, Mr. Speaker? Why are we in a position where an irresponsible government now feels there is nothing it can do to correct the matter? Most of the Members who were in the House from 1972 on will recall where this began. It began when we had a Minister of Finance who is sometimes referred to as "blue eyes", John Turner. He introduced the country to the concept of peacetime deficit financing. Up until 1972 we had a relatively balanced position at the federal Government level. We were even in surplus some years prior to 1972. He took that record of a relatively balanced position and plunged us into deep deficit financing to the point that when he left in 1975 the deficit was $5.5 billion. Before he left he also indexed income taxes. However, he forgot to put the other side of the equation in place. He forgot to listen to our then Leader, Mr. Stanfield, who said that indexing of income taxes would cut off the tax dividends which they had been relying on, but would also ensure some type of restraint on the part of government. No government would responsibly bring in an indexed income tax system without having a corresponding program to keep costs under control.

By cutting off our revenue, Mr. Turner cut off the revenue that was then mounting every year, but he did not cut off the expenditure growth. From 1972 to 1975 there was a systematic putting into place of spending programs which was aided and abetted by the socialists to our left. No costing in a five-year sense was ever made of those programs. As a net result costs have soared, there is no revenue to cover them and we have the scenario which I indicated at the beginning of my speech where we are now spending $1.50 for every $1 of income. This means we have to borrow and ask future generations to pay for our irresponsibility in the late 1970s and 1980s.

This gang must be swept out of office. It does not matter what Leader they choose, they have all had their hand in this mess. None of them knows how to get us out of this and it is time they are all swept out of power.

Mr. Neil Young (Beaches): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-21, the Borrowing Authority Act, 1984-85. I am also pleased to have been able to second the amendment to this Bill before us which was moved by my colleague, the Hon. Member for Hamilton Mountain (Mr. Deans). This amendment would effectively reduce the amount of money the Government is asking for from $29.5 billion to $18 billion. We feel that the total amount being requested by the Government is outrageous, but if it were reduced by the sum of $11 billion it would be brought into manageable proportions at least.

In our view the Government is asking the House to buy a pig in a poke. It has given no indication of how it intends to spend this $29.5 billion. I was particularly interested in the rather disparaging remarks made by the previous speaker, the Hon. Member for York-Peel (Mr. Stevens). He stands and complains about the spending of the Liberal Government. He uses the old saw of trying to blame the NDP for that. I would like to hear the Hon. Member for York-Peel tell us which social programs he would be prepared to cut in order to reduce government spending limits.

Mr. Stevens: How about your salary?

Mr. Young: It is all very well to blame the NDP for all that is owed in the country. If I were a millionaire like the Hon. Member for York-Peel, I might be prepared to consider salary cuts all around. However, I am not.

We would be particularly interested in having the Government come into the House and tell us specifically how it intends to spend this money. We would like to know whether it intends to spend the money for socially productive uses or whether, as the Member for Provencher (Mr. Epp) indicated, it is going to use part of that $29.5 billion as a slush fund for the Liberal Party to re-elect some of its own Members. If the Government were to indicate that it intended to spend some of that money to alleviate the tremendous problems in the country with providing adequate, reasonable and affordable housing to the many Canadians who are in such desperate need of it, that would be acceptable.

The Social Planning Council of Metropolitan Toronto has recently released a report entitled "A New Housing Agenda for Metropolitan Toronto". In that report it is pointed out that there are some 70,000 households which already require some form of rent geared to income housing or will require it within 15 years. The report advocates an assisted housing target of some 4,500 units per year to address this need. Through CMHC in the past year the Government has actually reduced the amount of funding that would be available to municipalities to provide adequate, affordable housing. It is having a terrible effect on areas like Metropolitan Toronto and other major urban centres across the country.

• (1710)

If the Government were to look at providing a real stimulus to housing construction in this country, even as a job-creation measure, it would go a long way toward alleviating the terrible unemployment that exists. It has been proven by government figures which are available that for every one job that is created in housing construction, another four jobs are created in spin-off industries, such as electrical manufacturing, the plumbing industry and the oil industry. Any industry one could think of would be affected by a substantial increase in the amount of subsidies that we would be prepared to give for housing construction. If the Government were going to put the money it is asking for to that type of use, I think we would be less reluctant to provide it.

Another area to which we believe the Government should pay more attention is the needs of senior citizens in this country. The Government consistently tells us that it recognizes the problems facing the seniors of this country and has studied them. In fact, it has studied the problem to death. However, it says that until the economy improves it cannot do anything for the senior citizens of the country. In its last Budget it provided pensioners with $25 in June and $25 in December in the hopes that the problem would go away. The problem will only go away to a small degree for single elderly persons who are already living below the poverty line.

There is absolutely no reason why the Government could not have increased their pensions immediately by $50 a month as of January 1, 1984. Instead of doing that, its Budget increased the tax giveaways to those who do not need it, the large corporations and the wealthy in this country. If the Government could do that for that segment of the population, there is absolutely no reason why it could not have done so for single elderly women over the age of 65 who have incomes that are well below the poverty line. They are the ones most in need in this country.

The Government could use some of the $29.5 billion it is seeking to do something about the thousands of disabled and handicapped people across the country who are unable to work because of their disability or discrimination in the work-place, and provide them with decent incomes on a monthly basis. However, it chooses not to do that because the economy is in difficulty and the Government says it does not have the tax revenue to provide those people with the means to follow a decent lifestyle in the mainstream of Canadian society.

The other area in which the Government could have taken serious action if it had been well intentioned is the unemployed in this country. The problem of unemployment was hardly dealt with in the Budget. In fact, it did not even make a dent in that massive problem which faces our country. In my opinion it is a national disgrace that the over-all unemployment rate in this country is in excess of 11 per cent. It is a further disgrace that the Government refuses to do anything meaningful about it.

Youth unemployment in Canada is in excess of 18 per cent. These are the very people in our country who are our most valuable resource. The Government is allowing them to waste away without providing them with any meaningful employment programs. It goes even one step further by attacking the post-secondary system in the country through further reductions in funding to support these educational facilities. This affects research and development capability in Canada and the accessibility of young people to these institutions. If the Government seriously considered putting the amount of money for which it is asking into meaningful, useful, productive and socially beneficial programs, then we may have a change of heart and perhaps would be willing to consider providing that amount of money.

[*Translation*]

Hon. Roch La Salle (Joliette): Mr. Speaker, I cannot resist making a few comments on this borrowing authority the Government wants to shove down our throats and down the throats of all Canadians. Considering the deplorable performance of this Government's administration, Mr. Speaker, once again, it is very difficult for us to approve, on behalf of the Canadian people, what the Government is proposing to do, especially in view of the shocking circumstance that the Government is asking for a borrowing authority which exceeds its needs by four billion dollars. I think it would be in order to ask the Government very seriously why it wants the House to support this request for four additional billion dollars.

It is really very difficult to give a positive response. It would seem that the Government—and of course it is not going to say this to Canadians—first has to correct its mistakes, the results of its administrative incompetence. That is one of the reasons why it is coming back to the House for the seventh or eighth time with a Borrowing Authority Bill.

Mr. Speaker, they are adding insult to injury by asking for more than they need. Are we to understand that this Government is incapable of telling us exactly what its needs are? It is true that its previous forecasts were so erroneous that today they are downright embarrassing, and the Government is certainly doing its best not to emphasize this request for borrowing authority, even if it does involve four billion dollars it will not be needing at first. But this is very serious! I wonder how long they think the Canadian public will trust them when they are incapable of telling us exactly why they need this borrowing authority.

I wonder, Mr. Speaker. We all know that an election campaign is imminent. Why does the Government want a borrowing authority of $29 billion, when according to assessments that are not necessarily reliable, its needs do not exceed $25 billion? Four billion dollars for the Government, give or take a few dollars, I know that may seem insignificant to our administrators. Canadians listening to us, however, know perfectly well that in this day and age, considering the interest rate and debt costs, four billion dollars is a lot of money!

What is the Government hiding in its request to the House today? Is it perhaps preparing for the next election campaign and planning to make promises without end to win the support

of Canadian voters once again? Does the Government want to use these billions of dollars to deceive Canadians or buy their votes with all kinds of projects, in a manner that is most irresponsible, Mr. Speaker? These are questions we must ask ourselves. We must bear in mind the financial situation of the Government and its commitments concerning a whole range of projects, because it will probably not act responsibly in the next six months, as we know very well that there is indeed a good chance that this Government will be defeated in the next election. Besides showing disrespect for the Canadian people, the Government does not hesitate to increase its spending, but it even refuses to rationalize them. These $4 billion in additional borrowing, about which we intend to move an amendment to force the Government not to borrow more than it needs, could be used by the Government to make electoral promises, and since it knows that it is very unlikely to continue governing the country, it could not care less about proposing such huge expenditures.

• (1720)

Mr. Speaker, Canadians are not taken in, they see their Government sinking deeper every day, they realize it has no intention of controlling the expenses of its own corporations, they are aware of all that and have to pay for the waste of public funds as a result of mismanagement. Instead of taking corrective measures and making drastic changes in the management of some of those corporations, the Government looks the other way. And, of course, Canadians will pick up the pieces and pay for the deficits of those corporations as though it was the normal thing to do. But the men and women appointed to run those corporations are not going to be replaced, although they are almost as incompetent as the Government.

Under such circumstances, Mr. Speaker, how can we have a positive response while our colleagues opposite remain silent? On behalf of the Canadian people, we are still asking this Government to be more reasonable and to cut down our national debt.

We know quite well that this Government is acting rather irresponsibly, as though the capacity to pay of individual Canadians were an unlimited source of funds. They operate as though there were no limit to the capacity to pay of Canadians; this is why the Government is running up its debt. We cannot overemphasize the fact that this is getting the upcoming generations into debt and mortgaging their future.

In view of these circumstances, Mr. Speaker, we must ask this Government to assume its responsibilities to the Canadian people and the nation. It must act responsibly when the boards of Crown corporations make certain decisions. Here is a small example which may help the Hon. Members and the Canadian public to better understand the situation.

Recently, a former Minister and Member of the Senate was appointed Chairman of the Transport Commission. What kind of comfort is this to Canadians since, in 1967-68, this same Minister was responsible for the white elephant called Mirabel in Quebec? Of course, Quebec had to have an airport which could provide the necessary services. That was obvious. However, and the Members opposite know this as well as I do, we now realize the tremendous extent of this expropriation operation. This was all done under the new Chairman of the Transport Commission.

What comfort can this be to Canadians? At his age, what is he going to do in the Transport Commission? I doubt that he wil be able to stay in office for long. Whatever anyone may think, Mr. Speaker, this will not restore the confidence of Canadians in a Government which is unable to make better choices. Having an unqualified person replaced by another one is not a solution.

In these circumstances, it is easily understood why we simply refuse to trust this Government when we are asked to get the country deeper into debt and to increase the feeling of despair which exists not only among young people, but in the population at large. This is asking too much, Mr. Speaker, and I hope that we shall have the opportunity to pass judgement on the incompetence which this Government has demonstrated for too long already.

[*English*]

Mr. Charles Mayer (Portage-Marquette): Mr. Speaker, this is an important Bill. It is important, I would submit, because it asks that we pass borrowing authority that really is a tax on future generations. It is one thing to have a taxation Bill in front of the House for Members to consider so we know precisely what we are asking the people to do, but when you have literally a piece of paper, which is not very substantive in any form, containing basically three clauses, which asks for authority to borrow nearly $30 billion, it becomes a very serious matter.

An amount of $30 billion is almost impossible to relate to. One of the ways people can relate to an amount like that is to talk about what a billion dollars means. It means $40 per capita. In other words, for every person in the nation we are being asked to approve $1,200 in borrowing. To go on a bit further, if you relate that to an average family of four, if four is an average, each family's share of this Bill, in the form of one piece of paper, is $4,800.

I want to impress the meaning of this borrowing on Members opposite so that when they vote—and eventually we will get to a vote—they will know exactly what they are doing. This is one borrowing Bill in one year, Mr. Speaker. We know the Government has had many borrowing Bills before this House in the past, but it would be very irresponsible on the part of the Opposition if we blindly went ahead and approved this Bill without question.

Most people when they go to a bank to borrow money have to do it on the basis of some kind of equity, reputation, or some kind of plan of action that will return the money borrowed. But if you look at this Government and its record, its record

certainly would not instil confidence in any banker that I know to lend it money in view of the way it has managed money in the past. One can go through many things as far as the record of this Government's spending is concerned. There is really not much room for much confidence that the Government will manage this new borrowing properly.

Let us take a look at some of the Government programs. As far as I can see the Government does not have any concrete plan to get us out of the financial mess we are in. The Hon. Member for York Peel (Mr. Stevens) talked about how bankrupt Canada is. In many ways this is true. The more that is the case the sadder it is. If there is one country that should not be bankrupt, it is Canada. Canada has more natural resources per capita than any other country in the world. Surely, when we have the resources we have we should be able to manage our affairs in such a way that we should not have to borrow so much money.

We are not objecting to the Government borrowing money. We all know that in the normal course of events, whether you are a housewife, a businessman or anyone managing an economy, you have to borrow money. There are times in a fiscal year when you simply do not have enough money coming in to meet your current requirements and that necessitates borrowing. We know that. We are not objecting to the fact that the Government is borrowing money. What we are objecting to is that based on this Government's record, on the plan it has to put in front of us and knowing the Government will use this money, it engenders really no room for any kind of confidence or benefit of doubt that the money will be used properly.

Again, when you relate this amount to an average family of four, we are being asked literally blindly to approve almost $5,000 worth of borrowing. I hope Hon. Members know that. It is a massive debt load to put on every family in this country in just one Bill, and we are likely to get another one before this session terminates.

Let me expand on the size of this borrowing. The amount of money this Government will have to pay this year on the accumulated debt of its past spending is $20 billion. This means $800 per capita for an average family of four, or a little over $3,000 per family. If you think about it, Mr. Speaker, of the share of the debt for an average family, which is a little better than $3,000, almost two-thirds will go to service past debt, the total accumulated past debt. That is one way of putting the amount of money involved into perspective. Those of us who deal in much smaller numbers and try to manage our affairs more prudently than this Government want people to understand why we are concerned about the amount of money this Government is borrowing.

● (1730)

I want to make another point. It is important to realize that in many ways money is now like a commodity. It is no longer simply a medium of exchange; it is a commodity with a price on it. The more demand you put on the commodity, the higher you drive up the price. It works in many ways like any other commodity. For example, if there is a shortage of automobiles, the price goes up. This is because there are not enough automobiles to satisfy the needs of everybody.

The same happens with money. Instead of price, it is interest rates that go up. Yesterday the Hon. Member for Vancouver-Quadra (Mr. Clarke) pointed out that the total amount of personal savings in this country is almost equal to the amount of money this Government will run in deficit this year. That shows the magnitude of the amount of money this Government is attempting to borrow.

The more you borrow, the more you drive up the price of money, namely interest rates. Regrettably, we have seen that happen in the last days and weeks. We are seeing a movement in the United States and here. That cannot help but have absolutely horrendous effects on this economy. The more you drive up the price of money, which is interest rates, the more you hurt those in business for themselves. When you hurt them, you take people out of jobs and put them on some sort of social assistance, which again hurts the deficit.

I have a question for the Minister of Finance (Mr. Lalonde) and the Governor of the Bank of Canada. Where in fact is the balance between using interest rates to protect the value of the Canadian dollar and letting the Canadian dollar go and seeing interest rates stay at a level that keeps people in business? Many businessmen in this country have gone broke as a result of high interest rates. Tell them that you are proud of what you are doing to protect the Canadian dollar. I know of no small businessman who would make that kind of statement. In many ways that is what the Minister of Finance and the Governor of the Bank of Canada are doing when they use interest rates to protect the value of the Canadian dollar.

We have to import fruits and vegetables out of season. Because we live in a northern climate, we must import our citrus fruits. We do not grow them basically. If you let the value of those commodities rise, a consumer will back away from them. That is the way the system is supposed to work. The Minister of Finance and the Governor of the Bank of Canada say they know best. If the value of the Canadian dollar falls and imported fruits and vegetables out of season cost more, they are going to protect the consumer from buying them, even though the price may be up. Surely that should be up to the consumer.

I am not suggesting that I want to see the dollar go to 39 cents, 50 cents or 70 cents. I am saying the Government should stop trying to have it both ways. Stop trying to use interest rates to protect the value of the Canadian dollar and rely a little more on the common sense and good judgment of the average consumer. You could look for the value of the Canadian dollar staying at a level that makes sense as far as productivity in this country is concerned. The Government would not have to intervene in the market. The Bank of Canada would not need to worry about interest rates as much as it does.

When Government spending is out of control and the Government has to borrow to the extend that it does—and the evidence is in this Bill—it causes many problems throughout the whole economy. If we had better control of Government spending, we would have better control of the amount of

money this Government has to borrow. This would have tremendously beneficial effects throughout the country.

If we continue the way we are going, more and more people will be out of work, less and less tax will be generated and more and more government spending will be required. It becomes a never-ending circle. We must have more responsibility in terms of government. We have not seen that across the aisle. Unfortunately, I have to vote against this Bill. Hopefully we will have a chance to defeat this Government quickly at the time of the next election.

Mr. Thomas Siddon (Richmond-South Delta): Mr. Speaker, I wish to carry on the same rather serious tone set by my colleague from Portage-Marquette (Mr. Mayer). I want to express my surprise that so few government members are participating in this debate on a Bill of such fundamental importance to the future of our children and their offspring. It is important and fortunate that the Canadian people have the opportunity to witness this debate over national television. It should have a strong bearing on decisions they will reach before entering the ballot booth some time next November.

I want to put in context the magnitude of the amount of money the Government is asking this Parliament and Canadians for authority to borrow. The Government is asking for authority to borrow $30 billion in one year. That is more than $1,000 for every man, woman and child in this country. The deficit already approaches $16,000 for every taxpayer. This Bill will increase that amount by some $3,000 in one year for every taxpayer in Canada.

That does not make too much of an impression on the average viewer or voter. Let us look at it this way. Out of the close to $100 billion that this Government will spend in the coming fiscal year, which incidentally is nine times as large as the Government budget when the outgoing Prime Minister (Mr. Trudeau) first took office, 40 per cent will be expended under the authority of one Minister, the Minister responsible for the social policy envelope. These programs of social assistance and support in terms of pensions, family allowance, unemployment insurance and other important programs devised as the so-called safety net for Canadians are now in jeopardy.

We have forgotten about the basic dynamo of our economy. That is our industry, the exploitation of technology and the productive work that the majority of Canadians, particularly young Canadians, will have to engage in if in future we are to get rid of this enormous albatross that our Liberal friends are hanging around the necks of future generations. Out of that budget, $40 billion will be spent on social programs. Today we are borrowing $30 billion, three-quarters of what is required to pay for social programs. I doubt that the average Canadian realizes that in this year's budget, $20 billion will be spent on interest to service that debt and only $10 billion on economic development.

Out of a $100 billion budget, $40 billion will go to social policy and programs, $20 billion to debt servicing, $10 billion to economic development, $5 billion to defence and a few other small amounts. The important point that Canadians must realize is that if we were not paying $20 billion worth of interest to carry the debt each year, we would have $30 billion to spend on economic development. We could move into the higher areas of technology and fund the necessary retraining programs. We could pursue international markets with a whole host of attractive and challenging products. This country could be engaged in manufacturing, producing and selling to people around the world. Instead, we are saddled with a deficit which is costing the Government $20 billion this year, half of the amount that will be spent on social programs. The Government wants to add another $30 billion to the gross deficit in order to balance the budget. That is a measure of how serious the problem is.

• (1740)

The Government is asking us through Bill C-21 to authorize the borrowing of that additional $30 billion even though the Budget which was tabled in the House a few weeks ago only projected a requirement for some $25 billion. Why, Mr. Speaker, is the Government asking for $30 billion? Indeed, the budgetary deficit is $30 billion but the Government, in the Budget presented by the Minister of Finance (Mr. Lalonde) a few weeks ago, indicated that it did not really need that extra $4 billion.

Do you know why the Government did not need that extra money, Mr. Speaker? It did not need it because most of it is taken out of the hides of the public servants of the country. Most of the non-cash requirements shown as federal revenue come from the pension contributions of Public Service employees, whether they be members of government service generally, the armed forces or the RCMP. The Government is pretending to take those revenues and entrust them to a pension account when in fact it is using them to offset its borrowing requirements to the tune of some $3 billion this year. Essentially, Mr. Speaker, the Government is stealing from its own employees to make up its cash requirements. It then has the gall to come to the House and ask for $5 billion more than the Budget indicates is required. Is that not appalling, Mr. Speaker?

I was watching the person who most recently announced his candidacy for the Liberal Party leadership on television last evening and he was talking about deficits. I cannot speak in his dialect, but he said something to the effect that Canada is structurally a different country from other countries and deficits are a way of life in Canada. He told us why we had deficits, Mr. Speaker. The Hon. Minister of Energy, Mines and Resources (Mr. Chrétien), the latest declared candidate for the Liberal Party leadership, said that we have deficits because Canadians are great savers. He said that if we did not have deficits, there would be no Canada Savings Bonds in which Canadians could invest their money. He said that quite clearly. He was trying to justify the deficit by saying that Canadians needed to have somewhere to put their money.

That Minister said he agreed with what other Members in the House have pointed out, which is that personal savings in

Canada amount to some $32 billion. We have a deficit of $30 billion and the Minister who wants to become the Prime Minister said that we need to have high deficits so Canadians can have somewhere to invest their money. That is not a solution to our problem, Mr. Speaker; that is the root of our problem.

If Canadians were not encouraged to invest in short-term savings bonds and long-term government bonds with maturity beyond the beginning of the next century at interest rates of 12 per cent and higher, then future generations would not be carrying debt-servicing charges amounting to $20 billion this year and growing in future years in order to meet the escalating deficits.

The man who pretends that he wants to become the Prime Minister said that the deficit is unimportant because Canadians are great savers and the Government gives them a place to put their money. All they have to do is invest in Canada. Would it not be better if Canadians were investing in themselves, their businesses or even in other parts of the world to earn a return on that investment for Canada? Canadians could invest in resource development and in technology.

What have some of the other famous Liberal leadership candidates been saying, Mr. Speaker? The Hon. Minister who is responsible for economic development and was the first declared candidate said in a public statement on March 9 that he thinks all Canadians understand that governments have to live within their means and that the only way of getting at the deficit is either through more taxation, cutting programs or even inflation—because that is another way governments traditionally have gotten rid of deficits in historic times. By the way, the Liberal leadership candidate from outside this House who wants to become the Prime Minister started inflation. His budget created the concept of a massive and escalating deficit.

The Minister responsible for economic development is running full-page newspaper advertisements in every national newspaper to the tune of thousands of dollars. These advertisements are asking Canadians if they want more information about the Special Recovery Projects which the Government is financing. The programs are to be financed with $2.4 billion of public money and supposedly with $2.4 billion of private money. The advertisements ask the people if they want more information about this. It is absolutely unnecessary to do that kind of advertising.

The advertising budget alone for the Special Recovery Program amounts to some $15 million. What the Minister is not telling Canadians is that the Budget of last April said that the new costs of the Special Recovery Programs will be covered by a special recovery tax. It is a special recovery tax with which all of the Liberal leadership candidates intend to hose Canadians. They intend to introduce in next October and try to sneak it past the Canadian taxpayer in order to cover the expenses of the foolish extravagances in which they are engaging these days.

I wish I could say more, Mr. Speaker, but it is obvious that you wish to hear from someone else as well this evening.

Mr. Bruce Halliday (Oxford): Mr. Speaker, as the Hon. Member for Provencher (Mr. Epp) said earlier this afternoon, it is not one of my pleasures to have to speak on this Bill. I happen to be one who rather cherishes the institution of Parliament. Earlier this afternoon I had occasion to walk to my office with my colleague, the Hon. Member for Perth (Mr. Jarvis). One of the issues which he raised as we were walking was the image that we as parliamentarians have. As we discussed the issue, it soon became evident to us that there is a cynicism in the country right now which I think is to be deplored. Probably one of the major reasons for the existence of that cynicism is the way the present Government has been handling Parliament and the unreasonable demands it has been putting on Parliament. I think that the people of Canada as well are beginning to realize that these demands are unreasonable and are dangerous to the institution.

At this moment, Mr. Speaker, six Liberal members are present in the House of Commons. There are three or four Liberal members who are behind the curtains sneaking a look. Yet Government members are asking Parliament to grant the Government borrowing authority, for $30 billion. When our constituents go to the Farm Credit Corporation or to the bank in an attempt to borrow money, they are asked to justify in some meaningful way how they are going to spend that money. Our constituents see us here in Ottawa debating the authority to borrow billions of dollars, yet only five men and six women from the government side are present to support that request.

I will not repeat all of the facts and figures which my colleagues have brought to the attention of the House in the course of this long debate. I would certainly like to indicate my support for the subamendment we heard this afternoon and for the amendment put forward by my colleague, the Hon. Member for Parry Sound-Muskoka (Mr. Darling). It is obvious that those two motions should be supported. I first wish to refer in general terms to the track record of the Liberal Government.

It is certainly deplorable to realize that it is only in the last 15 years that we have fallen into this rut. I submit, Mr. Speaker, that the cynicism which Canadians are harbouring for us and our institution began in the last 15 years with a Prime Minister and a Government prepared to borrow money to this great extent simply to ensure re-election. In my view, that is the shameful part of this whole exercise.

There is one other point which I think must be stressed. It is even more shameful and it is an even greater cause for cynicism on the part of Canadians that they were told this afternoon that each and every Canadian will be responsible for a debt of about $7,000. Every Canadian inherits that debt because of the actions of an irresponsible government. I am not surprised that we see that kind of response from Canadians. However, it bothers me to think that that is happening. The feelings that Canadians have towards this very cherished institution of ours gives me some real cause for concern.

• (1750)

The Hon. Member for Hamilton Mountain (Mr. Deans) raised an interesting question about whether this borrowing was the cause of the economic malaise we are suffering or the result of it. While acknowledging that some of it was a cause, he came to the conclusion that largely it was the result of economic mismanagement. In a way he is right, although he missed the crucial question that should be asked when one is assessing the significance of a borrowing.

Some Members mentioned this afternoon—as I have in a previous speech—that there are really two kinds of borrowing. For instance, I can borrow money to finance a trip to Florida or around the world. That would not bring much economic return to me or to the country. On the other hand, I could borrow money in order to establish a farm or a commercial enterprise. In return that would bring economic dividends to the country.

The Hon. Member for Richmond-South Delta (Mr. Siddon) put on record that we spend $40 billion on social programs, $20 billion to service the debt and only $10 billion on economic development. That shows the problem we have with borrowing. It is not done to advance the economy but to finance social programs. These programs are good in themselves and I can support them. I have no problem with them conceptually or philosophically speaking; the problem is that they are like my trip to Florida—if I have to borrow money for that and keep on doing it for other things, I will run into trouble.

The drop in the dollar and the high interest rates are a reflection of the economic community's assessment of the wisdom of this country and its reasons for borrowing money. There are some good reasons for borrowing money, however. When I came to this House just under 10 years ago, the Minister for Science and Technology at that time, Mr. Drury, had the gall—although perhaps he did not know any better—to say that we did not have to invest money in research and development for science and technology because we could buy it from the United States or Europe. That kind of thinking got us into the difficulties we are experiencing now. We have not recognized the importance of spending adequate funds on science and technology research and development. If we were to borrow money for those purposes we would reap significant returns in the years ahead.

Some of us have had the pleasure of listening to Dr. Larkin Kerwin, the Chairman of the National Research Council, who has pointed out very frankly that a number of years ago we made the choice to spend money on our own enjoyment. We did not take the route taken by the Germans and the Japanese. They borrow money for the advancement of science and technology in their country and they reap the dividends while we sit here with a fair degree of economic distress. We should deplore the Government's asking for this kind of borrowing again when it has not been able to demonstrate that it will put the money to effective use.

There are some interesting concepts in taxation that we should consider seriously, Mr. Speaker. We should get away from the concept of taxing effective and efficient businesses. We tax their profits and discourage them. We should look for a new tax philosophy where people would be taxed more on net cost. This would make them more efficient and less wasteful. We would then have an economy where people would be encouraged to invest in this country rather than being discouraged as they are at the present time.

* * *

POINT OF ORDER

MR. NIELSEN—SUGGESTED IRREGULARITY IN SUPPLEMENTARY ESTIMATES (C)—RULING OF MR. SPEAKER

Mr. Speaker: The Chair would like to rule on the point of order raised by the Hon. Member for Yukon (Mr. Nielsen) earlier today concerning the procedural acceptability of vote 1c under National Revenue in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984.

The Hon. Member argued that Vote 1c, which would increase the program expenditures for Customs and Excise by an amount of $434,000, seeks to appropriate money for purposes, in part, not authorized by Parliament, namely an amount of $225,000 for the offshore extension of Customs and Excise jurisdiction. The Hon. Member submitted that the Vote anticipates a decision by the House with respect to Bill C-16, an Act to apply the customs and excise jurisdiction of Canada to the continental shelf of Canada and to amend certain Acts in relation thereto or in consequence thereof, which is still on the Order Paper for second reading.

The Chair has now had the opportunity to examine Vote 1c in relation to Bill C-16 and agrees with the Hon. Member that it would authorize a new program without the appropriate legislative authority. The rulings of the Chair since 1974 clearly emphasize that it is not procedurally correct to use an Appropriation Act to establish a new program.

May I quote Speaker Sauvé to that effect, who said on June 12, 1981 and on March 21, 1983, that "the Appropriation Act should only seek authority to spend the money for a program that has been previously authorized by a statute".

Since the required expenditure for offshore extension of customs and excise jurisdiction has not yet received legislative authorization, I must find that portion of Vote 1c out of order. Accordingly, Vote 1c—Customs and Excise—Program expenditures udner National Revenue, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, shall be reduced by an amount equal to that required for the offshore extension, namely $225,000, and I so order.

The Hon. Member for Durham-Northumberland (Mr. Lawrence).

[*Translation*]

Mr. Pinard: Mr. Speaker, was I recognized by the Chair or was the Hon. Member recognized before me?

Mr. Speaker: I recognized the Hon. Member for Durham-Northumberland (Mr. Lawrence).

Mr. Pinard: I respect your ruling, Mr. Speaker. Out of deference, I shall let the Hon. Member deliver his speech.

* * *

[*English*]

BORROWING AUTHORITY ACT, 1984-85

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. MacLaren that Bill C-21, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment of Mr. Darling (p. 2292) and the amendment to the amendment of Mr. Deans (p. 2299).

Hon. Allan Lawrence (Durham-Northumberland): Mr. Speaker, this afternoon we are talking about the borrowing Bill. We need a borrowing Bill of such an amount because of the waste and extravagance practised by the Government. I should like to bring to the attention of the House one small example of unnecessary expense in the Supplementary Estimates. We will have to register an objection to it by tomorrow if we want a vote on it. Last night at the Standing Committee of Justice and Legal Affairs, Supplementary Estimates (C) were dealt with. I noted a small item in Vote 1c of those Estimates which just carries the blunt heading "Information". A $45,000 estimate was put down for that.

Mr. Deputy Speaker: Order. May I inquire from the Hon. Member if I understood correctly that he is referring to a matter that is now before a committee of the House?

Mr. Lawrence: No, Sir, it is not before a committee of the House now. I wish it were. This is the only means I have to publicize some of the expense, extravagance and lack of explanation given to Members regarding these things. That is why we have a borrowing Bill and that is my complaint.

After a great deal of heeing and hawing and hooing by civil servants, this turned out to be an expenditure of $32,500. That is not a large amount as far as expenditures are concerned but it turns out that this is a one-tenth share of the Department of Justice in regard to an over-all bill by the Canadian Unity Information Office. When we asked what that referred to, we were told that they really did not know, except that it was a special advertising campaign. They did not know what that covered nor did they know how it was figured out that the Department of Justice should have a one-tenth share of it. That is why we will object tomorrow to Supplementary Estimates Vote 1c, Department of Justice.

Mr. Deputy Speaker: Order. It being six o'clock p.m., this House stands adjourned until 11 a.m. tomorrow, pursuant to Standing Order 2(1).

At 6 p.m., the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, March 22, 1984

The House met at 11 a.m.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—TOURIST INDUSTRY

Mr. Speaker: Before putting the motion in the name of the Hon. Member for Halton (Mr. Jelinek), since today is the final allotted day, the House will go through the usual procedures to consider and dispose of Supply Bills. In view of recent practices, do Hon. Members agree that the Supply Bills be distributed now?

I should caution the House that the Supply Bill which is in order for presentation does not reflect the decision of the Chair at six o'clock last night to eliminate one item. Therefore, the Bill which would be distributed would be for the information of Hon. Members. The Bill actually introduced at the appropriate time would be amended accordingly. Is there unanimous consent to have the Bills distributed at this point with the proviso I have indicated?

Some Hon. Members: Agreed.

Mr. Otto Jelinek (Halton) moved:

That this House condemns the Government for having allowed Canada's tourism deficit to reach a staggering $2.1 billion in 1983, and having thus caused over 100,000 Canadian jobs to be lost in that year alone, and for failing to remedy the overtaxation which is the underlying problem which plagues this labour-intensive industry and which pushes prices to non-competitive levels thereby counteracting any positive impact that might be generated by the Government's marketing expenditures.

He said: Mr. Speaker, this Party is presenting this Opposition Day motion today on tourism for a variety of obvious reasons. Less than a year ago, April 14 of last year, the Progressive Conservative Party had an Opposition Day on tourism headed by the Hon. Member for Malpeque (Mr. Gass) to try to impress upon the Government the great importance of this sector to the Canadian economy. It is nearly a full year since that Opposition Day, Mr. Speaker, and the Government has yet to touch the root of the problem. In fact, the deficit, as the motion points out, has skyrocketed to a staggering $2.1 billion, resulting in over 100,000 Canadian jobs being lost in 1983 alone.

I will just very quickly review the importance of the tourist industry and the complete lack of regard by the Liberal administration for the major problems facing that industry today. In dollar terms, Mr. Speaker, tourism and travel are worth $17 billion each year in Canada which accounts for roughly 5 per cent of the GNP. Travel and tourism employs over one million Canadians.

In these days of such high levels of unemployment, surely the Government should be putting a lot more emphasis on the tourist industry if for no other reason than the potential employment which exists in this sector. Jobs are being lost every day in this industry as the Government continues to take no action. Visitors from abroad last year spent as much as $3.9 billion, making tourism one of the biggest earners of foreign exchange in this country. According to the Canadian Government office of tourism, this industry has a higher employment multiplier than any of the 40 leading industries of our nation.

I could expand on the tremendous importance of tourism to this country, but because of time limitations, Mr. Speaker, I will just say very briefly that the travel industry in Canada is not living up to its potential. In fact, tourism in this country is an industry under siege. The Liberal Government cannot blame international conditions in this regard as it has in other matters, because on the international market Canada's share of world tourism fell from 4.6 per cent in 1972 to a dismal 2.7 per cent in 1981. In other words, in that decade we lost half of our share of tourism in the world market.

Why is it that tourism in Canada is decreasing while at the same time it is increasing in other countries? I repeat and underline the fact that the Liberal administration cannot blame international market forces in this regard.

• (1115)

There are nearly 100,000 more Canadians outside Canada every night of the year than there are foreigners in Canada, and the travel account deficit grows at over $3 million per day. This does not include the travel deficit with the U.S., because there are 74,000 more Canadians in the U.S. every night of the year than there are Americans in Canada. The deficit there grows by nearly $2 million a day. That is a total of over $5 million a day, representing a staggering figure of $2.1 billion last year and growing. That is unacceptable yet the Government is not acting.

Some want to blame the problem on our winters. I have news for them, Mr. Speaker. Last July, when the Canadian market should be at its strongest, travel to the U.S. was up by 37.3 per cent over the previous year. That throws that argument out the window because Canadians are travelling abroad in the summer just as much as in the winter. But the winter months can be taken advantage of. Canadians go skiing in Switzerland, Austria, Italy and to Aspen, Colorado. We could

be attracting tourists to Canada in the winter months as well as during our beautiful summers.

The main problem affecting the tourist industry in Canada is one of over-taxation, Mr. Speaker. We can throw all the other minor problems out the window, but if we do not deal with the overtaxation of the tourist industry immediately, we are going to find ourselves with a growing deficit which will bankrupt this country even more than it already is. In fact, the Tourist Industry Association of Canada estimates that unless there is a reversal of Government policy, our travel deficit next year is going to reach a staggering $4 billion.

We have over-taxed ourselves in lodging, food, gasoline and alcohol and what does the Minister of State for Small Business and Tourism (Mr. Smith) say when we question him repeatedly in this matter in the House? He says: "Go and talk to the provincial Premiers; they should be dealing with the problems". Shame on you, Mr. Minister. You know it is the federal Government that has to take the initiative to deal with this major problem. When the Conservative Party forms the Government, I can assure you that its first priority in this regard is going to be to call a federal-provincial conference to deal with the problems of over-taxation and to set an example to the provinces by reducing or freezing taxation wherever possible in the tourist industry.

Some Hon. Members: Hear, hear!

Mr. Jelinek: We can no longer continue to put the blame on others. We must share the blame in this Parliament, in this House, and deal with it in a straightforward way. I know that may sound partisan to some extent.

Some Hon. Members: Yes!

Mr. Jelinek: I knew the Liberal squeakers in the back-benches would agree with that. That is why I brought a letter addressed to the Minister of Finance (Mr. Lalonde) by the President of the Tourist Industry Association of Canada, Mr. Garth Campbell, who says:

—tourism is the one area of economic activity—employing over 10 per cent of the Canadian working population and potentially much more—where Canada's price competitiveness or lack of it is clearly exposed. Neither tariffs nor quotas nor clever advertising can hide these facts.

● (1120)

I want the back-bench Liberal squeakers to listen to this.

Mr. Harquail: Can you read what he said?

Mr. Jelinek: The letter went on to say:

Sad to say, the budget of April 19 did virtually nothing to resolve any of the problems we had underlined. Nor did it offer any assurance that the message being advanced by this Industry was understood. Certainly the leadership we had hoped to see from the Federal Government was not forthcoming.

By their comments it appears that the Liberals are very interested in what I am reading. Therefore I will continue:

It is our sad prediction that if travel trends evident even in the first quarter of this year continue, the 1984 deficit will be substantially above $3 billion!

Translated into jobs . . . The figure for 1984 could well exceed 150,000 jobs!

That is 150,000 lost jobs in the tourist industry. The Government is spending hundreds of million of tax dollars on non-productive, costly, make-work projects that are only temporary and which put the Canadian populace back on to the unemployment insurance roll after they have served their purpose.

In Mr. Campbell's letter to the Minister of Finance he went on to say:

We submit . . . that investment in tax relief for tourism could well leave the federal government financial situation in a more favourable position . . . tax reductions would be balanced against reductions in unemployment insurance payments and increased revenues generated by increased economic activity.

Those are some quotes from TIAC which is the most important assembly of tourist people from across the country who are trying to look after the welfare of the tourist industry. I know they have good communication with the Minister of State for Small Business and Tourism. I know they are in constant contact with the Minister of Finance, but the Liberals do not listen. They sit in their ivory towers in Ottawa and have no idea what is going on in the real world of business and tourism. That is why the tourist industry, as well as other industries and sectors of the economy, is suffering, Mr. Speaker.

I know the Minister has just returned from a trip in the United States where he promoted the great advertising budget which he has increased to advertise Canada abroad, particularly in the United States. I wish him well in that, I am glad he has finally increased that budget to match what it was over a decade ago. It is a step in the right direction and we respect that and agree with it. However, it is not going to solve the problem. The problem is over-taxation. I hope the Minister will deal with the taxation problem when he gets up, rather than just show that he has increased Government expenditures using tax dollars to advertise Canada. Tourists are not going to come into Canada if it is 30 per cent more costly to come to Canada than to travel to Europe or in the United States, no matter how many millions of tax dollars are used to advertise Canada. It becomes somewhat suspect that the Government is advertising tourism in an election year, using Liberal agencies to spread that money to perhaps advertise themselves. I will not dwell on that, but it does become suspect.

I believe I have two or three minutes left, Mr. Speaker. A Conservative Government would give greater recognition and consideration to this vital sector. That would become a PC policy thrust. The first thing we would do to recognize the sector, as we are doing now, is to give very serious consideration to establishing a separate ministry for tourism to deal with the problems of that vital sector of our economy. As I said earlier, the first step that ministry would take would be to call a federal-provincial conference to deal with taxation, to set an example and freeze tourist taxes wherever possible, and try to find ways and means of reducing them in certain areas. Federal and provincial taxes for alcoholic beverages, for example, account for 85 per cent of the retail costs in Canada. That is just one example of many and the Minister knows the others.

• (1125)

Since I do not have enough time to dwell on these, my colleagues on this side will dwell on some of the other matters throughout the day. The burden of payroll taxes should be reduced. We will look at ways to seek equitable tax measures that do not penalize labour-intensive industries like tourism. We shall develop a national tourism plan in co-operation with the provinces, utilizing the destination resort areas concept.

We will ensure departmental co-operation so that all federal decisions are arrived at with the complete understanding of their effects on tourism. Further steps will be taken to upgrade the status of tourism within the federal bureaucracy in order to protect the entrepreneur from potentially damaging government programs and legislation. In other words, to establish an advocacy role in the various other government departments. To this end, a Progressive Conservative Government shall establish in each relevant department a tourist co-ordinator to act as that advocate. We will provide incentives to promote the growth and development of a family owned tourism business in all regions to take advantage of Canada's tourist potential.

The list of our specific initiatives in policies which we will be outlining goes on and on. Since I am running out of time, I just want to repeat one major point. An election may not take place until a year from now or it may take place in August or November. We cannot wait for a Progressive Conservative Government which understands tourism and would take the necessary steps to deal with the problem. On behalf of the Conservative Party, I call on the Liberal Government to take action now in respect to cost competitiveness, to take action now to sit down with the provinces and start freezing and reducing, wherever possible, tourism taxes in order to be able to permit that advertising campaign in the United States which the Minister has just launched to become effective.

If it will not be cost competitive for tourists to come to Canada from the United States or elsewhere, I repeat that no matter how many millions of tax dollars the Minister will use in advertising, it will not attract tourists to this country. Not only do I call on the Minister and the Government to act now, but I plead with them because we are talking about jobs, we are talking about the economy as a whole and we are talking about the well-being of Canada.

The Acting Speaker (Mr. Herbert): There is a ten-minute question period permitted, but it has been our practice for the first round of speakers to speak before questions are put. However, it is the option of the House. If it wishes a ten-minute question period, there can be.

Mr. McCauley: Mr. Speaker, I listened with some interest to what the Hon. Member for Halton (Mr. Jelinek) was saying. I was wondering if he was ever going to get around to suggesting policy alternatives. I thought he spent a lot of time criticizing and very little time offering solutions, but toward the end of his address he did begin to deal with solutions. He outlined a shotgun approach in terms of what his side would do if they ever did form a government. What, in his opinion, are the three main policies that his Party would introduce with regard to tourism?

Mr. Jelinek: Mr. Speaker, I do not know where the Hon. Member was during the last 10 or 15 minutes of my comments when I outlined the policies that the Conservative Party will take when we form the government. If I could be very brief in answering, it would be to deal with overtaxation, to deal with overtaxation, and to deal with overtaxation of the tourist industry, plus all of the other initiatives which I outlined in my speech.

Mr. Manly: Mr. Speaker, the Hon. Member for Halton (Mr. Jelinek) rightly pointed out that the tourist industry is very labour intensive. Many tourist areas are also very low-wage areas. Some of them have right-to-work legislation which undercuts the role of unions in establishing decent wage levels. Our Party is very much opposed to this legislation. Would the Hon. Member for Halton give his opinion on right-to-work legislation and whether he opposes it?

• (1130)

Mr. Jelinek: Mr. Speaker, if we had to depend on the policies and wishes of the New Democratic Party, the tourist industry deficit in this country would not be $2.1 billion. There would be a $6 billion deficit.

Mr. Manly: Mr. Speaker, I asked a very straight-forward question, whether the Hon. Member for Halton supports or opposes right-to-work legislation. That is very germane to a debate about tourism. We in this Party, the House and the Canadian people would like an answer, not further diatribes about the NDP.

Mr. Jelinek: What a ridiculous statement, Mr. Speaker! I will speak for myself in respect of the right to work. In Canada people should have the right to work whenever they want to work. I believe that people in Canada should have the right to do whatever they want in this free country. I was forced to escape from a country that was run by philosophies of the nature of the New Democratic Party. I escaped from that country to come to a country that has the rights and freedoms that are honoured in this country.

Some Hon. Members: Hear, hear!

Mr. Harquail: Mr. Speaker, it is very good that the Canadian people can observe the lead speaker for the Official Opposition, the critic on the subject of tourism, giving what has to be termed a shameful performance this morning. He admits that it has been one year since he last raised this important issue. He did not bother to talk about the fact that this involves $16.5 billion for the economy of this country and over 100,000 businesses. This is very important. The Hon. Member did not say anything about the attractiveness, the resources and the reasons people come to Canada. He offered nothing of a positive nature concerning what this beautiful country has to offer in the sense of the tourism attractions.

What has he said? A couple of times he wanted to talk about an election, but he was not sure when it was going to be.

Mr. Jelinek: Are you? How about tomorrow?

Mr. Harquail: Mr. Speaker, he admitted he does not know. When he said he did not know, he admitted quite a bit. He has obviously proved to us this morning that he knows very little about this subject. He admitted two or three times after quoting from the letter at length that that was the basis of his speech. He did not explain why it was he could not prepare a better speech than he tried to put across to the House this morning, pointing out some of the objectives of his Party and some of the positive things his Party might do. He might explain why he does not travel across Canada. He spends most of his time at ski competitions in Europe.

The Acting Speaker (Mr. Herbert): Before I call for the response, I just want to clarify that this period allows for comments as well as questions.

Mr. Jelinek: Mr. Speaker, I was just going to say what you said. The Member is criticizing my speech. He does not even know how to pose a question because he did not pose one.

Hon. David Smith (Minister of State (Small Businesses and Tourism)): Mr. Speaker, I am happy to enter this debate. I am pleased that the Opposition has seen fit to allocate an Opposition Day to this very important topic. It is an exciting topic. Tourism does offer growth potential for the Canadian economy. I find it a challenge to be involved in selling Canada. I agree with much of what the Hon. Member for Halton (Mr. Jelinek) said in terms of the importance of the tourist industry to this country. What I do not agree with are the conclusions that he has reached *vis-à-vis* what the Government is doing about it.

The motion we are debating deplores the size of the travel account deficit for 1983. I think most people know that the deficit arises because Canadians spend more abroad than we earn from visitors. The Hon. Member has approached this subject from a completely negative point of view. He made no reference to the fact that most Canadians did their travelling at home. In 1983, Canadians spent $14 billion travelling in Canada, three times what they spent abroad. That $14 billion spent by Canadians in Canada was a record high. Just to dwell on the deficit does not present a balanced perspective.

We have to concede that in terms of much of the travel Canadians engage in outside of the country, it is to sun destinations, particularly at this time of the year. I am sure all of us have had a warm winter vacation from time to time. Regrettably Canada does not have a banana belt area. To be fair, this is something we have to bear in mind.

Mr. McKinnon: Have you not heard of Victoria?

Mr. Smith: With regard to those who may be going overseas, Europe in particular, while our dollar has been down a bit *vis-à-vis* the United States, it has been at a very high level of exchange with Europe. That offers a further incentive to Canadians to go to Europe, where the exchange rate is so much in their favour.

The deficit also reflects the fact that fewer visitors came to Canada in 1983. According to OECD, many countries suffered tourism declines because of the widespread economic recession. Canada was no exception. Our chief loss in the last couple of years has been in the number of visitors from overseas. From 1982 to 1983, the number of visitors from the United States was up 2.4 per cent. As a result of some of the efforts this Government has undertaken, that increase will carry on in 1984.

The Hon. Member for Halton talked about a loss of 100,000 jobs in 1983. That statement is not accurate. Those jobs were not lost. There were not jobs that suddenly disappeared. Statistics Canada data reveals that employment in tourism has increased steadily over the last decade. I suppose he could make the argument that had our slice of the world market continued at a pace with some other countries during the past decade, we could have had 100,000 more jobs. One could argue that. Quite frankly, I would have liked to see that. I hope that in years to come we will see those jobs being created. However, it is important to make it abundantly clear that jobs have not been lost, jobs that actually existed.

The motion speaks of taxation of the industry as a problem. Presumably the Hon. Member meant federal taxation. When Tourism Canada collaborated with the Tourism Industry Association of Canada in a survey of tourist businesses three years ago, the study revealed that the majority of businesses perceived municipal and provincial taxation as their main constraints, not federal taxation.

The motion states that our tourism industry is totally uncompetitive internationally. The retail price of gasoline in Canada is higher than in the United States, but this is due more to provincial taxes than federal. That is a fact. Everything is relative. *Vis-à-vis* Europe, gasoline prices in Canada are still favourable. Gasoline in this country is at the price it is because of an agreement between the federal Government and the producing provinces, primarily Alberta. For a couple of years this Government fought long and hard to reach the best possible agreement on behalf of Canadian consumers. Does the Hon. Member feel we should now rip up that agreement? That is not the way that this Government operates. When we enter into an agreement with the Province of Alberta and other oil-producing provinces, we honour that agreement. I have not heard of Alberta wanting to rip up that agreement because of the impact it has on tourism.

We also heard reference to the taxation of alcoholic beverages in Canada as compared to the United States. It is important to get the facts straight. In terms of tax revenue, the fact is that the federal Government share is 31 per cent. That means that the provincial government share is 69 per cent. However, the more interesting figure is that ten years ago the federal Government's share of tax revenue from the sale of alcoholic beverages was 40 per cent. During that decade perhaps the price of alcoholic beverages has risen at an uncompetitive rate *vis-à-vis* the United States, but the feder-

al slice has gone down 9 per cent and the provincial slice has risen 9 per cent.

• (1140)

It is one thing for the Hon. Member to say that he just washes his hands of it and that the ball is in the provinces' court, but if provincial taxes had gone down at a rate comparable with federal taxes, perhaps we would not have this problem. We have to be realistic. We hear many speeches on the other side of the House about the deficit in the country. I do not think most provincial governments, which are all in deficit positions, will be forgoing revenues along the lines suggested here.

We in this country ought to accentuate the positive. This is a tremendous country. People can have a great vacation experience when they visit Canada. We should talk about the things in our favour. Let us look at the price of hotel rooms in large cities. In New York City, the average frist-class hotel room now costs $144 per night. In Montreal, a comparable room costs $77 or almost half. Recently I was in Washington, D.C. on business. Some of the people who attended this meeting with U.S. officials were staying in a Canadian-owned hotel and were paying $165 U.S. per night for a single room. That does not happen in Toronto, Montreal or Vancouver. Let us be fair. Why spread doom and gloom? Let us talk about the good news. The good news is that if Americans want to come to Canada, they can have a cosmopolitan experience. They can attend the theatre, go to museums and good restaurants in our big cities. Compared with New York City, they will get a bargain. We should be talking about that in a positive way.

The Government has recognized tourism as a major industry. In the December Throne Speech there were a number of upfront references to the importance of that industry. Since 1975 some $240 million of federal money has been invested in the development of an improved variety of facilities and services through federal-provincial tourism industry development subagreements, and $100 million of federal funds has been invested in new convention centres in all regions of the country. Tens of millions of dollars are being spent on tourism-related projects through the Special Recovery Capital Projects Program. Since 1975 more than $200 million has been spent on tourism marketing, and so far I have not gone beyond the mandate of the Department of Regional Industrial Expansion. Across the federal Government as a whole, over $100 million is spent annually to the benefit of the tourism industry.

While I am on that subject, the Hon. Member suggested that we should have a separate department. There are many sectors of the economy for which we could say there should be separate departments. Quite frankly, on balance the tourism industry is better off having its interests represented by the Department of Regional Industrial Expansion, which many people still think of as the Department of Industry, Trade and Commerce. It is one of the main and most powerful federal departments. An industry is better off being up front and centre with a main department than being an orphan off on its own somewhere.

A year ago when there was a similar debate in the House the Government spokesman indicated goals of incremental funds for tourism marketing and tourism development support for all regions of Canada and the establishment of a Tourism Advisory Council for dialogue with the private sector. I believe all these goals have been met.

Let me illustrate the first point with the development side. Everyone knows that we must have the right product, at the right price, at the right time in the market. When the Department of Regional Industrial Expansion was established last year, the Minister of Regional Industrial Expansion (Mr. Lumley) established the new mainline program, the Industrial and Regional Development Program, otherwise known as IRDP, the Government's main delivery system for economic assistance throughout the country. Tourism is a beneficiary of IRDP. This is the first time tourism has ever benefited from a departmental core program. If that does not indicate recognition and support, I do not know what does. All regional offices of that department, which is one of the biggest in the Government, are assigning a high priority to tourism.

Tourism program delivery staff in the regions has been doubled compared with the staff under the former Department of Industry, Trade and Commerce. IRDP channels significant financial assistance to companies, that is tourist operations, private sector operations, to assist them to be internationally competitive by stressing the establishment, expansion and modernization of facilities and services to attract international and interprovincial visitors. Increased productivity is a key objective. IRDP is clearly serving tourism. Current data shows that about 20 per cent of the proposals under IRDP are tourism related.

Also we are anxious to carry on agreements with all the provinces whereby we have subagreements under the general development agreements or the new economic and regional development agreements, so as to target tourism activity and identify things on which we and the provinces can work together to promote tourism in Canada.

The real challenge is the whole area of marketing. We have to step up our marketing efforts. In fact we are doing that, and we hope to do it in a way which will help us regain some lost ground. Every businessman knows that when competition increases it is time for increased marketing effort. The Government has accorded $22 million of incremental marketing funds to Tourism Canada for the 1984 calendar year. Offhand, I am not aware of any other department, agency or area of government activity which has had that amount of increase. The prime purpose of this is to make up the lost ground suffered when marketing budgets failed to keep pace with inflation.

Our research indicates that the market potential is there. We are convinced that additional marketing effort will bring positive results and that the moneys will not be wasted. Let us take, for example, the efforts in the United States. Within a few weeks we will be launching a major television campaign in the United States. I have visited New York City and Boston. Yesterday I was in Boston talking to three daily newspapers

and four radio stations promoting tourism in Canada. We met with travel agents, people in the travel industry and people in the travel trade magazine industry. We did that in New York as well. That is what we have to do and in fact is what we are doing. In 1984 we will be spending some $15 million in extra effort in the United States. We want to increase the number of American visitors to Canada.

In addition to being on television in the United States, we are currently on radio and are involved in a major magazine and newspaper campaign, all meant to reinforce in the minds of Americans Canada as a tourist destination. We are not just limiting that effort to the United States; we are going after overseas markets as well. For the first time, this year we launched a television campaign in Australia. That is a growing market for us. We are also very active in the United Kingdom and in Germany. I have met with people in the private sector in Great Britain who are interested in bringing tourists to Canada—airlines, tour operators and hotel chains. We are trying to co-ordinate our efforts, all for the purpose of increasing overseas dollars. It would appear that this has become a growth area over the past decade. About 10 years ago, only 3 per cent of tourist expenditures in this country came from overseas visitors. That has now risen to about 8 per cent.

● (1150)

I see that my hon. friend from Victoria (Mr. McKinnon) is present. We are going after visitors from the Pacific Rim including Hong Kong, Japan, Singapore and Korea. Last year the number of visitors who came from Hong Kong was up 14 per cent over the previous year. This is not just happening out of the blue but is happening because of the policy of the Government, which is to go after those markets quite aggressively.

The third main thrust of the Government is to improve the regulatory framework and to enhance the business environment for tourism. We are making progress in this area. I would like to commend the efforts of my colleague, the Minister of Transport (Mr. Axworthy), in bringing about hearings to take a hard look at the regulation of air fares in the country. I for one think that we need a little more competition in that industry. I have appeared before that body and made my views known. I hope that we will move in the direction of liberalizing the regulation of air fares in Canada.

I would also like to commend the efforts of my colleague, the Minister of National Revenue (Mr. Bussières), in simplifying port of entry measures for bringing convention material into Canada. I might add that later on this year the largest convention centre in the country will open. It is located in Toronto and will have 200,000 square feet of exhibit space. With that facility and with the over 20,000 hotel rooms in Toronto, we can go after the biggest conventions in the world. That sort of activity will benefit people in all parts of Canada because whenever international visitors come to any part of Canada for a convention, they usually have pre- or post-convention tours to various parts of the country. Of course, that convention centre is being built with the assistance of federal funds, as have a dozen other convention centres throughout the country.

My colleague, the Minister of Employment and Immigration (Mr. Roberts), has now designated certain of the skilled tourism culinary trades as a priority for his departmental training programs. A culinary school at George Brown College in Toronto was recently opened. A lot of federal funds have gone into that project which is also aimed at improving the quality of the tourist experience of a person who comes to this country.

We are working on development of the product and we are working on marketing. We are trying to improve the business environment. This is being done in consultation with the private sector. Just three months ago, the Tourims Industry Association of Canada and I worked out an arrangement whereby we established a permanent consultative committee with about 30 representatives from all parts of the country on the advisory council to act as liaison with the private sector.

I like to approach tourism from a positive viewpoint. Surely there are things we can do and we are trying to do those things. We have poured additional moneys into the tourist industry. The year 1984 has been called the year of tourism in Canada by the private sector. We in Government believe in that and are trying to co-operate with the private sector to make it true. We are trying to turn the figures around by reducing the tourism deficit. I think that we really should approach the issue in a positive vein and continue to sell what I think is the greatest country in the world to people from all over the world and bring those people here to Canada.

Mr. Mazankowski: Mr. Speaker, I would like to ask the Minister a couple of questions. First, I would hope that he would ensure that he made no misleading comments respecting the oil pricing agreement with the Province of Alberta. I think he left the impression that the federal Government could not extract a better deal from the Province of Alberta. The fact of the matter, which should not go unnoticed, is that when the deal was signed, the producing provinces were providing oil at a price which was approximately 55 per cent of world price. Yet at the retail level, that price exceeded the world price. That gap was essentially taken up by a federal Government tax. The consumer of gas and oil in the country did not receive the benefit of the low price that was negotiated with the producing provinces. Yes, our prices have been scaled up and international prices have come down, but Canadians in general did not receive the benefits of the low-priced energy agreement which was struck between the producing provinces and the federal Government.

The Minister spoke about being positive. I agree with him that we must be positive and do things that will enhance the tourist industry. If the Minister is interested in a constructive and positive approach, I wonder why the Government saw fit suddenly and unilaterally to dismantle 20 per cent of the VIA Rail passenger service in the country. That move created chaos and havoc in the tourist industry, particularly with the Japanese sector of the tourist industry. I think that some $40 million worth of tourist revenue was lost annually as a result of

the dismantlement of that service and one community in particular, Jasper, Alberta, lost $10 million annually. If the Minister is so positive about tourism in the country today, why did the Government unilaterally dismantle the VIA Rail service, not only hurting the tourist industry but undermining confidence in Canada as a viable country to visit?

Mr. Smith: Mr. Speaker, there is no easy answer to the Hon. Member's last question. The fact is that hardly a day goes by that we do not hear complaints from the other side about government spending and the deficit. The fact is that the subsidy to VIA Rail tickets has been at a cost of around $98 a ticket. To be in the railway business is to lose hundreds of millions of dollars. Notwithstanding that, the Government has tried to pay particular attention to those areas which have been adversely affected by the railway cuts.

As the Hon. Member well knows, the service between Winnipeg and Edmonton has in fact been restored. I am going to be in Jasper myself in two or three weeks along with the Minister of Transport. I have been dialoguing with people from Jasper. We appreciate the problem and we are trying to see what we can do to resolve it in a satisfactory way.

Mr. Mazankowski: Mr. Speaker, am I to take it from that answer that the Minister is not in support of the reinstatement of the VIA Rail passenger service between Vancouver and Edmonton? Unless he is in support of that, then that issue will remain unresolved.

While I am on my feet, I might say that the Minister may wish to answer the question with respect to airline deregulation. I would remind the House that the current airline structure was established under successive Liberal régimes. What specifically does the Minister propose to do to reduce the burden of cost arising out of our extravagant airport system, our higher labour costs, higher fuel costs and higher operating costs which must inevitably be passed on to the travelling public? What will he do about reducing the losses to the airport revolving fund which this year, in the case of one airport alone, will chalk up a deficit of close to $50 million? Does the Minister have anything positive to suggest which would reduce the burden on the air travelling consumer?

Mr. Smith: Yes, Mr. Speaker. I appeared before the Air Transport Committee about two or three weeks ago and suggested that most Canadians perceive air costs in Canada as being higher than those in the United States. The airlines usually argue that the full fare rate for equal distances, taking into consideration the exchange rate, are comparable. That is true. However, what is misleading about that is that there is more access to discounted fares in the United States, both in terms of destination and in terms of the lead time required to get a discounted ticket. The end result is that about 90 per cent of the consumers in the United States are flying on some type of discounted ticket, whereas in Canada the figure is about 35 per cent to 40 per cent.

I recommended to the Air Transport Committee that there be some relaxation in the regulations so that in fact there can be more destinations and less lead time for discounted tickets. The fact of the matter is that there are not as many airlines in this country as there are in the United States. In the United States it was possible for the industry to cope with a couple of airlines going into receivership. Most of the airlines in the country lost money last year. I think if we have a more liberal approach to the pricing of tickets in this country—I say that in a philosophical and not a partisan sense, as my colleagues know—and if there is some relaxation, then more people would fly.

• (1200)

Mr. Mazankowski: What about the infrastructure?

Mr. Gass: Mr. Speaker, I have a question for the Minister. The number of Canadians travelling to the United States has been increasing rather substantially and the reverse has been happening with Americans coming to Canada. In July of last year compared to July, 1982 the number of Canadians travelling to the United States increased by 37 per cent. It is all very well for the Minister to say that Canadians travel to the United States because there is better weather down there. I do not buy that. I wonder if the Minister could tell us why there was an increase of 37 per cent in the number of Canadians going south in July of last year.

Mr. Smith: Mr. Speaker, I think you get a more accurate picture if you take the figures over the year as a whole. There was an increase of 2.4 per cent in the number of Americans coming to Canada from 1982 to 1983. My hon. friend is correct; during the warm summer months the weather in Canada is better than it is anywhere in the United States. We should be promoting that and we are. We have just launched a television campaign to encourage Canadians to vacation in Canada. I hope no one will disagree with that. We want to have Canadians thinking more about vacationing in this country. That is not to say that Canadians should never go to the United States or travel abroad. All we want to do is narrow the gap so we are trying to market this country as best we can. The number one medium these days is television and I have received a lot of positive comments about the television campaign that we have launched to address the very matter that the Hon. Member raises.

Mr. McKinnon: Mr. Speaker, the Minister of State for Small Business and Tourism (Mr. Smith) said a few moments ago that during the winter Canada had no tourist centres at all. I should like to welcome him to Victoria some time where we have a tourist trade for 12 months of the year. At the present time the daffodils are in full bloom, crocuses have gone but the tulips will soon be out and the flowering trees are in bloom. We could show him many tourist attractions.

I must admit that I might find some difficulty in digging up any Liberals to meet him. To meet an elected Liberal he would have to drive 1,500 miles east, traversing three big provinces before finding one. Outside of that I am sure it would be an eye opener for him to learn that we have a 12-month tourist

season in Victoria. We would like him to encourage Canadians and Americans to enjoy it.

Mr. Smith: Mr. Speaker, I think the Hon. Member knows that I was raised in Victoria and lived on the route where the Tallyho went by every day. I am well aware of the many features Victoria has to offer. It is a vacation destination for 12 months of the year.

What I said was that we do not have a banana belt in this country—I believe those were my exact words. With the greatest of respect to my friend from Victoria, I do not think there are too many people lying on the beaches of Victoria these days but I do think they are golfing. I am the first to sing and extol the praises of Victoria.

The Acting Speaker (Mr. Herbert): That is the end of the 10-minute period for questions and comments.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I may not take up my entire 20 minutes but I should like to put two or three views on the record. I spoke in a debate not unlike this one last April and at that time I expressed some of my concerns. I will restate some of those concerns today; I thought they were valid then, and in many cases I think they are valid today.

This is a difficulty that cannot be solely thrust upon the federal Government. I think provincial governments and the federal Government have not paid sufficient heed to the problems encountered by the tourist industry or, for that matter, have not devoted sufficient time to the development of a policy which would make Canada a more attractive place for those who want to take their vacation in their own country and a more attractive place for people who want to come to Canada on vacation.

At times I wonder why Canadians do not spend their vacation money in their own country. There are a lot of obvious reasons for this. If you get your vacation in January and you do not ski, you would not find it too comfortable to set up a deck chair at the corner of Bronson and Laurier in an attempt to catch a few rays. We all understand that there are certain climatic and environmental considerations that make it unattractive for people to take their vacation right here in the middle of the winter. There are people whose vacation is assigned to them during the months of December, January, February and even March.

For Members of the House of Commons to criticize Canadians who do not spend their vacation time at home is hypocritical. We all know that a significant minority, if not the majority, of Members of Parliament travel to areas with warmer weather during the winter in order to enjoy that kind of vacation. For example, I noted with interest that both the Prime Minister (Mr. Trudeau) and the Leader of the Opposition (Mr. Mulroney) spent their Christmas break in Florida. In fact, they attended a party at the home of one of Canada's best known industrialists on New Year's Eve. I do not think it would be proper for us to admonish Canadians for travelling outside the country when we do it ourselves.

Why do people travel, Mr. Speaker? Why do they go away? In many instances it is because they like warm weather. They go away because they believe that to travel and see other parts of the world is beneficial; it broadens their background and improves their education, gives them an insight into lifestyles and the development of other parts of the world. I do not think we want to discourage that. One of the main reasons people travel outside the country is that it is cheaper to do that than it is to travel in Canada. If we look at the weekend newspapers we find the travel sections full of ads for cheap fares to Florida for those who live in eastern Canada, cheap fares to California for those who live in western Canada, or vacation packages of seven, 14 days or longer in the Caribbean. If we calculate the cost of a vacation at home we may find that it costs a lot more to take a holiday in Toronto, Montreal, Halifax or Vancouver than it does for the same length of stay, including transportation costs, hotel costs, extra costs, in the southern parts of the North American Continent or the islands of the Caribbean.

• (1210)

What is the reason for that? One of the reasons is that while it would cost you $75 to $100 a day for a hotel in any one of the places in Canada I mentioned, summer or winter, it would cost $26 to $35 a day for similar accommodation in those other parts of the world. Four weeks ago one could fly from Toronto to Tampa or Orlando, Florida for $199 return. Where can you go in Canada for $199 return? There is more difficulty in finding the kinds of attractive package deals for vacationing in Canada than it is to find them for vacationing in other parts of the world. Whose fault is that?

If one wants to go out for dinner in many of the cities of our own country, it is a fairly expensive proposition. There has not been the development of the family restaurant which takes into account the average income families with two or three kids. These families cannot afford to lay out the big dollars, and neither do they want the exquisite and extravagant restaurants. They would be content with less expensive restaurants which serve plain but wholesome and nourishing food. But there has been no effort to develop that kind of restaurant across our own country.

Those are some of the reasons, I believe, that people who have the financial capacity to travel tend to make their plans in such a way as to take them away from Canada rather than to stay within the country. I believe we simply have to recognize that as a fact. The solutions, I feel, rest in part with the industry and in part with the various levels of government. There are arguments that the tax levels which the tourist industry must pay are overbearing. I suspect that the argument can be made that the levels of taxation in the tourist industry are indeed onerous. However, let us take a look at the consequences of reducing its taxes. Will we automatically receive a reduction in the price which will be charged to the individual who might want to take a vacation in Canada?

I have noted with interest that any time there has been a reduction in tax, the industry involved rarely, if ever, passes it on in the way of benefit to the consumer. In addition to that, if

we do reduce the tax—I am not arguing against it; I am just thinking aloud about the potential for benefit—there will still be the requirement on the part of government, I assume, to meet its cost obligations. By reducing the tax on the tourism industry and related industries, we would have to raise the money somewhere else.

Mr. Jelinek: It would come in additional revenue.

Mr. Deans: My friend and colleague, the Hon. Member for Halton (Mr. Jelinek), says that the increased revenue would compensate for lower taxes. I am prepared to concede that that is a possibility. However, I am suggesting that there are no guarantees that the reduction would automatically be passed on. It has not been passed on in most areas in the past. Therefore, taking into account the other factors I mentioned, there is no reason to believe there would be a concurrent increase in revenue as a result of a reduction in the tax. I concede, however, it is an arguable point.

The same argument, incidentally, can be made for any sector of the economy. The chances are—in fact, it is almost guaranteed—that the increase in tax will be levied on the average wage earner. I feel that a reduction in taxes would be desirable and that we should make a careful study of it; but if we are going to reduce the taxes on the tourist industry, the same argument can be made for other industries, and quite legitimately, based on much the same information.

If we are going to do that, it is quite clear to me that we will still have to raise taxes and those taxes will come from those who now pay the overwhelming majority of the tax dollar, the average wage earner, who will not have the additional revenue to take his vacation anyway so he will be no better off. The average wage earner will pay more in taxes because we have reduced taxes somewhere else and will not be in any better position to travel.

Many of those who take advantage of opportunities to travel do so at public expense. I heard someone talking about conventions. I think to myself, how wonderful it is. It is a tremendous boost to the local economy to have a convention in one or another of the many centres in the country. However, the people who go to conventions, in the main, have their expenses paid for by the company for which they work. The company writes off the cost against their taxes as a cost of doing business. So ultimately the poor guy who never gets to take a holiday, who pays the bulk of the taxes, has his taxes raised in order that those people can go to conventions. I cannot help but think that perhaps it is a little bit like a dog chasing its tail. The whole argument begins and ends in the same place.

I believe what we must do is try to catalogue what it is about Canada which is attractive. There is a multitude of things which are attractive about this country. We must try to make people believe that coming to and staying in Canada for vacations, even though it does cost a little more, is desirable because they would enjoy themselves and have fun. We cannot sell the argument that they should do so because of some national interest to be served. They must believe it is better for them individually because it is nice to have a vacation in Canada. We are only going to be able to accomplish that if we can convince the hotel chains that $100 a night for a hotel room is too much, that it is more than an average family can afford. We must convince the airlines that if they are capable of flying people all the way from Toronto to Tampa for $199, they could fly people a similar distance to other parts of Canada for the same price.

We are going to have to suggest to the restaurant operators that the family-style restaurants which grew up in many parts of North America as an attraction to families on vacation should be more developed and in greater numbers here in Canada, with prices held to levels similar to what is charged elsewhere. We must try to convince the tourist industry to advertise good, solid value vacations in Banff, Montreal, Ottawa, the Gatineau, the St. Lawrence River, the East Coast, taking advantage of the beauty and enjoyment of those areas, rather than filling the pages of the travel sections of *The Toronto Star*, the Ottawa *Citizen*, the Montreal *Gazette*, with pictures of Antigua, Barbados, Florida and California. If we could get the tourist industry to put those kinds of ads in the newspapers, rather than selling the idea that a palm tree wafting over your head is better than a pine tree waving beside you, then maybe we would not be fighting a losing battle.

• (1220)

I concede that taxation may well play a part and should be looked at, as should taxation in general. I would support the careful review of that aspect of the tourist business. However, there are other things that should be done to make vacationing in Canada more attractive.

I was musing about this on my way over here and I remember a colleague of mine some years ago, Max Saltsman, saying that if Canadians are going to go south anyway, why do we not have, like the U.S., a Canadian island in the Caribbean? He suggested the Turks and Caicos. I understand the island was not necessarily opposed to that suggestion. In fact, they thought it was not such a bad idea. A lot of people here thought it was kind of humorous; a lot thought it was kind of ridiculous. However, when you think about it, it was no more ridiculous than the U.S. having Hawaii or Puerto Rico. The distances are not all that much different and, given the potential for development of a southern clime vacation spot, with the money spent in Canada, it was not really all that dumb. Maybe it should have been pursued a little more and maybe it would have resulted in our not having to have this kind of debate year after year after year. It is worthy of consideration, although I can appreciate the downside of taking on that kind of responsibility.

Yes, Mr. Speaker, let us look at why the Government cannot or does not or will not reduce the tax burden. That is important. As in all things, we should not collect one penny more in tax than is required. Neither should we tax people who cannot afford to pay. Nor should we make it impossible for business to be successful because of the tax burden they must bear. We stand by those principles. But let us also look at the industry itself, and why its promotional arm continues to promote the

need for Canadians to travel to other parts of the world rather than at home. Let us look at what the industry itself has done to try and make low-cost vacationing in Canada a reality.

Is it unreasonable for us to expect that if you can go half way around the world on vacation for $400 inclusive, you ought to be able to stay in your own country and have a similar kind of vacation—albeit in the winter without the sunshine—which does not cost any more? If we were to address that issue, then I think we would probably serve the industry better and help develop the job opportunities in Canada that people are speaking about. We would also help to provide more stability for the country and in the long run we would sell Canada as a good place to spend some time.

The Acting Speaker (Mr. Herbert): There is a ten-minute period for questions or comments. If not, the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet).

Mr. Harquail: Mr. Speaker, on a point of order, I was rising for debate. Perhaps there was an interpretation that I had a question. I did not; I was rising to continue the debate and I am ready to proceed.

The Acting Speaker (Mr. Herbert): I realized that. If the Hon. Member had a question to put, I would have recognized him. It is now the turn of the Hon. Member of Her Majesty's Loyal Opposition.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I am pleased to have an opportunity to enter into this very important debate on tourism. It is big business in Canada and my riding is no exception. My riding is located in southeastern Ontario, midway between Montreal and Toronto, and midway between Ottawa and Toronto. It is very accessible to millions of people in the northern U.S. The area I have the honour to represent is a prime example of the potential we have to attract not only interprovincial tourists but those of our neighbour to the south. The area is known as the Land O'Lakes region because of its vast number of lakes, stretching from Lake Ontario to the Bay of Quinté in the south, to the thousands of lakes of the north, not including the beautiful area of Hastings County which touches on Algonquin Park.

The Land O' Lakes tourist region is a part of the Canadian Shield. In the southern area is the limestone bed of an ancient sea, an area better protected from the industrialized acid rain of urban areas. This gives way to the glacier-scarred ridges of the pre-Cambrian Shield as you travel north. Covered with mixed coniferous and hardwood forests, a land of bold and rugged contours but quiet beauty. This area is composed of the County of Lennox and Addington, part of the County of Hastings and most of the County of Frontenac. It is the home of the United Empire Loyalists who settled in this area in 1784. The year 1984 marks the bicentennial of the arrival of these United Empire Loyalists from the U.S.

The promotional budget for tourism has been increased from $14.5 million to $22 million, but I ask how much is being spent promoting the visit of our Head of State, Her Majesty Queen Elizabeth II, to Canada, or that of His Holiness the Pope? This would mean a great deal to all Americans and Canadians across this country. A great deal has been spent to date promoting the explorer Jacques Cartier and the first setting of a white man's foot on the shores of the Gaspé in 1534, and the arrival of the majestic, full-rigged, tall ships in Quebec during this coming summer. But I ask what about the federal support for comparable functions in Ontario such as the arrival of the loyal Americans known as the United Empire Loyalists? This selective approach to advertising is only one further example of why tourism is under siege everywhere in Canada, not just in southeastern Ontario.

Over the past ten years Canada has lost almost half of its share of the international tourism trade, but if this had not happened we would today have at least 150,000 more people of all ages working in Canada. Yearly industry revenues would be $2.2 billion greater. Strangely, because of this and previous Liberal Government policies, we had a $2.1 billion tourism deficit in 1983. Canada's share of the international tourism market is measured by the number of foreigners coming to our country, not by the number of Canadians who travel abroad. This has created another problem adding to the additional problem of Canadians not spending their vacations in Canada. In 1983 alone 17.5 per cent more Canadians travelled outside Canada than in 1982, while only 0.2 per cent more foreigners came to Canada. This means that 17.3 per cent more Canadians contributed to the growth of world tourism, while 0.2 per cent more foreign tourists contributed to our share at home.

• (1230)

It is time Canadians addressed this growing problem and stopped the erosion before our tourist industry is in complete shambles. If this trend continues, it is expected that the deficit in tourism alone by 1987 will be $4 billion. Spending more money on advertising, especially through Liberal ad agencies, will not address the serious problem.

We as politicians must recognize the importance of this industry. There is no question that we in the Progressive Conservative Party understand the importance this industry has, not just in urban centres but in rural constituencies such as Hastings-Frontenac-Lennox and Addington. Part of our problem in Canada, from a foreign viewpoint as well as our own, is one of perception. Canada is just too expensive in comparison to alternatives. The price of such items as liquor, tobacco, gasoline, accommodation, wages, property taxes, fishing and hunting licences and income taxes create the problem of comparisons. I realize these taxes and regulations are not all under federal jurisdiction. This underlines the fact that provincial tourism Ministers and the federal Minister of Tourism must work more closely to co-ordinate research and effect tax changes and regulation changes at all levels in the tourism industry.

Canada can become a tourist attraction year round. However, tax incentives, affordable loans and interest rates must be available in order to establish and upgrade facilities which the

public expect today. Speaking of our summer tourism trade in Canada, we face a season of less than 100 days with a good summer. Unfortunately, no one can control the weather, but we can control taxation.

Tourism is one of Canada's largest employers and creates over one million jobs in a variety of diversified fields. Presently one out of every ten Canadians, from taxi drivers to resort and marina operators, earns a living from tourism. I believe we in the Bay of Quinté and Land O' Lakes area are a choice destination.

The year 1984 marks a very special occasion for the Canadian tourism industry. Because of the large number of special events, anniversaries and other celebrations, 1984 has been designated the year of tourism in Canada. Unfortunately, one has only to travel to northern New York state to see how economically uncompetitive we are. The Americans do get an advantage with their dollar, but even that is not enough to balance the effect of Canadian taxation policies and over-regulation. The price of high profile products is raised automatically in many cases, which raises the question of taxation without representation. Provincial governments have legislation which automatically raises the tax provincially when federal taxes increase. This type of arithmetic makes no sense and does not assess the negative impact these taxes have on this industry.

Aside from taxation we must also create an attitude in our communities which welcomes tourists, whether they are spending money in our businesses or not. A person asking for directions must be treated with courtesy. If they are not, that is what the travellers will remember about that particular community. A positive attitude must be expanded to include all governments and individuals if we are to regain our share of the tourist market. It costs nothing to be polite and to smile.

The optimism of changing the Government and electing the Progressive Conservatives will certainly help in a major way. Long-term economic prospects will mean jobs for the 1.5 million people officially unemployed today. Only with fair taxation and regulation coupled with competitive prices and good quality service can we hope to regain our lost tourism market. This is not likely to happen in 1984 alone, but our message should be that we as politicians realize we cannot raise taxes without first knowing what effect they will cause. The practice of squeezing every ounce from the business community, only to have it wasted by government, must stop. The investment community and small businessman must have confidence and encouragement that hard work and common sense will pay dividends which they, rather than just government, will benefit from. This confidence can create a rippling effect in Canada which could realistically create thousands of permanent jobs as well as thousands more part-time, seasonal jobs.

Our job is to attract our American friends. The UEL bicentennial and the four hundred and fiftieth anniversary of Jacques Cartier are only two events which could be invaluable in attracting visitors from the northern United States to see Her Majesty Queen Elizabeth II and to take part in the many events which have been planned in eastern Ontario. Advertising alone will not do what has to be done, especially when it is tainted with Liberal advertising agencies just before a federal election. We must make commitments to support tourism with a cost-competitive policy which encourages investment as well as a fair return on this investment. After tax it must give encouragement and incentive for others to invest in tourism throughout Canada.

In the past the federal Government has ignored southeastern Ontario under the old DREE Program. Due to past performance, if the Government stayed in power this porkbarrel approach would continue under the new Department of Regional Industrial Expansion. All indications look to a change in government which will not ignore eastern Ontario. The eastern Ontario subsidiary agreement, signed by the Clark Government in 1979, will end its five-year term this year. As yet there is no prospect of replacing it with a new agreement.

One project which would stimulate tourism in the Bay of Quinté area and Napanee is the development of boating facilities on the Napanee River. This could be provided for in an agreement to develop this potential in co-operation with the provincial and federal governments through the Industrial and Regional Development Program. Presently we in Hastings-Frontenac-Lennox and Addington have been placed by the Government in tier II for maximum level assistance of 60 per cent. I believe this should be changed to tier III or tier IV in order to encourage investment and a competitive industry with American facilities and also to develop new, viable services. Tier III and tier IV would mean a level of assistance of 75 per cent rather than 60 per cent.

I would also like to touch on the promotion of tourism abroad. It is of great importance as tourism has become one of the major industries of the world and one of the fastest developing. Over the past two decades the volume of activity has increased four-fold. Some increase is due to inflation, but most is due to sheer growth in activity, in terms of both more arrivals and greater per capita expenditure.

Countries from all ends of the economic and political spectrum have, in the past two decades, come to establish and develop overseas networks of tourism offices. These range from one small room in a neighbouring capital to over 20 substantial concerns scattered across the world. Geographically most offices are situated in Europe and North America. Countries in developed regions, including Japan, Australia and South Africa, receive most of the world's tourism income and also account for the source of nearly all the global tourism expenditures.

I am very concerned about the level of overseas representation carried out by Canada. Many nations which are not rich recognize the great importance of tourism to their economies and spend considerable amounts on promotion. The world tourism organization has reported that in a sample of 42 countries over 60 per cent of all overseas representation in the tourism sector was undertaken by national tourism offices. Canada's tourism offices are under the control of the Department of External Affairs. I feel it is impossible for embassies

and consulates to adequately fulfil the role of a national tourist office abroad.

There are several reasons why this is so. First, embassies operate in an environment totally different from that of the travel and tourist industry of a country.

Second, diplomatic missions generally lack marketing expertise and are ill-equipped to cope with the organization and implementation of a fully comprehensive marketing plan. Additionally, press or information attachés are unlikely to possess specialist knowledge in tourism and are more likely to be in contact with political and diplomatic people of the host country rather than tourists.

Third, embassies are often physically located far from the travel centres of a nation. In West Germany, Canada, Brazil, Australia and the U.S., for example, embassies are far away from the major market regions for tourism.

● (1240)

Fourth, the travel trade world-wide, now the main commercial partner of a national tourist office, prefers to conduct business with a tourist office staff rather than with diplomats. Tourist office staff speak the same language, technically speaking, and form a direct and effective channel to the tourist industry back home. Evidence also suggests that such representation is regarded by the relevant national tourism administrations as temporary and provide a useful but somewhat crude means of test marketing before the eventual hoped for opening of a fully-fledged, independent tourist office.

In markets which are considered of secondary importance, embassy representation is considered only as better than nothing. Canada must promote tourism as it promotes trade, with separate and independent trade offices abroad which can specialize in a very competitive business.

It is understandable that smaller countries with limited resources cannot invest considerable sums of money into the creation of a network, however small, of national tourism offices overseas. Instead, they rely on alternative means of representation such as departments of external affairs and diplomatic missions, and many conduct promotional campaigns from their home base. Perhaps Canada cannot have separate tourism offices everywhere it would like, but I feel it is imperative that national tourism offices be put in place wherever possible with qualified overseas representation and promotion in order to be competitive in the international tourist industry. It is not good enough to just buy slick TV and media advertising.

Tourism being one of Canada's largest employers, it creates over one million jobs in a variety of diversified fields. One out of every ten Canadians, from taxi drivers to resort and marina operators, earns a living from tourism.

Southeastern Ontario is a choice location with wide open spaces of unspoiled natural beauty complemented by beautiful towns and villages that are on a comfortable human scale and yet full of interest because of our culture and our own diversity.

The year 1984 marks a very special occasion because of the bicentennial of the arrival of the first permanent settlers in 1784. The Government has done little to promote this historical event in or outside of Canada. The slogan "The Year of Tourism" is a good one but again, people want to know why large amounts of money are being spent to promote selective events while other events, such as the arrival of the United Empire Loyalists in the Maritimes and Quebec in 1783, and in what is now Ontario in 1784, are all but ignored.

Lack of recognition for this major event is unfortunate. With all the local activities in southeastern Ontario, needless to say this is very important or could be very important to the number of Americans which could be attracted here this summer. The average American visit of over 24 hours will last for 4.5 days and about $180 will be spent. There is no question that the Bay of Quinté, Land O'Lakes area is a choice destination for our American friends. The number of American visitors between 1972 and 1982 declined by over 6 per cent in Canada, causing our largest tourist deficit of $2.1 billion for 1983.

Eastern Ontario has the best sports fishing, with the widest variety of species in North America and over 40,000 lakes. Tourism is important to us all. All I ask is that the Government treat all major events and promotion of choice destinations on an equal basis across the country in its advertising campaigns.

The Acting Speaker (Mr. Herbert): There follows a ten-minute period for questions or comments. Debate.

Mr. Maurice Harquail (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am very pleased to participate in the debate today. While I cannot agree with everything the previous speaker said, I want to begin by congratulating him on the manner in which he has participated and for his thoughtful approach in the speech which he just delivered to the House.

I also want to express my appreciation to the Official Opposition for focusing on this topic because I believe it is a very important aspect of our lives in Canada. Since tourism is big business it is very appropriate that we have this opportunity to discuss this topic in the House of Commons.

Let me also take this opportunity to congratulate the Minister of Small Businesses and Tourism (Mr. Smith) who has been devoting his energy to touring the country and co-operating with provincial Ministers of Tourism. I believe he is injecting new life into the entire question of tourism in this country. Recently, he came to visit my constituency in northern New Brunswick. Not only did this give me the opportunity to highlight some of the attractions that we have there, but I could also stress the need for additional funds in that area and ask the Minister to discuss this need with his Cabinet colleagues, the Minister of Regional Industrial Expansion (Mr. Lumley), the Minister of State for Economic and Regional Development (Mr. Johnston), the Minister of Transport (Mr. Axworthy), and other Ministers who have a direct effect on the growth of northern New Brunswick.

I am particularly pleased to speak in this debate in this, the year of tourism in Canada. Other Members have referred to a number of special events which will be taking place. We look forward to a number of anniversaries and special events across the country that range from the first Viking landing in Newfoundland to the celebration of the birth of Yellowknife, Northwest Territories, 50 years ago.

Of course, the important celebrations that are now under way for the bicentennial in my Province of New Brunswick are of great interest to Atlantic Canada. One point on which I could not agree with the previous speaker concerns the great deal of planning and organization that has gone into the preparations for the celebration of the bicentennial year in our province. The federal Government is investing $2.5 million to match the provincial contribution toward this celebration. A total of $5 million has been budgeted for 1984 for New Brunswick alone.

We also know that a good deal of planning has gone into the celebration of the four hundred and fiftieth anniversary of the arrival of Jacques Cartier in *la belle Province de Québec*. We know of the excitement in anticipation of the arrival of the tall ships that will come to Halifax and then to the beautiful city of Quebec. All this preparation certainly gives a positive initiative for all of us to make a special effort in tourism during this year of tourism in Canada. As Members of Parliament, we should make every effort to encourage business people, the Chamber of Commerce, the Junior Chamber of Commerce and all others involved to collaborate to the highest degree in order to sustain this most important industry.

Let me emphasize that the tourist industry is one which involves dynamic people who professionally respond to the opportunities and challenges of the future. These challenges include establishing new facilities and training and developing the skills of personnel to be gainfully employed in the industry. Of course, it is in this respect that the Minister of Small Businesses and Tourism is co-operating with the Minister of Employment and Immigration (Mr. Roberts) in bringing forward these programs in preparation for visits by our friends from the United States and Europe. As the previous speaker said, we will not only meet them with a smile but in a competent way in order to look after their every need while in this country.

● (1250)

The figures are quite impressive. This industry generates $17 billion a year in Canada and contributes over 5 per cent of our Gross National Product, which means jobs for over one million Canadians. In addition, tourism income spreads throughout the economy, creating more jobs and income to the tune of more than $28 billion in related generated revenue. Tourism spending represents at least $700 a year for every man, woman and child in Canada. This money is earned by Canadians in all walks of life, from waitresses to welders to tellers and tailors.

As I said earlier, tourism is big business. We welcome 34.4 million visitors per year. Every 100,000 visitors to a community can mean $9 million in revenue, money that makes its way through the economy from the butcher to the baker and from the barber to the banker. From all of these related facts it becomes clear that we must support in every way the development and promotion of tourism in Canada.

In my own Province of New Brunswick, in terms of economic impact tourism in 1981 represented $561 million of income. In Quebec it represented $5,229 million and in Ontario $8,900 million. These very impressive figures substantiate without a doubt the tremendous importance of tourism in terms of revenue in this country, and as being something we must all support in terms of the expenditures referred to by the Minister earlier when he talked about the theme "Canada, what a country!" Some of the ads have appeared over television recently. They are most impressive, timely and needed. One of the ads made reference to *Village Acadien* in northern New Brunswick. This blend of heritage between French and English is very important in our country. The thrust of the Minister of Tourism in this area will bring the desired positive results we all want, namely more jobs, more opportunities for Canadians to find work in this industry. This is a year of turnaround. With the co-operation between the Tourist Industry Association and Tourism Canada, the Ministry and other departments and various travel associations, and all others directly involved in the industry, we will achieve even greater goals.

I wish to refer to some of the events that will take place in 1984, the New Brunswick bicentennial year. There will be a visit to our province by His Holiness the Pope. He will be visiting the City of Moncton. Various committees are now making ready for his visit. It will indeed be a highlight of the bicentennial celebrations. In addition, Her Majesty the Queen will also visit New Brunswick during the bicentennial celebrations. It is evident that a lot of thought and comprehensive planning has gone into the preparation of bicentennial celebrations. The same is true in the Province of Quebec with the four hundred and fiftieth anniversary of the arrival of Jacques Cartier.

We have many visitors from Germany, France and the United States. Following a tour of the Gaspé coast, they enter New Brunswick through the gateway to the Atlantic area, crossing the interprovincial bridge which leads to Campbellton and on into my constituency. During the summer and autumn, the leaves are very beautiful. People who have travelled throughout many countries of the world state that the banks of the Restigouche are one of the beauty spots of the world. I am pleased to make that public today.

When we talk about tourism, we talk about such beauty spots as the Restigouche in northern New Brunswick. There is a blend of the Acadians and the Loyalists who settled there 200 years ago. Organizations such as the Restigouche Tourist Association have been very active in recent years. They have developed very attractice pamphlets and brochures. They have received co-operation from the Department of Regional Economic Expansion, the provincial Ministry of Tourism, other agencies and, indeed, the federal Minister. This positive movement will result in even greater participation than in the past.

Some facilities are now in place. There is a beautiful ski lodge in the County of Restigouche. There is Sugarloaf Park, a provincial park. Millions of dollars have been invested there by the provincial and federal governments, providing a chair lift and other appropriate facilities. In the summer there are trailer facilities, tennis courts and walking trails. A new slide, the first of its type in eastern Canada, will be in operation this summer. As a result of co-operation from the federal Government, completion will be this spring. It will cost between $700,000 and $800,000.

As I mentioned earlier, the Minister of Tourism was in my constituency not long ago. There are a number of other projects that will require his support. Other development required in the region involves marina facilities. These essential attractions must be provided to draw people to our area. The number of people who ski in our area has a very positive impact on our economy. Because of our unemployment problems, we must direct more funds to tourism. We must develop the facilities that are needed. We must not only be ready to attract people to share the beauty of our region, but we must provide attractions so that they will spend some time there.

The annual salmon festival brings thousands of people to the area. I have been privileged to participate in this event. I want publicly to salute those who give of their time, not only those in the business of tourism, but all those willing and ready to lend a positive hand to continue bringing developments to the area, thereby creating more jobs and stimulating the economy to an even greater degree.

May I call it one o'clock?

[*Translation*]

The Acting Speaker (Mr. Herbert): Order. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

CALL FOR STRICTER AUTOMOBILE EMISSION CONTROL

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, the Minister of the Environment (Mr. Caccia) was host to Environment Ministers and their officials from nine European countries and the ten provinces to wrestle with the acid rain problem. At the conclusion a pact was signed to cut sulphur dioxide emissions by at least 30 per cent by 1993. Canada has already gone on record as approving acid rain reductions of 50 per cent by 1994.

Canada's auto emission regulations are three times more lenient than those in the United States. I hope and pray the Canadian Government will move quickly to follow the United States in this respect. Over 80 per cent of cars manufactured in Canada are sold in the United States and are equipped with stricter controls. It is simple logic that new regulations could be approved immediately requiring all models, starting with 1987 cars, to have tighter controls.

I am aware the Minister of Transport (Mr. Axworthy) and other Departments are involved in this decision, but now is the time. This will show the United States that we mean business and help to get it to move in a positive way to reduce its acid rain which is pouring across the border into Canada, especially into my riding of Parry Sound-Muskoka where 70 per cent of all acid rain comes from the United States.

I wish to congratulate the Minister of the Environment for his efforts, for his great concern, and for hosting this important conference—

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

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[*Translation*]

ACID RAIN

AGREEMENT ON SULPHUR EMISSIONS

Mr. Pierre Gimaïel (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I wish to join my hon. friend from Parry Sound-Muskoka (Mr. Darling) in applauding the signing of an agreement on sulphur dioxide emissions yesterday here in Ottawa, especially since, during the past four years, we have been working together on a sub-committee on acid rain. The agreement signed yesterday in this country is unique in the world today. Ten countries agreed and have committed themselves to reducing sulphur dioxide emissions by at least 30 per cent over the next ten years.

Mr. Speaker, this is a powerful political gesture, made on Canadian soil and demonstrating above all the will of the Canadian Government to take action against acid rain, this phenomenon of a modern age, and to ensure that present and future generations of Canadians will live in a healthy environment.

Throughout preparations for this agreement, people have been helping us. Groups made representations across Canada and also in foreign countries such as the United States, explaining the problem to politicians and stressing the importance of fighting acid rain. Today, I am just as pleased as they are and I want to thank them all, without singling out anyone one group, for the work they have done. Yesterday, the signing

of this agreement marked the beginning of the real fight against acid rain.

* * *

[*English*]

GOVERNMENT EXPENDITURES

FUNDING OF MIRABEL AIRPORT AND OF BELL HELICOPTER PLANT

Mr. Scott Fennell (Ontario): Mr. Speaker, the current Minister of Transport (Mr. Axworthy) has publicly stated that the Government has erected one Taj Mahal after another because there is no one to complain about these horrendous monuments to the Liberal Party. There have always been complaints. The real problem is that the Government does not listen to them.

I, for one, will speak out against the billions of dollars that the Government has wasted, and intends to waste, sponsoring uneconomic megaprojects. Nine years ago $500 million went to build the great Mirabel airport which was proven unnecessary before it was built. It now operates at less than one-tenth of its capacity.

This morning, newspapers suggested that the $514 million Bell Helicopter Texron project financed by the federal Government would likely cost additional millions of dollars because the Agriculture Lands Protection Commission has refused to reclassify the originally chosen land for industrial purposes. This is something which should have been checked out in the first place. Who knows how much this one will end up costing taxpayers in the long run?

Government spending is simply out of control. It is time to put an end to uneconomic spending for political reasons, and time to begin using logic to get the country back on the track to recovery. My Party will do that after the next election.

* * *

HEALTH

LICENSING OF FOREIGN BORN DOCTORS

Mr. Jesse P. Flis (Parkdale-High Park): Mr. Speaker, last week the Hon. Member for Hamilton West (Mr. Hudecki), who in fact is a medical doctor by profession, drew the attention of the House to the serious and long-standing problem which has developed regarding the licensing of foreign-trained medical doctors to practise in Canada.

For over a year I have been closely monitoring the situation of foreign born doctors who fled hostile environments and have received landed immigrant status. Most of these doctors have successfully completed their training, have acquired important specializations, and have practised medicine prior to coming to Canada.

I have taken the initiative to make representations on behalf of these refugee doctors to federal and provincial authorities so that they may be granted internships on a special basis. To date all I have received from them is a lot of buck-passing between the two levels of government. I am told that, due to the shortage of residency training facilities in Canada, they are unable to complete their internship requirements in order to qualify for licensing examinations.

It is crucial that all provinces begin to address this problem by providing additional openings each year, specifically to refugee doctors. Such exceptions have been made in the past for refugee doctors and dentists from Hungary and Czechoslovakia.

I would also call upon the Minister of National Health and Welfare (Miss Bégin) to convene a meeting of federal and provincial health officials to discuss various options which would allow these doctors to practise in Canada. We can no longer accept the argument that Canada is over supplied with doctors when there is a serious shortage of medical personnel in remote areas. I urge the Government—

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

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POLITICAL PARTIES

POSITION OF PROGRESSIVE CONSERVATIVE PARTY ON INTEREST RATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, we have been treated to quite a spectacle in the House over the last few days as the Conservatives try to come to grips with their policy on rising interest rates. One day they are concerned about interest rates, and the next day they are concerned about the falling dollar. Perhaps it is the approaching election which is causing such confusion among the Conservatives, so perhaps I can help by reminding them just what their policies have been over the last few years.

When he was Minister of Finance, the Hon. Member for St. John's West (Mr. Crosbie) told the House of Commons that there was no reasonable alternative to high interest rates. When he was back in Opposition in 1981, he told a CTV interviewer:

> Yes, I would continue to back Mr. Bouey. I agree that our interest rates have to track those in the United States.

The Hon. Member for Etobicoke Centre (Mr. Wilson) was even more blunt in 1982. He said, at the height of our interest rate prices, that lowering interest rates was "a quick fix" and that he agreed with the course of the then Minister of Finance, the present Deputy Prime Minister (Mr. MacEachen).

Perhaps we cannot depend on what the Conservatives say; perhaps we should look at what they do. When they were in power, interest rates began their climb and were at 14 per cent by the time they lost the election. Maybe those facts will help the Conservatives in their confusion, and remind both the Conservatives and the Canadian people of what we could expect from a Tory government.

S.O. 21

SPORTS

MISSISSAUGA DOMED STADIUM PROPOSAL

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, I urge Hon. Members to study the proposals for the Trillium Dome sports stadium of Mississauga. These proposals suggest a sports facility for southern Ontario which can be built without excessive demands on the public treasury. The Trillium Stadium would be built in Mississauga, only a half-hour drive away from either Hamilton in the west or Scarborough in the east, and less than one hour from Barrie, Oshawa, Kitchener, Guelph, and Niagara Falls. Our site offers a stadium to serve all southern Ontario, not just Toronto.

Equally important are the financing aspects of this plan. The stadium corporation now owns 2,000 acres of prime land. As land values around the stadium increase, land will be sold to pay for operating costs and to repay loans made for the initial construction.

• (1410)

Other ideas all involve massive public subsidies. Their costs can never be recovered. Taxpayers will never be repaid for initial public investments.

The stadium site in southern Ontario will be decided by the Ontario Government. I urge Members to study the Trillium proposal. If Members agree that a domed stadium should be built by private enterprise, then I ask that they contact Premier Bill Davis.

* * *

CANADA POST CORPORATION

EFFECT OF POSTAL DELAYS ON SMALL BUSINESSES

Mr. Ron Stewart (Simcoe South): Mr. Speaker, in my capacity as deputy critic for small business and tourism, I have been requesting businesses in my riding to indicate the most important problems they are facing in their day-to-day operations. Mr. D. R. Dineen, President and General Manager of Canadian Tampax Corporation Ltd. of Barrie, wrote to me as follows:

> Your letter was indicative of one of the problems facing small business today. Your letter was typed on the 16th of January and arrived in my office on February 9th. Small and medium businesses all across this country are spending incredible amounts of money on private courier services, in order to be able to manage their business efficiently and profitably. Waiting for Canada Post would be a disaster.

This is not an isolated incident, and the Minister responsible for Canada Post knows it. Taking 22 days for a parliamentary letter from Ottawa to arrive in Barrie is imbecilic. How then will employees of Canada Post find the time to perform additional duties on behalf of Consumers Distributing?

Canada Post has a mandate to move the mail, and until it manages to do so in a reasonable amount of time it should not be moving in on private enterprise in an unfair way. How much is Consumers Distributing paying for this service? How many more employees will the Post Office have to hire in order to move the merchandise? Incidentally, Mr. Speaker, on what basis does Canada Post presume that it will be any more successful at this venture than it is at trying to move the mail? I urge the Minister to reconsider this shortsighted venture which is discriminatory to business.

* * *

NATIONAL ENERGY PROGRAM

DEMAND FOR CONCENTRATION ON OIL SANDS DEVELOPMENT PROJECTS

Mr. Jack Shields (Athabasca): Mr. Speaker, direct investment by the present Government in high risk oil exploration on Canada Lands is a reckless waste of the taxpayers' money. One of the main goals of the National Energy Program was oil self-sufficiency by 1990. To date not one commercial oil discovery has been made on Canada Lands since the National Energy Program and a system of PIP grants was implemented.

The technology to bring oil to commercial production has yet to be developed. High risk exploration should be left to the major oil companies. Just over 35 years ago, major oil companies were spending millions of dollars on high risk exploration in western Canada, drilling hundreds of dry holes. Oil was finally found at Leduc.

Since that time, Mr. Speaker, many large Canadian companies have been developed because major foreign oil companies accepted the task of high risk exploration. If we are to reach oil self-sufficiency by 1990 or 1995, we should be concentrating on oil sands development. We have the technology, we have the resources, we know where the oil is, and we have the people who are trained to get the job done. Give Canadian companies the incentive to develop what we know we have; put Canadians back to work.

One oil sands mining operation creates thousands of jobs across Canada. Encourage the major oil companies to explore in the high risk areas of the Beaufort, Arctic, and offshore, which will create and sustain much needed economic activity—

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

* * *

BILINGUALISM

GOVERNMENT'S PROPOSAL AFFECTING YUKON AND NORTHWEST TERRITORIES

Mr. Rod Murphy (Churchill): One of the most sensitive issues in Canada today is the extension of bilingual services. In Quebec and Manitoba court cases are proceeding because of the failure of the Legislatures to protect the rights of the minority. Confusion over this issue has been created by statements made during the Liberal leadership race, and by the lack of a clear signal from the present Government.

While confusion reigns over Liberal intentions on the Manitoba question, the Government is engaging in a process with regard to the Yukon and Northwest Territories that can only be destructive to national unity. In a speech I made last month dealing with Manitoba I appealed for tolerance, and called for passage of a made-in-Manitoba solution to the bilingual problem. The Government of Manitoba made that valiant effort. The Conservative opposition prevented the passage of that legislation. The matter will now go to the Supreme Court.

The federal Government, which urged the passage of Manitoba solution, is not moving in a similar manner in the Territories. The Government refused to wait for an initial court decision there. It acted without consulting the elected Assemblies, without consulting native representatives, and without allowing for a made-in-the-North solution. Those who for their own reasons claim that the federal Government is ramming French down their throats will use the method by which the Government handled this matter to create division within our nation, and to promote hatred.

The federal Government must act where Legislatures fail to protect minority rights. That is its constitutional obligation—

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

* * *

EMPLOYMENT

PROVISION OF SUMMER JOBS FOR STUDENTS ADVOCATED

Mr. Bill Yurko (Edmonton East): Mr. Speaker, many thousands of students will be entering the job market within days. Those students face a bleak and dismal future when it comes to finding jobs. All governments must do everything possible to provide meaningful summer employment for these students.

All across the nation, municipal, provincial and federal Governments are not sufficiently concerned with efforts to generate these needed jobs. Some of the job-creation programs are excellent. On February 28, 1984, the Minister of National Defence (Mr. Blais) unveiled his Department's Youth Training and Employment Program. However, this solution is just tickling the problem. Surely the Minister can find the means at least to triple the size of this worth-while program, creating 15,000 jobs rather than 5,000 jobs.

Canada's ability to be a leader of nations or to be simply a follower is contingent upon our providing youth with all of the education, experience, and opportunity possible. To do less in a country which has so much to offer is unthinkable not only to our citizens but to the world.

ORAL QUESTION PERIOD

[*English*]

FINANCE

INCREASE IN INTEREST RATES—COMPARISON WITH SITUATION IN GERMANY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, my question is directed to the Minister of Finance. I am sure he is aware that interest rates have again risen today, having gone up 20 bases points on top of the 20 bases point increase this week, and this trend will probably continue over the next little while. My question to the Minister deals with two other countries.

Germany lives side by side with France and has continually experienced interest rates which are three or four percentage points below those in France. There is a tremendous amount of trade as well as great interdependence between the two economies. Would the Minister tell us what we in Canada must do to develop the same degree of independence from high United States interest rates?

An Hon. Member: Go to Germany.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, one member of the New Democratic Party just suggested to me that I should tell the Hon. Member to move to Germany. However, that will not be my answer.

The Hon. Member knows that the sizes of the French and German economies are more similar than are the sizes of the American and Canadian economies. The level of independence between Canada and the United States in terms of size is certainly very significant. The possiblity for Canada to have what would be a totally independent interest rate policy is a possibility which is of an academic nature, I would say. We have discussed this in the House and in parliamentary committees. The issue was also raised with the Governor of the Bank of Canada on numerous occasions.

We can see that the inflation rate is as low as possible, we can increase productivity as much as we can, and we can be as competitive as possible, and perhaps even more competitive than the United States. In that event we would grow faster and might have more room for lower interest rates. However, that obviously implies that we in Canada would be in a situation of lower inflation and higher productivity than the United States on a consistent basis and in many intances, and we would need the readiness to accept a lower standard of living in order to compete. However, that, very shortly, is the answer to the question.

Mr. Wilson: Mr. Speaker, the Minister was obviously groping. I think that he was less convinced by his answer than were we on this side of the House.

IMPACT OF INTEREST RATES—GOVERNMENT POLICY

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, let me remind the Minister that Switzerland is right next door to

France as well, and interest rates in Switzerland are even lower than those in Germany, and have been for a consistent period of time.

I would like to ask the Minister a question for which I have been trying to get an answer for two days. I would remind him that when he is answering his questions he is not just not answering me but he is insulting the many people who are watching and want an answer to this question.

• (1420)

Since the Budget did not anticipate the higher interest rates, and the higher unemployment that will result from them, and since he has said that we have no alternative but to follow the interest rates in the United States which are expected to go higher, what steps is he taking today to offset the impact of these higher interest rates? They are totally inappropriate for the Canadian economy and will cause higher unemployment and more bankruptcies for farmers and small businessmen.

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member referred to Switzerland. I wish he were more serious in his comparison. For decades Switzerland has been the banker of the world. The Hon. Member knows that in Switzerland there were situations where people had to pay interest in order to deposit money in Swiss banks, rather then having interest paid on their accounts. How can the Hon. Member make such a comparison and allege that he is seriously asking a question on this subject?

As far as the rise in interest rates is concerned, the allegation that this would necessarily lead to higher unemployment is not correct. We will see what will happen to unemployment figures in the next few months. We have seen interest rates go up by a slight margin, and I believe there is significant movement toward growth in the economy. I would argue with my friend that the next unemployment figures will indicate that we will have continued to create jobs in this country, not diminish the number of jobs.

Mr. Wilson: Mr. Speaker, the Minister displays an incredible ignorance of what goes on in Switzerland. The reason Switzerland is the banker of the world and has low interest rates is because so much money comes into the country in response to its good economic policies. These policies have not been duplicated by the Government of Canada for the past 20 years.

MINISTER'S POSITION

Hon. Michael Wilson (Etobicoke Centre): Mr. Speaker, the Minister's answer to my question clearly indicates that he has given no thought to the consequence of these higher interest rates that will affect so many parts of the economy. Is the Minister saying that he thinks the higher interest rates we are facing today are a total aberration and that they are going to be reversed? Is he wearing his rose coloured glasses? Is this situation only temporary, or is the Minister concerned? Can he show that concern to the people who are suffering from high interest rates and who will suffer more if he does not do something about it?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, of course I am concerned about the increase in interest rates, just as I am concerned about the level of unemployment in the country. I am also concerned to ensure that the country will have economic growth and that there will not be a resurgence of the inflation that led to the recession. One has to govern in a responsible way and not resort to the kind of knee-jerk reaction that my friend suggests. He does not suggest any constructive or positive steps that may be taken.

Mr. Wilson: I did that yesterday.

Mr. Lalonde: He comes back to Switzerland. No doubt his Party would support the Swiss policy of shipping out tens of thousands of workers when that country gets into trouble, as it has done. It has migrant workers who can be shipped back to other countries in Europe and the Middle East when they are not needed in Switzerland. We do not have such a policy in this country and it is not one that I would be ready to recommend to the Government, even if the Conservatives were to advocate anything of the kind.

SIZE OF GOVERNMENT'S FINANCIAL RESERVES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, today in the Finance Committee the Governor of the Bank of Canada was not prepared to tell us why the Government's bank account has increased by over $3 billion since the date of the Budget. He could not tell us whether it was because tax collections were exceptionally good, or whether the Government had ceased spending money and therefore had lots of money on hand and so had increased its bank account by $3 billion.

Is the truth of the matter that the reason the Government's accounts are up by $3 billion is that it has been selling off foreign reserves in unprecedented amounts in order to prop up the Canadian dollar? Is that why we have over $3 billion more in our bank account?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the Hon. Member is aware that every month, the Government publishes a statement of its reserves. These figures are published on the third day of each month. I would ask my hon. friend to wait until the figures are published, so that he can see them in detail, and he can then speculate about whatever he wishes. He also knows perfectly well it is not the Government's policy to speculate daily on the state of its reserves.

[*English*]

EXCHANGE VALUE OF DOLLAR

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Minister knows that with the strength of the U.S. economy growing several times faster than ours, and with employment

burgeoning in the United States, our dollar is likely to fall. Exchange dealers say it will go down to 75 or 77 cents. Will the Minister have some sense and not waste our foreign exchange reserves by tring to prop up the dollar? Will he stop trying to be the King Canute of the Liberal Party, using all the foreign reserves to prop up the dollar? Will he give that undertaking to the people of the country?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have stated repeatedly what the policy of the Government is, in the House and before parliamentary committees. I stated it quite clearly in the House as recently as 10 days ago when the Conservatives presented an opposition motion. That position was expanded upon by the Governor of the Bank of Canada before a parliamentary committee this morning. I have nothing to add to what we have already said about our policy in that regard.

RESPONSIBILITY FOR INTEREST RATE POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the economic foolishness of the Government is only exceeded by the hypocrisy of the Conservatives who raised interest rates four times in about as many weeks when they were in government.

Some Hon. Members: Oh, oh!

Mr. Broadbent: For once the Tories are a bit concerned about their hypocrisy, and I am glad to hear that.

Yesterday the Minister said that the Government does not have a high interest rate policy. Today, for the fifth week in a row, the Bank of Canada raised interest rates. This means higher costs for farmers, for small businesses, and for home owners. Will the Minister at last acknowledge that constitutional responsibility for interest rate policy rests with the federal Cabinet and with the Minister of Finance? Will he use that authority to reverse this disastrous high interest rate policy for the people of Canada?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I said in the House yesterday that the Government does not have a high interest rate policy. Its policy is to keep interest rates as low as it can possibly keep them.

I would remind my friend that up until 12 noon today, as far as I know, four out of the five major banks in Canada still had a prime rate half a point below the prime rate in the United States, which is 11.5 per cent. One of the major banks has been at the American level for a few days.

I have indicated to the Hon. Member before that it is not realistic to expect that we can keep lower levels of interest in this country than in the United States over an extended period. That is my policy and my point of view. It is a point of view shared by the Governor of the Bank of Canada.

I want to repeat to my friend that we do not have a high interest rate policy; we are doing everything we can to keep interest rates in this country as low as we can.

Mr. Broadbent: Mr. Speaker, I ask the Minister to stop trying to snow the people of Canada.

REQUEST FOR CHANGE IN GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, interest rates have gone up five weeks in a row. The Government has Constitutional authority and responsibility for that, but the Minister tries to tell us that it is not his policy. The people of Canada know that it is his policy, we know it, and everyone wants that policy to change.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Minister knows that the last time we went through this, a couple of years ago, the result was disastrous for the people of Canada. The economy did not grow, it shrank; the number of unemployed was not reduced, it was increased, and the number of businesses that went broke also increased. Will the Minister quit putting us through this re-run of a bad old movie, and change his policy?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I have never asserted that it was not our responsibility. On the contrary, I recognize that monetary and fiscal policy fall under the authority of the Government, and more particularly of the Minister of Finance. I have never tried to pass that responsibility on to anyone, least of all to the Leader of the New Democratic Party. However, I want to repeat to him that our policy is not a high interest rate policy. Our policy is to keep interest rates as low as we can sensibly keep them in this country and still have an economy which will grow.

• (1430)

Mr. Broadbent: Mr. Speaker, the Minister is going to have a hard time trying to explain how we have interest rates going up day after day, week after week, but the Government does not have a policy which sanctions that. The Minister knows if he had a real, low interest rate policy, he could telephone Governor Bouey and tell him to reverse the trend. He has not done that because he accepts high interest rates. That is the truth.

REQUEST FOR GOVERNMENT ACTION ON INTEREST RATES

Hon. Edward Broadbent (Oshawa): Would the Minister go back to information of which he was aware and which was brought to his attention today? There are countries side by side in Europe with very different interest rate structures. The countries with low interest rates happen to be growing more rapidly than countries with high interest rates. Why does the Government now follow the low interest rate policy of countries which are, in fact, having better rates of growth and better job opportunities for their people, instead of having our interest rate policy set initially in the United States and then followed in a lock-step way here in Canada by Governor Bouey?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, the suggestion made by the Leader of the New Democratic Party is not only naive, it is reckless. The motion that somehow the Government could arbitrarily dictate an interest rate level in this country, and that this would lead to growth and prosperity, while the United States has interest rates significantly higher than in Canada, is a notion which is pure imagination—

Mr. Broadbent: And one you believed a week ago.

Mr. Lalonde: It is fairyland. The Hon. Member knows very well that if we had, in Canada, interest rates at 9 per cent, and they were at 11 per cent in the United Sttes, even Hon. Members of the New Democratic Party would be the first ones to ship their money to the United States. He knows that.

* * *

[*Translation*]

NATIONAL REVENUE

REPORTING OF PERSONAL INCOME

Hon. Roch La Salle (Joliette): Mr. Speaker, at the request of the Minister of National Revenue, I shall put my question to the Minister of Finance. The Minister of Finance is aware, as are so many other Members of this House, that a number of people who receive gratuities as part of their income and declare that income do not receive commensurate benefits from the Unemployment Insurance Commission. Especially considering the fact that the Government of Quebec has now passed Bill 43 which will oblige all employees receiving gratuities to declare such income, can the Minister of Finance give the House the assurance that unemployment insurance benefits will be commensurate to declared income for all Canadians and especially for Quebecers as a result of Bill 43?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I had a chance to discuss this matter not long ago with the Quebec Minister of Finance. The Hon. Member is also aware that Quebec has a new Minister of Revenue who is looking into the matter at this time. He has read the press reports just as I have. It seems that the Bill introduced by the Government of Quebec is now being revised, so I am going to wait and see how the situation develops. I am following developments very closely, and as soon as we are able to reach a decision, I shall let the Hon. Member know.

TAXATION OF TIPS CALCULATED AS INCOME

Hon. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary for the Minister. Since the Government of Quebec stated before the association of restaurant owners, restaurant employees and hotel workers that it would drop consideration of incomes for 1983 and previous years, could the Minister inform the House, considering the fact that these workers have no fringe benefits for this income, whether the Government is prepared to act in the same spirit as the Government of Quebec in dealing with workers who earn tips?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, as I said in my previous reply, the matter does not seem to have gelled quite yet at the National Assembly and within the Quebec Government, I am first going to see exactly what transpires from current negotiations, and we shall then be able to review the situation in the light of whatever definitive decision Quebec will make.

* * *

[*English*]

VETERANS AFFAIRS

DELAY IN PROCESSING INCAPACITY ALLOWANCE APPLICATIONS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, my question is directed to the Minister of Veterans Affairs. The Minister will know that he has a very serious problem in his Department. Veterans who are applying for exceptional incapacity allowance are having to wait an unreasonable length of time for the process to be completed. One example is Mr. Alan Bell of Toronto who had to fight for seven years before he received his allowance. An 84-year-old veteran in Vancouver, Mr. Fred Carter, applied three years ago, and still no decision has been reached. Mr. Carter has a heart problem, arthritis, and a bad hip. What is the Minister going to do to correct this ridiculous situation?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, the Hon. Member raised those two particular cases before the Standing Committee just this week. I did indicate to the Hon. Member, in response to his criticism of the processing time, that we were working diligently to reduce that processing time. As Hon. Members know, I am not at liberty to discuss individual cases on the floor of the House. However, I did indicate to the Hon. Member that I would undertake to look into those two particular cases and report back to him.

REQUEST THAT MINISTER RESIGN

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, we have been listening to that stock answer for years. Obviously the Minister cannot find a solution to the problem. He has been responsible for that portfolio for the last three years. Will he resign, and let someone else take over who can find a solution to this ridiculous situation?

Hon. W. Bennett Campbell (Minister of Veterans Affairs): Mr. Speaker, the Hon. Member has been trotting out the same type of statistics for the last three years. I have indicated to him on numerous occasions that not only has the issue of the backlog been addressed, but the processing time on average has been reduced from some 334 days two years ago to less

than 120 days on first applications. So, Mr. Speaker, if that is not progress I do not know what it is.

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INSOLVENCY ACT

REQUEST FOR REFERRAL TO COMMITTEE

Mr. Jim Peterson (Willowdale): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Prior to the Christmas prorogation the Finance Committee was seized with the Bill dealing with insolvency. We had hearings on this. We realize that there are many important decisions which have to be made, but the committee, after hearing many extensive representations, would be best equipped to deal with these important issues. Can the Minister tell us why Bill C-17, which deals with insolvency, a matter of such importance to so many people in Canada, has not yet been referred back to the committee for further hearings?

Hon. Judy Erola (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member asks a very good question. I must say that I share his frustration. We tabled the Bill several weeks ago. We have put forward the amendments we intend to put before the committee. I have had indications from the Party opposite that they are anxious to see this Bill proceed to committee. However, I must confess that I have had virtually no co-operation from the New Democratic Party. It would be most helpful if those Hon. Members would agree that the Bill should go back to committee so that those people who are anxious to appear before the committee may be allowed to do so. It is an extremely important Bill to wage earners, small business, to everyone in Canada. Let us get on with it.

* * *

LABOUR CONDITIONS

IMPACT OF UNEMPLOYMENT ON THE POOR

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance. A Statistics Canada study of unemployment shows that government high interest rate policies have put the burden of unemployment on the backs of the poor. Only one-third of poor Canadians worked steadily in 1981. Does the Minister now agree that it is his Government's economic policies which have deprived poor people of jobs? What does the Minister intend to do about this gross unfairness to low-income Canadians?

Hon. Marc Lalonde (Minister of Finance): No, Mr. Speaker, I do not agree with the statement made by the Hon. Member. The fact is that, indeed, there has been the impact of unemployment in Canada the same as in practically every other industrialized country I know. The impact of unemployment tends to be harder on the workers who are at the lower end of the income scale. That is a factor in every single industrialized country that I know.

New workers, new entrants into the work force, tend to lose their jobs earlier than those who have been in the work force for a long time. The Hon. Member knows that in a lot of collective agreements it is a standard rule that the last in are the first out if there is a decline in employment. The solution is to try to create jobs as fast as we can to reduce unemployment. This is what we have been attempting to do with our policy in fighting the recession this country has known, together with the rest of the industrialized world, where there are still around 30 million unemployed today.

• (1440)

We are doing our very best, but it is not a phenomenon exclusive to Canada, or even more prevalent in Canada than in any other particular country. However, in our actions we have taken care to maintain the social safety net in this country, contrary to a lot of other countries, and contrary to the admonitions of the Conservative Party in particular. We have maintained our social programs to help those most in need.

EFFECT OF INTEREST RATES ON JOB CREATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the two million poor people in Canada do not think the Government is creating jobs as quickly as it can. The best safety net for those people is jobs. They do not want unemployment insurance or welfare, they want work. With interest rates rising again, they are about to take another thrashing. What is the Minister going to do about jobs he is destroying by allowing interest rates once again to go up, and up, and up?

[*Translation*]

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, an increase of one-half of one per cent in the interest rate does not necessarily mean there will be fewer jobs in Canada. The Hon. Member knows perfectly well that if, for instance, we look at recent developments in the United States since the month of January, and I am referring to an increase in their interest rate, this development has not prevented an increase in the number of jobs. The interest rate is not the sole factor that determines the employment rate.

Furthermore, I wish to emphasize that we have no reason to believe there will be a substantial rise in interest rates within the next few weeks. We have every reason to believe that interest rates will experience or will have experienced a slight increase and with the Governor of the Bank of Canada, I am doing everything in my power to prevent interest rates from rising further.

All this will depend a lot on what happens to interest rates in the United States, but here again, there is reason to believe that U.S. interest rates will not experience a substantial increase in the coming days and weeks.

[*English*]

AIRPORTS

CHARLOTTETOWN—TERMINAL BUILDING PROJECT—CALLING OF TENDERS

Mr. Tom McMillan (Hillsborough): Mr. Speaker, my question is directed to the Minister of Transport. Earlier in the week the Minister told *The New York Times* in a lengthy interview about federal capital projects that, "right now we are spending $25 million on a new terminal building for Charlottetown." Does the Minister realize that the Government of Canada has not even called tenders for that terminal building, much less started construction? In light of that fact, will he assure the House and the people of Prince Edward Island that his Department will get on with the job and invite tenders, which are now many years overdue?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I would like to make a small correction. The figure should have been $27 million, not $25 million, allocated for improvements to the Charlottetown airport. As far as calling tenders is concerned, I expect that would be some time in early July. We have sent them back to the consultants for some revisions so that they will be in closer concert with the original Treasury Board submission. There is some technical work that needs to be done before the final tenders are called, but it should be in a matter of about two months.

REQUEST FOR ASSURANCE PROJECT WILL PROCEED

Mr. Tom McMillan (Hillsborough): Mr. Speaker, the redevelopment of the Charlottetown airport and the building of the terminal in particular were announced with great fanfare some seven years ago. Yet announcements have been made over and over again only to be cancelled or postponed, with excuses made for the delays. Will the Minister assure us that this time he and his Department will honour the commitment to the Island, that tenders will be released, that construction will begin, and that we will finally have a terminal building for Charlottetown which is a credit to the capital city of Prince Edward Island, to his Department and, indeed, to the country as a whole?

Hon. Lloyd Axworthy (Minister of Transport): Mr. Speaker, I am very happy to confirm the fact that the federal Government is proceeding to call tenders on the work at the Charlottetown airport. We have obviously been greatly assisted by the Minister of Veterans Affairs, the regional minister for that area, in expediting the work, and we are very pleased to know that the work will go ahead on schedule.

[*Translation*]

FRANCO-MANITOBAN RIGHTS

REQUEST FOR DETAILS OF GOVERNMENT'S POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. In answer to a question I put to him about two weeks ago concerning the language issue in Manitoba and, more specifically, the implications of Section 23 of the Manitoba Act, the Prime Minister answered that Cabinet would be considering the possibility of an appeal, or rather a referral, to the Supreme Court in order to obtain an interpretation of Section 23 of the Manitoba Act, and would also be considering a resolution under Section 43(b) of the Constitution Act of 1982. I wonder whether he could inform the House today whether his Government has reached a conclusion on this matter and whether he could let us know and give us further details on the direction he intends to follow.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I shall certainly try to answer this question. The present situation is that we are having some final consultations with the Government of Manitoba to find out whether they have any preference for a referral or a resolution. I think it is pretty clear that a political approach, in other words, a resolution in the House that would be effective, is now excluded, especially considering the attitude of the Progressive Conservative Opposition in Manitoba. We shall therefore have to go before the Supreme Court. The Hon. Member is aware there already is a case before the Court—the Bilodeau case—in which we would be making a plea for justice for Franco-Manitobans. There is also the possibility of a referral. This morning, Cabinet agreed on the principle of a referral, but first, we want to have some consultations with the Government of Manitoba and we also want to examine the option of being an intervenor in the Bilodeau case, before deciding when the referral would be made and what its terms would be. A decision will probably be made next week.

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[*English*]

PETRO-CANADA

PRICE OF GASOLINE—CONTRACTS WITH OTHER OIL COMPANIES

Mr. Bill Domm (Peterborough): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources, and deals with an item which probably has the most serious inflationary effect on consumers of anything in Canada today. That is the high cost of energy, namely, home heating oil and, in particular, gasoline for the car. I wonder if the Minister, who is responsible for Canada's own Petro-Canada, would look into the matter of Petro-Canada signing long-term, 15-year contracts with the Seven Sisters fixing the price of gasoline at the refinery gate? According to evidence supplied, it is costing

consumers far more for gasoline today than the product is really worth.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): The Hon. Member asks me if I will look into the question. I will certainly look into the question.

DETERMINATION OF PRICE AT RETAIL LEVEL

Mr. Bill Domm (Peterborough): Mr. Speaker, while the Minister is doing that, would he also look into the fact that Petro-Canada, in the riding of Peterborough, and I am sure in other ridings across Canada, will not give franchises to sell Petro-Canada gasoline unless a dealer agrees to buy only from Petro-Canada? In that way Petro-Canada consigns the product, and fixes the price not only at the wholesale level but at the retail level under the contracts signed by those dealers which our Crown corporation has taken over.

Mr. McKenzie: Just like the Russians.

Hon. Jean Chrétien (Minister of Energy, Mines and Resources): Mr. Speaker, in principle Petro-Canada is operating in the marketplace like any other corporation. It signs contracts according to the practice of the trade and it tries to be a fair competitor in the marketplace. That is its mandate. The Hon. Member refers to some specific problem. If there is price fixing and so on, there are laws in Canada which apply to this company like any other company. They cannot have a coalition of companies to fix prices. If there is a specific accusation of price fixing there is a Ministry which is always looking into these operations. The company has to abide by the laws like anyone else.

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● (1450)

INCOME TAX

EXEMPTIONS INQUIRY

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Finance. It is very simple, very easy, and only requires a yes or no answer. I would like him to listen very carefully so that we on this side can hear him say yes or no. Did the Minister know it is possible to have an income of $40,088 and pay no income tax? Yes or no?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, obviously it depends on the situation. It is possible, as it is possible to have an income of $10,000 or $100,000 and pay no income tax. It depends how you run your affairs in terms of the income laws of the country. If you had losses last year of $50,000, which you can claim against your income, you will not pay taxes. If you have accumulated tax credits by way of investments you have made, such as research and development credits, you can claim them against your income. This is all spelled out in the income tax laws of the country. The laws operate this way not only in our country but in every democratic industrialized country I know.

Sometimes you can have large losses which you cannot claim in one year but may claim the following year or two years after they have been incurred. This Parliament has passed a law according to which you can claim losses accumulated three years in the past against your current income. You may look at a particular year and say that this individual or company is not paying taxes and that that is terrible because it has $50,000, $100,000, or $200,000 profit. It is forgotten that they have $500,000, $600,000 or maybe $1,000,000 of losses which may be claimed against such profits. That is the way the system operates.

Mr. McDermid: Is that yes or no?

Mr. Fulton: Mr. Speaker, I am not sure what the Minister has taken to smoking. I think it is some kind of funny weed that grows south of the border.

REQUEST FOR INSTITUTION OF MINIMUM INCOME TAX LEVEL

Mr. Jim Fulton (Skeena): Mr. Speaker, I was quoting that question from Wood-Gundy. They circulated that this week to taxpayers who make lots of money. I would encourage taxpayers across the country who are filling in their income tax forms now, to write the Minister's answer on their tax forms and send it to the Minister of National Revenue.

Mr. Speaker: Will the Member please ask his question?

Mr. Fulton: Mr. Speaker, in the United States where Reaganomics is operating, regardless of what income level people are at they still have to pay a minimum level of income tax. Is the Minister prepared to tell Canadians today that, regardless of what income level they are at, and regardless of all that text tax credit gobbledegook and falderal, everyone in the country, corporations included, is going to start paying a fair minimum share of tax in this country?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, I cannot believe my hon. friend wants us to restore to the American taxation system which has a lot more loopholes in favour of corporations than we have in Canada. The same is true as far as individuals are concerned. I am certainly not going to follow the American system, thank you very much.

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ROYAL CANADIAN MOUNTED POLICE

PURCHASE OF LIMOUSINE FOR TRANSPORTING PRIME MINISTER

Mr. Peter Elzinga (Pembina): Mr. Speaker, my question is for the Minister of Supply and Services, but in his absence I will direct it to the Solicitor General as it does deal with his responsibilities relating to the RCMP. Will the Minister indicate whether the cost of the new Cadillac limousine recently

purchased for the Prime Minister was considerably higher than the vehicle could have been obtained for, from another firm? Was it purchased from the same company which supplied the seven vehicles for the Summit, bought a couple of year ago and which are apparently now proving to be defective in a number of areas?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, it was purchased from the same company, General Motors, and it was armourized by the same company that armourized those other vehicles. I am not aware of defects showing up on the other vehicles. I would be very interested to look into that and to have information from the Hon. Member about that.

Miss MacDonald: Does it have a short term lease?

COST OF CONTRACT

Mr. Peter Elzinga (Pembina): Mr. Speaker, I would be more than happy to share with the Minister the telegram I have, which indicates that two of those vehicles are defective. There have been four more cars tendered, three of which were awarded again to Hesse-Eisenhardt at a cost of $95,728 U.S. per vehicle. Is it true that another equally capable corporation had a bid in for $65,924 U.S. per vehicle? If so, why was the tender of some $30,000 less not accepted for the vehicles?

Hon. Bob Kaplan (Solicitor General of Canada): Mr. Speaker, the contract was sole source and not put up for tender. The company chosen was, in the opinion of the RCMP, the only firm in North America capable of doing the job to the standard which the RCMP required.

* * *

EXTERNAL AFFAIRS

U.S.S.R.—DOWNING OF KOREAN AIRLINER—CANADIAN DEMAND FOR EXPLANATION

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my question is for the Secretary of State for External Relations. It is now over six months since the Korean jetliner was downed. On September 12, 1983, the House unanimously passed a resolution which condemned the unwarranted attack resulting in the destruction of the Korean airliner on the orders of Soviet authorities, and demanded a full and truthful explanation of this brutal act from the Soviet Government. What reply has the Government in fact had from the Soviet Government? Has there been any explanation to date?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, Canada has made its position on this subject eminently clear to the Soviet Union and has repeated it. We feel it is up to the Soviet Union to respond and indicate what action they are going to take by way of compensation. To this date they have not given any indication that they will provide compensation.

GOVERNMENT'S POSITION

Hon. Sinclair Stevens (York-Peel): Mr. Speaker, my supplementary question is for the same Minister. On the evening of September 12 the Secretary of State for External Affairs stated in the House that the Soviet leadership must abandon its current stonewalling and come clean about this terrible hit and run tragedy. He then referred to what our ambassador to the United Nations had said, including calling the downing of the—

Mr. Speaker: Will the Hon. Member please ask his question?

Mr. Stevens: —jet murder. What is the position of the Government today? Is the downing of this jet still murder? Has the Government any plans in position to ensure compensation for the relatives of the victims?

Hon. Gerald Regan (Minister for International Trade): Mr. Speaker, the Hon. Member is fully aware of the record of the reaction of the Government to the very serious loss of life in the KAL Jetliner. The Government of Canada took a very firm position on the matter. Our position remains the same. Our demand for compensation from the Soviet Union is not only justified but is still in full effect. The Soviet Union is fully aware of our position.

* * *

CANADA PENSION PLAN

INCLUSION OF HOMEMAKERS

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, my question is for the Minister of Finance, if I can get his attention. The Montreal *Gazette* of March 20 quotes the Minister as follows:

> We agree to the inclusion of homemakers in the Canada Pension Plan and to the expansion of the Canada Pension Plan.

I have two questions. Is it now Government policy to include homemakers in the Canada Pension Plan? What does the Minister mean by "expansion of the Canada Pension Plan"?

Hon. Marc Lalonde (Minister of Finance): Mr. Speaker, we have indicated that we were going to put on the agenda with the provinces the question of homemakers' pensions under the Canada Pension Plan. I remind the Hon. Member that we have already taken steps with a number of specific measures we want to propose concerning the Canada Pension Plan. One particular measure is the immediate introduction of credit splitting, either at the time of marriage breakup or at age 65. These measures indicate a readiness to consider ways of ensuring that homemakers will have a direct right to pensions under the Canada Pension Plan.

● (1500)

As to further expansions, again we are ready to discuss this with the provinces but, as the Hon. Member knows, we require the agreement of two-thirds of the provinces with two-thirds of

the population before we can proceed with an amendment in that regard. This is what we intend to discuss with the provinces at the first opportunity.

With respect to the expansion of the Canada Pension Plan, I have announced in the Budget immediate measures that we would like to see implemented if the provinces, as they are likely to do, will agree. For instance, there is the possibility of improving one measure which I have announced specifically in the Budget, but have forgotten its name. I will check.

We also have discussed enlarging disability benefits, with the provinces, which would also mean an expansion of the plan. We are ready to discuss these issues with the provinces at the first opportunity, and if we can get agreement we will come up with specific additional proposals to the House dealing with both of these issues. Indeed, we are in favour of both aspects.

* * *

INCOME TAX ACT

TAKING OF TAXPAYERS' STATEMENTS UNDER OATH—MINISTER'S POSITION

Mr. John Gamble (York North): Mr. Speaker, my question is directed to the Minister of National Revenue who will recognize that one of the administrative provisions of the Income Tax Act that flies in the face of what everyone must probably believe is basic justice, is a provision contained in Section 231(1)(c). That provision permits assessors to obtain from taxpayers statements under oath in the course of their investigations which then may be used in a prosecution that may follow the obtaining of such statement under oath.

Having regard to the concept of nonself incrimination by individuals who are subsequently accused of criminal offences, what view does the Minister have with respect to this specific provision of the Act? Will he take steps to remove the same?

[*Translation*]

Hon. Pierre Bussières (Minister of National Revenue): Mr. Speaker, perhaps the Hon. Member would care to examine various provisions of the Income Tax Act which are very specific and reflect the very nature of this legislation and the kind of tax system we have in Canada. If he does, he will see that these provisions exist because of the nature of the legislation and the tax system we have in Canada.

* * *

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, March 21, 1984 meet the requirements of the Standing Orders as to form.

Standing Orders

BUSINESS OF THE HOUSE

WEELKY STATEMENT

Mr. Nielsen: Mr. Speaker, may I ask the Government House Leader what the business will be for tomorrow and next week? It may help him in his response if I tell him that if he were to call Bill C-3, the Canada Health Act, on Monday, in all likelihood it will get through the entire report stage.

[*Translation*]

Mr. Pinard: Mr. Speaker, first of all, consultations have led to an agreement for adopting forthwith, without debate, the motion appearing on the Order Paper in the Government's name, actually in my name, under No. 11 on page 16. If you would call the motion proposing to make the Committee on Official Languages a Standing Committee, I can confirm, since there has been consultation, that you will obtain unanimous consent for adopting the motion without debate or amendment. I would therefore ask the Chair to call motion No. 11, a motion in my name, which is as follows:

"(d) On Official Languages policy and programs to act as members on the part of this House on the Joint Committee of both Houses, to consist of 15 members;"

[*English*]

Mr. Speaker: The President of the Privy Council has suggested that there might be consent to put motion No. 11 standing on the Order Paper under Government Orders to the House. Is that agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

STANDING ORDERS

AMENDMENT RESPECTING JOINT COMMITTEE ON OFFICIAL LANGUAGES

Hon. Yvon Pinard (President of the Privy Council) moved:

That Standing Order 69(3) be amended by adding the following:

"(*d*) On Official Languages policy and programs to act as members on the part of this House on the Joint Committee of both Houses, to consist of 15 members;"

And that a message be sent to the Senate requesting that that House do unite with this House for the above purpose and to select, if the Senate deems it to be advisable, certain members to represent that House on the proposed Joint Committee.—

Motion agreed to.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Pinard: As regards the business for coming days, I welcome the suggestion made by the Hon. Member for Yukon that if Bill C-3 was to be called on Monday we might get through the report stage that day. I have sought a firm commitment but have not obtained it. Certainly what he says is not a firm commitment that we would get report stage completed by Monday evening. I do not have that commitment from the NDP either. Therefore, the business for tomorrow will be—

Mr. Nielsen: Mr. Speaker, may I just interrupt before the President of the Privy Council gets too far along and say that the Government House Leader has that commitment. He will get his report stage on Monday.

Mr. Deans: Mr. Speaker, it is very likely that he will get the report stage of the health Bill on Monday.

Mr. McDermid: That sounds like a firm commitment, an NDP commitment.

Mr. Deans: I was not privy to this arrangement. If it is called on Monday, the report stage will be completed by five o'clock.

Mr. Pinard: Mr. Speaker, I thank both Opposition Parties for their firm commitment. We will take it for granted that report stage will be completed by five o'clock on Monday and we will call Bill C-3 only on Monday.

With respect to the business for tomorrow, we will start debating Bill C-24 dealing with Crown corporations. Next Tuesday we will resume debate, if necessary, on Bill C-21 and the back-up Bill in case we come to some arrangement will be Bill C-12, the Fiscal Arrangements Act, which is at report stage.

Next Wednesday will be the first allotted day of the new period of supply. The business for next Thursday will be resuming debate on what was under consideration at the end of the day on the previous Tuesday.

Miss MacDonald: Mr. Speaker, on several occasions my colleagues and I have been asking the Government House Leader when the Bill which will remove the discriminatory sections of the Indian Act will be introduced. We asked him this last week and at other times. The Prime Minister told us that it would be a priority but what we and many other people, particularly Indian women who have been disenfranchised, want to know is when?

Mr. Pinard: If that important matter had been raised by the House Leader of the Hon. Member's Party, I would have been able to give a firmer answer today.

ROUTINE PROCEEDINGS

[*English*]

STATUTES OF CANADA

TABLING OF GOVERNMENT PROPOSALS TO CORRECT CERTAIN ANOMALIES

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, on behalf of the Minister of Justice (Mr. MacGuigan) I am pleased to lay upon the Table of the House, in both official languages, a copy of the Government's proposals to correct certain anomalies, inconsistencies, archaisms and errors and to deal with other matters of a non-controversial and uncomplicated nature in the Statutes of Canada.

● (1510)

Mr. Speaker, on behalf of the Minister of Justice, I wish to say that there have been consultations among the Justice critics. I believe that if you seek unanimous agreement to refer the draft Bill which I referred to previously to the Standing Committee on Justice and Legal Affairs, you will find that such consent exists.

Mr. Nielsen: Mr. Speaker, I was distracted for a moment. I do not know what consent is being sought here. I have not been consulted on this. The Parliamentary Secretary might elaborate by way of explanation on what he is seeking to do.

Mr. Speaker: The Parliamentary Secretary to the Minister of Justice has tabled documents. I believe he has asked for unanimous consent to refer them to the Justice Committee.

Mr. MacBain: The Justice critics have been consulted.

Mr. Speaker: Is there unanimous consent for the documents that have been tabled to be referred to the Justice Committee?

Some Hon. Members: Agreed.

Mr. Speaker: There is unanimous consent. It is so ordered.

* * *

PETITIONS

MR. CROSBY—MARITIME COMMAND UNIFORM

Mr. Howard Crosby (Halifax West): Mr. Speaker, may I present 500 separate petitions signed by Canadians in the federal constituency of Halifax West and other parts of Canada. In most cases there are two or more petitioners. The prayer offered in each petition is simple and clear. It is that the petitioners want the Parliament of Canada to restore the navy blue uniform to Maritime Command, which is Canada's navy.

Some Hon. Members: Hear, hear!

Mr. Crosby: If these petitions do not prompt action by the Minister of National Defence (Mr. Blais), I can assure the House of Commons I will be presenting many more.

* * *

PUBLIC SERVICE

MEASURE RESPECTING APPOINTMENT AND TENURE OF SENIOR OFFICERS

Mr. Stan Schellenberger (Wetaskiwin) moved for leave to introduce Bill C-230, an Act respecting the appointment of deputy, associate deputy and assistant deputy ministers.

He said: Mr. Speaker, the purpose of this Bill is to standardize the method of appointment and tenure of the senior officers of the Public Service and to tie their appointments to the duration of a Parliament. The Public Service would thereby be more accountable to the government of the day and to the electorate.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. John Evans (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 253, 511, 522, 538 and 579.

[*Text*]

INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

Question No. 253—**Mr. Scott (Victoria-Haliburton):**

1. Since September 12, 1983 how many applications under the Industrial and Regional Development Program were (a) received from (b) approved for from applicants in the constituency of Victoria—Haliburton and in what amounts?

2. Was there a board which advised the Minister on applications for the Program in Victoria—Haliburton and, if so (a) what is a list of the names of the board members (b) did the board members receive any remuneration and, if so, in each case, in what amount, to date?

Hon. Ed Lumley (Minister of Regional Industrial Expansion): 1. (a) Three. (b) To date, no decision has yet been rendered.

2. No. (a) Not applicable. (b) Not applicable.

CANADA EMPLOYMENT AND IMMIGRATION ADVISORY COUNCIL

Question No. 511—**Mr. Howie:**

Is there a Canada Employment and Immigration Advisory Council and, if so, what is a list of its members' names and what total amount of remuneration was paid to the members during the last fiscal year for which figures are available?

Mr. Jean-Guy Dubois (Parliamentary Secretary to Minister of Employment and Immigration): (i) Yes; the Canada Employment and Immigration Advisory Council (CEIAC) was established by Act of Parliament in 1977 (Bill C-27, Part II, Section 17) and remains active.

(ii) The current membership of CEIAC is as follows:

Chairman

Tom Sosa
Vice-President
Ryerson Polytechnical Institute
Toronto, Ontario

Vice-Chairman

Albert G. Hearn
Retired (Canadian Vice-President
Service Employees
International Union)
Agincourt, Ontario

Members

Barney Batise
Treasurer
National Association
of Friendship Centres
North Bay, Ontario

Ralph B. Brenan
President
G.E. Barbour Company Limited
Sussex, N.B.

Constantine Constantinou
President and Chief
Executive Officer
Primeco Investments Inc.
Montreal, Quebec

James F. Derksen
Chief Development Officer
Disabled Peoples'
International Central
Development Office
Winnipeg, Manitoba

Frank Fazio
Lawyer
Fazio Law Firm
Windsor, Ontario

William F. Iverson
Business Manager
International Union of
Bricklayers and Allied
Craftsmen
Local No. 1 Manitoba
Winnipeg, Manitoba

Howard Kostiuk
Secretary-Treasurer
Alberta Federation of Labour
Edmonton, Alberta

Michel Matte
Education Representative
Quebec Federation of
Labour
Montreal, Quebec

James McCambly
President
Canadian Federation of Labour
Ottawa, Ontario

Katherine McGuire
National Representative and
Secretary
Canadian Labour Congress
Ottawa, Ontario

Paul R. McKeown
President
Paul R. McKeown & Associates
Inc., Insurance and
Financial Planning
Consultants
Toronto, Ontario

Barry Moore
Family Life Director
Family Service of Eastern
Nova Scotia
Sydney, Nova Scotia

Helen A. Patterson
Manager—Communications
North East Coal Development
Vancouver, B.C.

Marcel G. Pepin
Research Services
Confederation of National
Trade Unions
Montreal, Quebec

Michael Solski
Retired (Inco)
Coniston, Ontario

Jack Thorpe
President—260138 Alberta Ltd.
Edmonton, Alberta

Pierre Tremblay
President and Director General
Pierre Tremblay Publicité Inc.
Quebec, Quebec

Emile Vallée
Federal Legislative
Representative
United Steelworkers of America
Ottawa, Ontario

(iii) The total amount of remuneration paid to members in f/y 1982/83 was $128,700. For compensation, see report on Governor in Council appointees tabled in the House of Commons on November 17, 1983.

Order Paper Questions

DOT—WOMEN PERSONNEL

Question No. 522—**Mr. Howie:**

As of the last date for which information was available, what proportion of the employees of the Department of Transport were women?

Hon. Lloyd Axworthy (Minister of Transport): It is 20.8 per cent.

CBC—EXECUTIVE AND BOARD OF DIRECTORS

Question No. 538—**Mr. Howie:**

What are the (a) names (b) positions of the persons who occupy positions on the Executive and Board of Directors of the Canadian Broadcasting Corporation and, in each case, what amount was he/she paid in respect of that position in the fiscal year ended March 31, 1983?

Hon. Francis Fox (Minister of Communications): I am informed by the Canadian Broadcasting Corporation as follows: (a) and (b)

CBC Executive

President	Pierre Juneau
Executive Vice-President	William T. Armstrong
Senior Vice-President	Franklin Delaney
General Counsel	Jacques Alleyn, Q.C.
Internal Auditor	Erik Peters
Vice-President, Communications	Thérèse Sévigny
Vice-President, Corporate Affairs	Gordon Bruce
Vice-President, Engineering	Guy Gougeon
Vice-President, Finance	Ronald J. Fournier
Vice-President, Human Resources and Administration	Guy Coderre
Vice-President, Planning and Evaluation	John Shewbridge
Vice-President, Regional Broadcasting	Douglas Ward
Vice-President, English Television Network	Denis Harvey
Vice-President, English Radio Networks	Margaret Lyons
Vice-President, French Television Network	Pierre DesRoches
Vice-President, French Radio Networks	Jean Blais

The Governor in Council appoints the president of the CBC. The Corporation, on the recommendation of the president and with the approval of the Governor in Council, appoints the executive vice-president. The ranges of compensation into which the salaries for these two positions fall have been published under the terms of the Public Compensation Restraint Act. (Tabled November 17, 1983)

With regard to the salaries paid to other members of the CBC executive, while the salaries in question are in the $75,000—$100,000 range, it has not been customary to require the CBC to provide such details of its internal management and administration as the salaries of individual employees. The background to this custom was explained in detail in the reply to question No. 2,530 answered November 6, 1975.

CBC Board of Directors

Pierre Juneau
Howard Aster
James G. Carr
James de B. Domville
Paul Fraser
Daniel P. Hays
Maria Masson
Joyce Mongeon
Philippe Roberge
George G. Sinclair
Michel Vennat
John A. Young

With the exception of Mr. Juneau who receives no special remuneration for serving on the CBC Board of Directors, Board members receive honoraria of $250 per meeting day.

AIR CANADA FLEET

Question No. 579—**Mr. Howie:**

1. What (a) types or models of aircraft (b) designs of aircraft make up the Air Canada fleet and, in each case, how many and of each, what number are currently in active service?

2. What cities does the airline serve?

3. Does Air Canada plan to acquire any new aircraft and, if so, what number and type over what period?

Hon. Lloyd Axworthy (Minister of Transport): The management of Air Canada advises as follows:

1. (a) and (b) See below for this answer.

2. In addition to the cities served by Air Canada as listed below, scheduled cargo flights serve Shannon, Ireland, are Brussels, Belgium.

3. Six Boeing 767's currently on order are due for delivery during 1984. No other aircraft are on order.

	Air Canada Operational Fleet
DC-8 Series 54F	1
DC-8 Series 63F	6
Total	7
DC-9 Series 32	35
Total	35
B-747 Series 133	3
B-747 Series 233B	2
Total	5
L-1011 Series I (Domestic)	8
L-1011 Series 100/15 (Overwater)	4
L-1011 Series 500	6
Total	18
B-727 Series 233	39
Total	39
B-767 Series 233	6
Total	6
Total Operational Fleet	110

	Air Canada Fleet Inventory
DC-8 Series 54F	6
DC-8 Series 61	7
DC-8 Series 63	6
DC-8 Series 63F	6
Total	25
DC-9 Series 32	35
Total	35
B-747 Series 133	5
B-747 Series 233B	2
Total	7
L-1011 Series I (Domestic)	8
L-1011 Series 100/15 (Overwater)	4
L-1011 Series 500	6
Total	18
B-727 Series 233	39
Total	39
B-767 Series 233	6
Total	6
Total Fleet on Inventory	130

Destination Points

Canada

Calgary	YC	Sault Ste. Marie	AM
Charlottetown	YG	Sept-Îles	ZV
Edmonton	EG	Stephenville	JT
Fredericton	FC	Saint John, N.B.	SJ
Halifax	HZ	Sudbury	SB
Hamilton	HM	Sydney	QY
London	XU	Thunder Bay	QT
Moncton	QM	Timmins	TS
Montreal	UL	Toronto	YZ
North Bay	YB	Val d'Or	VO
Ottawa	OW	Vancouver	VR
Quebec	QB	Victoria	YJ
Regina	QR	Windsor	QG
Rouyn/Noranda	UY	Winnipeg	WG
Saskatoon	XE	Yarmouth	QI

Caribbean/Bermuda—Alphabetical List by Country: (Airport name in brackets)

Antigua	St. John's (Coolidge)	ANU
Bahamas	Freeport (Freeport International)	FPO
Bahamas	Nassau (International)	NAS
Barbados	Bridgetown (Grantley Adams)	BGI
Bermuda	Hamilton (Civil Air Terminal)	BDA
Cuba	Havana (Jose Marti)	HAV
Guadeloupe	Pointe-a-Pitre (Le Raizet)	PTP
Haiti	Port-au-Prince	PAP
Jamaica	Kingston (Norman Manley International)	KIN
Jamaica	Montego Bay (Sangster International)	MGJ
Martinique	Port-de-France (Le Lamentin)	FDF
Trinidad	Port of Spain (Piarco)	POS

Switzerland

Zurich	(Zurich)	ZUR
* Geneva		GVA

Belgium

Brussels—Scheduled cargo service

United States—Alphabetical List by City: (Airport name in brackets)

Boston	(Logan)	BOS
Chicago	(O'Hare)	ORD/CHI
Cleveland	(Hopkins International)	CLE
Dallas/FW	(Dallas/FW International)	DFW
Houston	(Houston International)	IAH
Los Angeles	(L.A. International)	LAX
Miami	(Miami International)	MIA
New York	(John F. Kennedy)	JFK
New York	(La Guardia)	LGA
Tampa	(Tampa International)	TPA
San Francisco	(SFO International)	SFO

United Kingdom

London	(Heathrow)	LHR
Glasgow	(Prestwick)	GLA/PIK

Ireland

Shannon—Schedule cargo service

France

Paris	(Charles de Gaulle)	PAR/CDG

West Germany

Dusseldorf	DEL
Frankfurt	FRA
* Munich	MUC

* Service to be introduced April 29, 1984

[*Translation*]

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

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

Some Hon. Members: Agreed.

[*English*]

Mr. McKinnon: Mr. Speaker, I would like to ask the Parliamentary secretary to pay attention to Question No. 368 which is on the Order Paper in my name. It was first put down some three years ago. It asks the simple question:

What was the increase in real terms in the Department of National Defence's expenditures, including the statutory costs and expressed in percentages, for each fiscal year 1970-71 to 1979-80?

It is a very simple question. In speeches by a variety of Ministers of National Defence, they are forever telling us what they are getting. I would like them to put it in writing on the Order Paper. If there is anything about the way the question is phrased and it could be changed to make it simpler so that their minds could comprehend what I am after, I would be pleased to do that.

Mr. Evans: Mr. Speaker, I have taken note of the question and the number and I will look into it. I will try to get an answer to the Hon. Member as soon as possible.

[*Translation*]

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—TOURIST INDUSTRY

The House resumed consideration of the motion of Mr. Jelinek:

That this House condemns the Government for having allowed Canada's tourism deficit to reach a staggering $2.1 billion in 1983, and having thus caused over 100,000 Canadian jobs to be lost in that year alone, and for failing to remedy the overtaxation which is the underlying problem which plagues this labour-intensive industry and which pushes prices to non-competitive levels thereby counteracting any positive impact that might be generated by the government's marketing expenditures.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I am grateful to the House for setting aside this day for a debate on tourism. It is not a subject that gets a lot of attention in this House, certainly not the kind of attention it deserves. I suppose it is because the budgets of other Departments, whether it be Health and Welfare, Energy or any other Department, are so large. It seems that in our country the value system is built entirely on budgets, dollar value and so forth.

There are other reasons why this is an important subject. Tourism is important if for no other reason than that there is a natural desire on the part of our citizens to know, enjoy and understand their country. They deserve to be able to travel throughout the country and enjoy the benefits of their land. I wish to add that it is not right that in many cases the Government, rather than helping our people visit the rest of the country, throws impediments in their path by making it more difficult for them to see their country. It is good for our people because it is good for their health to be able to get around.

Beyond that, it is good for people of other countries to visit us. It is good for our relationship with other countries. All Members will agree that when people from other countries visit our land, they never forget its beauty and grandeur and the hospitality of its people. It is wrong for the Government not to make it as easy as possible for the tourism industry of Canada to survive and prosper. That is the burden of my remarks.

It is ironic that for other industries our geography is their impediment, but for the tourism industry it is a bonus. The very fact that we have large spaces and large sections of country that are mountainous is for every other industry an impediment, but it is an asset for the tourism industry. All of that is free except for the cost of providing access to it. In other industries, travel and transportation are the obstacle. In the tourism industry, travel and transportation are the pleasure. It is an indescribable God-given heritage that is ours but which we are not exploiting properly.

After listening to the remarks of the Minister and other speakers, I wish to say that it is not that the Government is doing nothing for tourism that bothers us. I will concede, as have other Members, that the Minister in charge of tourism is spending megabucks on advertising in the United States, particularly in periodicals in the northern states. That will have a beneficial effect upon the tourism industry in Canada. I think all of us would concede that. As the Minister mentioned this morning, the Government is literally spending hundreds of millions of dollars helping to build and perhaps subsidize convention centres across Canada so that conventioners, particularly from the United States, will find Canada an attractive place in which to hold conventions. That is a given.

● (1520)

The problem is not that the Government does not do some things, but rather that it has a shallow understanding of people dynamics or tourist dynamics. Because the Government does not understand people dynamics, its policies contracdict each other and sometimes cancel each other out, so that one government department is trying to encourage tourism and another department is putting impediments or taxes in the way so that tourism is in fact discouraged.

Let me say as an aside that my home overlooks the United States border, so I understand somewhat the accessibility of the tourism market. It is easy for Canadians to go down to the United States and save 25 per cent to 30 per cent on a tank of gas. American tourists can come up the western coast of the United States, tank up and spend $25 for a tank of gas in the State of Washington, or come to Canada and pay $35 for the same tank of gas. If one is driving a recreational vehicle, that does not encourage tourism. As the Hon. Member for Vegreville (Mr. Mazankowski) pointed out this morning, since two-thirds of that extra cost is government taxes, it seems government has some influence on whether or not it encourages tourism in Canada.

I would like to illustrate how these policies contradict each other. On the one hand the Minister advertises in the northern states in order to encourage particularly Americans from those states to come to Canada and spend their dollars here. On the other hand the Government puts a 9 per cent tax on the printing of tourism advertising which sends those dollars to the United States as a result. On the one hand they are trying to encourage; on the other they are trying to discourage.

The Minister may well be right that the Government is subsidizing or at least helping with construction and spending hundreds of millions of dollars on convention centres. Hon. Members will recall that several years ago there was almost a

crisis between Canada and the United States regarding that particular policy. At that time Canada took it upon itself not to allow expenses for attending conventions as tax deductible expenses, to the point where the United States threatened retaliation because of our tax policy. U.S. centres were threatening to boycott Canada instead of holding their conventions here because of Canadian tax policies.

If the Government wants to spend hundreds of millions of dollars building convention centres and then it builds a tax structure to discourage people from holding their conventions here, it seems to me there is a very poor understanding of people dynamics. The underlying principle is that people really do not have to come to Canada for their vacations. No one is obligating Americans, Germans, Brits, the French or the Japanese; no one says to them that they have to spend their vacation dollars in Canada. It is the role of government to make them want to come to Canada and to put some kind of encouragement before them so that they will want to spend their dollars here. At present the Government discourages them by putting impediments in their way.

We have the curious spectacle of encouraging on the one hand and discouraging on the other. The most graphic example of this, which hit us hard in western Canada, was that for years tours operators or tour companies in British Columbia, Alberta and other western Canadian provinces spent thousands of dollars advertising in Japan the beauties of western Canada—the Rocky Mountains, the Columbia icefields, salmon fishing, steelhead fishing, skiing and all other great attractions in western Canada. They spent megabucks sending four-colour pictures all over Japan. As a result everyone in Japan understood and instantly knew something about the beauties of western Canada. All one would have to do is ask a Japanese tourist why he came and he would say that he came to see western Canada. The tour industry built that trade to the extent that there were 60,000 Japanese per year visiting western Canada, 25,000 of whom were going by train from Vancouver to Edmonton on VIA Rail, so much so that every train was filled to capacity all summer. There were bookings ahead of time and full capacity for those trains.

What happened in 1981? Suddenly there was the announcement by the Minister of Transport cutting VIA Rail service between Vancouver and Edmonton with not so much as a by your leave. The travel industry had spent thousands of dollars, probably hundreds of thousands, in other countries to advertise the Canadian tourism industry and suddenly, in one fell swoop, because of the policy of the Department of Transport it was cut out. Approximately 2,000 travel agencies across Canada had done a great job of promoting land cruises across the country, and government departments worked against them. That one decision on the part of Transport Canada cost the travel industry, the Jasper industry, something like $40 million. It was estimated that those tourists would spend $2,000 apiece, so a conservative estimate of 25,000 people travelling VIA Rail would be $40 million to $50 million. What kind of impact did that have on Jasper, Edson, Hinton, Edmonton, Tête Jaune, Barrière, Clearwater, Blue River, all those places along the CNR roadbed.

A common denominator in the tourism industry is that many of those businesses are family businesses, small businesses. All the money of the families is invested in those businesses, and all of them are in jeopardy. It is their own money and their own employment. In one fell swoop the Government threatens every family livelihood in that industry. One of ten people in Canada works in tourism. If we extrapolate what that one VIA Rail decision did to British Columbia and Alberta, with absolutely no consideration for the investment the tourism industry had already made in other countries, we must conclude that the Government has absolutely no consideration at all for people dynamics and how decisions are made within each family planning a vacation. It would not so much as consult another Department in order to see what impact such decision would have upon the industry. I say to you, Mr. Speaker, that if the Government wants to help the tourism industry which has a $2.3 billion deficit, the first thing it needs to do is to look at the interdepartmental decisions which are made and see what impact a decision of one Department has on another Department.

• (1530)

That leads me to the consideration of the current talks on deregulation. I will not deal with that subject in depth. those hearings are going on right now and none of us are fully informed of the impact that that will have on the country. However, I do wish to say that as long as the Minister keeps making statements like those he made in the House yesterday and those he made on camera throughout the previous week, he will create an atmosphere of insecurity within the entire industry.

Insecurity is something which the business sector cannot stand. It may be that certain areas of the industry may some day have to be deregulated, but I do not know. However, the first thing the Minister ought not to do is to shoot his mouth off all the time so that the travel and tourism industry and the airline industry become nervous. The second thing he needs to do with respect to deregulation is to make certain that whatever decisions are made regarding deregulation will not affect air traffic safety. He must see that passengers will feel secure no matter what happens to the airline industry.

As I said before, it is important that the business community feel a sense of security that allows it to plan. As has already been illustrated by Via Rail, one of the things the Government does best is to give the business community the impression that it does things on impulse. The business community does not know where it stands any longer relative to government decisions.

I say to you, Sir, that if tourism is going to prosper, the Government must first understand how people feel. It must understand that people from other countries are under no obligation at all to spend their hard earned money in Canada. If we want people from Japan, the United States and the United Kingdom to spend their dollars in Canada, we must

make them feel as though they were at home and we must make sure that it becomes profitable for businesses to make them feel that way.

As well, Canadians are not obligated to spend their money here in Canada. It is easy enough for Canadians to go to the United States and spend their money there. The fact that our dollar is now worth about 78 cents American does not seem to stop Canadians from going south of the border, particularly when they can save 30 per cent on a tank of gas and when hotel and food bills are cheaper because taxes are lower. We need a Government that understands these kinds of dynamics and does not implement one policy to encourage tourism and then implement another one to discourage it.

Those of us who live in western Canada enjoy the beauties of our area just as those who live in every other sector of the country enjoy the peculiar beauties of their own areas. We in the west do not particularly appreciate the fact that the Government institutes the kind of policies which make ti difficult for people to come and visit us. Tourism is good for the health of the nation and is good for mutual understanding. I trust that the Government will do something to give Canadians and the tourist industry the understanding that we are for them rather than against them.

Mr. Harquail: Mr. Speaker, I wish to congratulate the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen) who, in his usual fashion, has delivered a very eloquent speech on a very important topic. Tourism is a big business in Canada. He talked about some of the elements of tourism which affect western Canada. However, I am wondering if he would be prepared to elaborate further.

Earlier today, we were speaking of some of the celebrations which are going on in Canada. In Newfoundland, there is the re-enactment of the first Viking landing. There are celebrations in Yellowknife, and New Brunswick is celebrating its bicentennial and the visits of His Holiness, the Pope, and Her Majesty, the Queen. In Quebec, there is a celebration called "Tall Ships", and there is a program which the Minister responsible for tourism has implemented called "Canada, What a Country". There will be many celebrations and festivals in my own home province, including the "Bon Ami Week" at Dalhousie.

I wonder if the Hon. Member would be prepared to tell us about his impressions of Expo '86 and the preparation and planning which are going into this major event that will draw many, many people to Canada and certainly to his own constituency.

Mr. Friesen: Mr. Speaker, the Hon. Member has overlooked the fact that I did not read my speech. I wish he had complimented me for speaking strictly from notes.

I do welcome the Hon. Member's question. First, I wish to point out to him that I am a westerner and I am not as familiar with Central Canada as I would like to be. However, I believe that the federal Government was not very generous toward the United Empire Loyalist celebrations in Ontario. I recall some of my colleagues making representations on behalf of constituencies in which such celebrations were taking place and getting short shrift from the federal Government.

All of that aside, Sir, I know that these kinds of investments are being made. The Hon. Member did not mention the Jacques Cartier celebrations and a great many others. What I was trying to tell the Hon. Member is that it does not matter how much money is invested in such celebrations if, on the other hand, people are discouraged from coming here. People hear about all of these great things. They want to come here and are encouraged to come here, but when they get here, they find out that they cannot afford to stay. With the one hand we give and with the other we take away.

Let me conclude my remarks by referring to Transpo in Vancouver. I am glad that the Hon. Member reminded me of that. Earlier this afternoon, I heard the Hon. Member for Mississauga North (Mr. Fisher) expounding on the greatness of the Trillium Centre in Mississauga. He wants federal support for that. B.C. Place was built with British Columbia money, not with federal money. B.C. Place is doing a very good job, thank you. The fact is that some federal money is going into Transpo. One of the things this project did was to invest British Columbia and federal money in a transportation system that was developed in Ontario. As a matter of fact, Vancouver is pioneering the use of Ontario transportation technology in Canada. They have not been able to sell that technology anywhere else but British Columbia is taking a chance on a Canadian product. We are spending good provincial and federal dollars to bring that transportation system to Vancouver.

Mr. Harquail: Mr. Speaker, I suppose I should not be surprised to find that it is difficult to get a positive reply from someone to your left. We know of the doom and gloom tactics and the negative positions of most Tory members. However, I was hoping that this particular Member would show me some consideration. Instead, he went off the topic to speak about the time when I gave a speech and was referring to facts and figures. At that time, he was upset about a document to which I was referring. It was my right and indeed my privilege to refer to that document.

I was stressing the point of federal contributions to the provinces. With respect to the bicentennial celebrations in my own province, federal contributions will be $2.5 million this year. The province will contribute an equal amount of money, making a total of $5 million. We know of the millions and millions of dollars that go into facilities such as the ski facilities in our own area.

• (1540)

The Hon. Member talked about the dynamics of the Minister of State for Small Businesses and Tourism (Mr. Smith) who has spent an awful lot of energy touring the country trying to get people to come on side with this promotion of Tourism Year 1984. As a Member from the west, would he join the effort to attract more Americans to our country? Would he comment on the number of Americans who visit his

province? I am sure they must come in very great numbers because of the devalued dollar.

Mr. Friesen: Mr. Speaker, a report entitled "The Last Straw" says that the Sherbrooke Tourist and Convention Bureau indicated that as many as 35,000 tourists and 12,000 convention visitors coming to that area each year arrive on "The Atlantic". That is the VIA Rail train which is being cancelled, which is a tragedy.

I would say to the Hon. Member for Restigouche (Mr. Harquail) that I am happy about the investment of tourist dollars and I am glad of the celebrations. There will be a large native Indian celebration in Ontario next September and I want it to succeed. All I am saying is that you cannot make things succeed if you make them counterproductive at the same time. If we encourage all these celebrations and then make it difficult for people to enjoy themselves, things will not work. Much as we want to entice them, people do not have to come here.

Even with the devalued dollar Americans do not come to Canada as much as they used to. Those who come generally live within 150 miles of the border. An RV vehicle gets five or six miles to a gallon of gas, at $2.25 per gallon. Those vehicles do not get good mileage through the mountains. The visitor knows that of that $2.25, two-thirds is taxes. That is not a good way to encourage tourists to come and see this country. It is the reason that the number of visitors from other lands is decreasing and also that Canadians keep going south. That is too bad, Mr. Speaker.

Mr. Deputy Speaker: I gather that there are no further questions or comments. Before proceeding to debate will Hon. Members allow the Chair to refer to Standing Order 15(1), which provides that the Speaker shall preserve order and decorum, and also to subparagraph (3) which provides that when a Member is speaking, no Member shall pass between that Member and the Chair. I should like to draw to the attention of the House that since the resumption of the debate this afternoon, eight Members, including one Minister, have passed between the Hon. Member who had the floor and the Chair. I have no choice but to apply the rules of the House and I seek the co-operation of all Hon. Members in respecting that particular rule of decorum.

Mr. Maurice Dupras (Labelle): Mr. Speaker, I agree with you. I think we should do our utmost to preserve the traditions we have respected so long in the House of Commons. I hope no one crosses while I am on my feet.

[*Translation*]

Mr. Speaker, I am very pleased with this opportunity to speak to the motion concerning the tourist industry, moved by my hon. friend from Halton (Mr. Jelinek), and in the twenty minutes I am allowed, I shall try to explain, in my own words, how we should interpret a deficit of $2.1 billion for 1983.

There are a number of reasons, Mr. Speaker, but there is one very simple reason, for instance, for the loss of about $600 million, and it appears in the report published by Tourism Canada. In the last report, according to the latest figures available which are for 1981, 10,000,968 Americans visited Canada and spent an average of $169, while 10,000,000 Canadians, so not quite as many Canadians, spent a much higher average per person, namely, $230. This works out to a difference of $600 million for 1983. Of course there are other reasons, Mr. Speaker, and I shall try to correct the assumption that these reasons are the cause of the Canadian Government's failure to improve tourism in Canada.

First of all, we see that although, in 1981, international trade dropped by 1 per cent, tourism increased by 1 per cent. Here we already have a difference of 2 per cent, which shows the vitality of the tourist industry, because although all other industries connected with international trade showed a drop of 1 per cent, the tourist industry showed an increase of 1 per cent, and income from international travel increased by 16.2 per cent annually over the last few years.

Mr. Speaker, this proves tourism is alive and well, and how important it is to Canada. In Canada, the tourist industry employs 1.2 million people four times as many as the construction industry. The latter industry is often taken as an example of one of our vital industrial sectors, and so it is, because of the materials it uses and the economic impact on other industries such as furniture and carpet manufacturing, to name only a few. However, tourism employs four times as many employees and twice as many as agriculture ranking second right after the manufacturing sector. It provides jobs for workers at all levels of skill and in all parts of the country. According to Statistics Canada, between 1979 and 1981 tourism had outstripped forestry, manufacturing, construction and trade with the number of new jobs provided, which demonstrates the vitality of this industry.

The amount of foreign currency generated by the tourist industry exceeds that generated by oil exports, which will come as a surprise to many. People used to think that Canada's oil industry, that is, crude oil, was a major industry, but tourism comes first in generating foreign currency. Unfortunately, although it is not the case throughout the country, I must be critical of the present provincial Government, since a large part of the deficit Canada is showing is due especially to poor administration by the Government of the Province of Quebec. While tourism is showing increases, in terms of the number of jobs created and expansion of business in all provinces, ranging from 5 per cent to 10 per cent, the Province of Quebec is on the low end of the scale, although other industries in Quebec showed a drop of only 0.2 per cent and this was 2.1 per cent in other provinces. In the Province of Quebec, compared to all other industries, growth in the tourist industry, was only 5 per cent. In Ontario, for instance, this figure was 6.7 per cent; in British Columbia, 7.9 per cent; and in Alberta, 10.1 per cent. In Quebec, it was only 5 per cent.

• (1550)

Now let us look at some of the reasons why the tourist industry in the Province of Quebec is not doing as well as in the other provinces, despite the fact that Quebec is probably closest to the largest population centres in North America, if we consider Toronto, Ottawa, New York, Boston, Philadelphia, and so forth. One of the major reasons why the tourist industry in Quebec is not doing as well as it should, is that it costs $3,084 to create one job in the tourist industry, while in Ontario, it only costs $2,077. Only Alberta has higher figures for the cost of creating jobs.

Let us we compare now the performance of other provinces to that of the Province of Quebec as far as the tourist industry is concerned. In New Brunswick the industry is growing steadily and represents 5.7 per cent of the province's total industry, while in the Province of Quebec, this figure is only 5.4 per cent.

If we look at what is happening in the other provinces, the Province of Ontario, which certainly does not have twice the population of Quebec, does have more than twice the gross income from tourism, namely, $8.9 billion, while in the Province of Quebec, this figure is approximately $5.2 billion. In Ontario, tourism accounts for 6.3 per cent of the total industry, while in the Province of Quebec, it is only 5.4 per cent. And so it goes across Canada. Although Quebec has so many advantages and natural beauty spots to offer, it happens to be the province where the tourist industry is the weakest.

In the next few minutes, Mr. Speaker, I would like the House to consider the main reasons for this very serious situation. First of all, let us consider the harassing measures introduced by the present Quebec Government in recent years. My colleagues may recall the introduction of Bill 101, Bill 17 and Bill 43, as well as higher taxes—much higher where gas is concerned. The excise tax on liquor is much higher than the Canadian average. Municipal taxes are in many cases higher than all taxes levied by other provinces.

A few years ago, figures showed that the annual tax burden per room and per year for a hotel like the Queen Elizabeth in Montreal was $1,800. The hotel had to pay, per room and per year, a total of $1,800 for all kinds of taxes: municipal taxes, school taxes, property taxes, liquor taxes, taxes on bar licences, dining rooms, etc., while for the competition in the industry—and I am referring to the tourist industry in Boston or Philadelphia or Vermont or Niagara Falls—the total tax burden was from $300 to $800, which in many cases meant much less than half the tax burden on hotels in the Province of Quebec. Bill 101 ... Obviously, people who are going to turn their backs on the Province of Quebec as an interesting place to visit are not going to write to the Quebec Department of Tourism or its Canadian counterpart to explain: "I am sorry, but the last time we went, we had to stop quite often to ask for directions because there were no signs in our language ... And if you think only French Canadians live in the Province of Quebec and those are the only people you care to have, we intend to go elsewhere."

This is probably why, Mr. Speaker, the figures for Ontario, which I gave earlier, show a much better performance in the tourist industry. While in Ontario, as I said earlier, the industry accounted for almost $9 billion, or $8.9 billion, to be exact, in Quebec the figure was barely $5 billion. Almost half!

I hope that the future Liberal Government of Mr. Bourassa will correct the injustices caused by Bill 101 and repair the damage done to the tourist industry in Quebec.

Mr. Speaker, Bill 43 is sheer nonsense because it will force the tourist industry to pay higher salaries to its workers and to those who receive part of their salary in tips. The whole industry will be in turmoil because some employers will have to increase pay rates for their staff, and then turn around and fire some of them, with the ultimate result that tourists will no longer have the first class service to which they are entitled. That is one of the difficulties.

So now we have a new Minister, the MNA for the riding of Prévost which I know is tourist-oriented, because I live there. I hope that the new Minister will heed the representations which will be made to him, to the Government and to his predecessor by the people who work in the tourist industry. I hope that those people who work in the restaurant industry will be able to convince the Minister and the PQ Government that this Bill will create many problems for the tourist industry. And the same thing goes for Bill 17, Mr. Speaker. Under that legislation, restaurants and hotels would have to close their doors if a handful of unionized workers were to decide to go on strike, because even the owner, his wife and their family are prohibited from providing services while employees are out on strike. There is increasing talk about more restaurant employees being forced to join unions, so it is altogether absurd to introduce such a Bill at a time when unemployment is rampant in the Province of Quebec.

Let us talk about other taxes of every kind and every description. A tax has been imposed on clients which come mainly from Montreal and are on their way to the Laurentians. In addition to gas taxes which are much higher than anywhere else in the rest of Canada, they now have to pay on average no less than $4 or $5 every time they use the roads. It is the only region in Canada where people are so harshly penalized and have to pay to drive on highways.

Mind you, if the Laurentian Autoroute was a paying proposition because of the tolls collected, others could be turned into toll roads. Unfortunately, despite its high tolls, the autoroute is always in the red because the accounting and the institution established by the provincial Government have made it impossible to write off the outstanding debts of the Régie des autoroutes. Quite simply, one has to admit that the operating costs take up a major share of revenues.

For several years, in fact from the day our expressways were built, my colleague, the Hon. Member for Laval (Mr. Roy) has been reminding the population, as he did last Monday, that Autoroute 13, for instance, was built with the help of a very low interest loan of $100 million and a grant of $30 million which were provided to assist the Province of Quebec in building this part of the expressway because there was no parallel road. If there were an alternative route,people who do not want to pay a dollar to travel this short distance of thirteen miles or twenty kilometres could use it. However, there is no highway parallel to Autroute 13. There is Autoroute 17 or 117, which is former Highway 11 and which runs along Autoroute 15 between Montreal and Sainte-Agathe. However, there is no road parallel to Autoroute 13, and if you want to get home the fastest way, you will just have to pay the toll. This is totally unacceptable and I hope that the pressures which we have all brought to bear in recent years, especially my colleague from Laval, will convince the Quebec Government of the stupidity of these tolls which impede the development of the Lower Laurentians economy and tourism industry.

Other difficulties, Mr. Speaker, complications and annoyances are created by the Quebec Government whenever agreements are to be signed to help the industry. As I recall, the only business related to the tourist industry receive assistance under a shared cost program with Quebec was the Mont-Tremblant resort. This happened because at that time it belonged to the Caisse d'entraide économique whose management had probably prevailed upon the then Member for Labelle, Jacques Léonard, to get going and take action. However, we were not able to sit down with the provicial government and bring it to signing agreements to promote tourism in my constituency and in the Labelle area. Yet, I believe that there is a very great need for federal-provincial cooperation in Quebec to develop the tourist industry because we already have all the natural resources required for it.

• (1600)

Mr. Speaker, I would not want to create the impression that the Hon. Member for Halton is completely wrong in applying to the Canadian Government and that tourism is purely a matter of provincial jurisdiction. The previous speaker, who is from British Columbia, is well aware that his province has some responsibility. However, it is shared by the Canadian Government. For the last three or four months, I have been trying to urge, first my constituents and then the Municipal Boards, the Chambers of Commerce and various community groups to press the Government to restore the Montreal-Mont-Laurier rail service. This 150-mile corridor is just as important to us in the Laurentian region as is the Windsor-Quebec corridor and for very much the same reasons, as it is the busiest transport corridor in northeastern North America, I do not mean in Canada only, but in the whole northeastern part of North America. You only have to travel on the roads north of Montreal to Mont-Tremblant or Saint-Jovite over the weekend to realize how many thousands of cars travel this road. The thousands of letters I have received and the resolutions by municipalities and Chambers of Commerce, have convinced me more than ever of the importance of a modern, rapid, reliable and comfortable rail service because, people who have been deprived of this service for four years, are now discovering how essential it has been since 1902 to the development of the region and how important it will be in the future. Young people who do not have a car or week-enders who want to travel cheaply must rely on the train to go to the Laurentian skiing resorts. In any case rail travel is faster and safer than cars since bad weather and snowstorms do not affect rail service as much as it does the highways.

There are other areas where the Canadian Government could make a contribution. I am thinking for instance about domestic air travel. Tourists in an increasing number are coming from South-East Asia and Japan and also from the Philippines and Malaysia, but most of them only visit Western Canada, specifically Alberta. Most of them never travel eastward. I suggest that if we made it possible to travel more cheaply to Central Canada or even Eastern Canada where you live, Mr. Speaker, by lowering airfares, people from Western Europe could travel to areas in Western Canada, while people from the Middle East and the Orient could visit areas in Central Canada. This is a matter which comes under federal jurisdiction Mr. Speaker, something we could not therefore blame on provincial governments. The Government of Canada should deal with this serious issue and try to find ways to encourage tourist exchanges between the regions.

There is another problem which is becoming increasing more urgent... Mr. Speaker, I am aware that the time allotted to me is about to expire, but I hope my colleagues will allow me to touch upon it, namely, the problem of acid rains, which undermines our tourist industry by lowering the quality of our water and waterways, as well as destroying our forests. This is very serious, Mr. Speaker. One can see that Western Europe countries are much more aware of the miseries and problems this could bring to Canada. I hope our neighbours south of the border will spend a little less money to wage wars in Central America and a little more to fight and eliminate acid rains originating from the central and Northeastern parts of their country.

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member, but his time has expired.

Mr. Dupras: Could I go on for a few minutes?

[*English*]

Mr. Deputy Speaker: The Hon. Member seeks unanimous consent to continue his remarks. Is there unanimous consent?

Mr. Jelinek: Mr. Speaker, I appreciate that what the Hon. Member is saying is of utmost importance. However, we have a great number of Members who want to contribute to the

debate as well and therefore, regretfully, I cannot give unanimous consent.

Mr. Deputy Speaker: There is not unanimous consent so we will proceed with questions or comments. If there are none, we will proceed to debate.

Mr. Mel Gass (Malpeque): Mr. Speaker, I am very pleased to have this opportunity to speak on what is our second Opposition Day debate on tourism. Less than a year ago this Party, trying to raise the tourism profile in Canada and trying to impress upon Canadians and the Government the importance of tourism, used an Opposition Day to do just that. Since that first day back in April of 1983, the Conservative Party and caucus received many favourable responses to our efforts from the provinces and from many tourists and businesses. In most of those responses people shared the sentiments we expressed. They agreed the Government has neglected tourism over the past few years. They urged that tourism be treated more as a business than as a source of revenue for the federal Government. Most people expressed feelings that the Government does not understand the industry and has paid only lip service to the tourist operators.

In particular, Mr. Speaker, one businessman related tourism to the story of Cinderella. We, the Conservative Party, could be the prince after the next election who finds Cinderella and puts the industry in the perspective it truly deserves. We intend to make the country aware of the importance of this industry to job creation in Canada.

We received many letters congratulating us on our efforts in proposing and debating the Opposition Day motion on tourism, and they suggested ways in which we could improve the industry. I feel that our Opposition Day was a success in that it raised the industry's profile in the eyes of many people. Unfortunately, it did not do so in the eyes of the Government. Today, Mr. Speaker, we are here once again to discuss the importance of the tourism industry to Canada's economy.

As I said, I am very happy to be speaking to the motion which the Hon. Member for Halton (Mr. Jelinek) has put forward, condemning the Government for its inattention to the industry and for allowing Canada's tourism deficit to grow to $2.1 billion, thereby creating a loss of well over 100,000 jobs. The industry employs over 1.14 million people, and one of every ten workers in Canada is employed by the industry, directly or indirectly. The industry is an important employer of people because it provides jobs for both skilled and semi-skilled workers. Tourism is not just an industry found downtown in the middle of large urban areas. The tourist industry employs people in the far-flung corners of the country, out in the rural areas where there are no other types of employment. That is another reason why the industry is so vital to the rural areas of the country.

• (1610)

The tourist industry is very labour-intensive. Due to the fact that this industry is such a major employer of people, I would like to review the industry's travel statistics for 1983. In 1983, the travel deficit for tourism increased by 57 per cent from 1982. It went from $1.3 billion in 1982 to $2.1 billion in 1983. As I said before, Mr. Speaker, this translates into well over 100,000 jobs lost to the people of Canada. At a time when unemployment has reached extremely high proportions, these 100,000 jobs would certainly have been welcome to the unemployed people sitting at home unable to find jobs.

The total number of visitors travelling to Canada from the United States was 30,892,433. This was up only .6 per cent from 1982. In terms of automobile travel, the statistics were the same as for 1982. Plane travel from the United States was down while bus travel was up 8.7 per cent, as were other modes of transportation. The number of visitors from the United States was not up significantly from 1982, even though their dollar is worth much more than the Canadian dollar. There is a real asset in their dollar compared to ours. They have a bonus in coming to Canada and spending their dollars here. However, they are not doing that.

The number of people travelling to Canada from other countries as well was down a whopping percentage from 1982. This drastic decrease in travel from other countries certainly shows the neglect that Canada's advertising is receiving abroad. Foreigners have the perception that Canada is an expensive country to visit. The high costs involved in visiting Canada are driving people to vacation in other areas. This is the fault of over-pricing which has occurred due to the high taxes and prices induced by the federal Government as well as other governments.

The number of Canadians travelling to other countries is a very different story. The percentage of Canadians visiting the United States is up 17.5 per cent from 1982. This increase means that Canadians are not staying in Canada for their vacations, even though they are paying extra money to visit the United States where the exchange rate is 25 per cent to 28 per cent. They have to pay an extra 28 cents on every dollar to visit the United States. One reason for this is that Canadians cannot afford to travel within their own country. Another reason is that many are not aware of the potential for travelling to destinations in Canada. This is the fault of the federal Government. It has increased taxes, raised prices to a level where people cannot travel in Canada, and cut back on the advertising costs over the years. The number of Canadians visiting the U.S. by automobile is up by 20.7 per cent from 1982. Bus travel is up 3.4 per cent. Other forms of transportation are up 13.7 per cent. The reason for this is the low cost of gasoline, accommodation, food and alcohol in the United States as compared with that in Canada. All these factors are taken into consideration by people planning vacations.

The first thing you must do on a vacation is to fill up the car with gas. If it is cheaper in the United States, why not travel there? The next thing is to choose accommodation. Mr. Speaker, if you have travelled in the United States and parts of Canada you will know that accommodation in the United States is somewhat cheaper than in Canada. The next essential item is the cost of meals in restaurants. In Canada the cost of eating in most restaurants is higher than in the United States.

The federal tax heist on meals definitely adds to the cost and takes the enjoyment out of dining out. The cost of entertainment in Canada is much higher due to the federal Government's increase in the cost of alcoholic beverages.

Through the federal tax on gasoline and increases in the cost of alcoholic beverages, food and food production, the Government has increased the overhead for tourist businesses to a level where the operator must charge so much to cover his costs that he is pricing himself out of business. All governments must realize that the tourist industry is not a bottomless well filled with money for governments to do with what they will. Governments must realize that because of their ever increasing demand for taxes and their practice of continually increasing taxes on tourism, they have been dipping too deep into the well and now find that the well has been bailed dry.

Governments have siphoned off billions of dollars of revenue from the industry. In 1982, Mr. Speaker, the revenue from tourism in Canada was $16.5 billion. Governments siphoned $8 billion in taxes off the industry. Almost 50 per cent of the revenue from tourism went directly into the coffers of governments. The industry quite simply cannot stand the excessive drain caused by the over-taxation of the industry. For much too long governments have been looking at the tourist industry as a source of revenue. Every time more money is required by governments for their programs and policies they tax tourism for the dollars they are looking for.

The industry must be allowed to retain more of the revenue it generates. The industry requires money to revitalize itself, to upgrade its facilities, and to provide an ever improving product. In today's society customers are expecting higher standards and better service than ever before. It is about time that governments took steps to rectify the damage they have caused to the industry. I believe it is a lack of government understanding and co-ordination between Departments which has led the tourist industry to the state in which it is today. Government decisions are often made without regard to their implications in the travel industry. Unfortunately we have many examples of this.

I would like to deal with the role of governments in helping the industry and to discuss the obvious lack of co-ordination between government Departments, which has had a negative effect on the industry over the last few years. To do this, Mr. Speaker, I must impress upon you the importance of the industry to Canada and look at the problems which have developed due to the lack of co-ordination between government Departments. I am now speaking specifically about federal government Departments.

This morning we all heard a prime example of a government decision to cut back VIA Rail passenger service between Vancouver and Jasper. From talking with tour operators in British Columbia I know that we lost millions upon millions of dollars of Japanese business because of that one simple decision by the Department of Transport to cut back VIA Rail Service without any thought whatsoever to how it was going to affect tourism. We lost $40 million in the Japanese traffic alone. We lost $10 million in the small community of Jasper, Alberta. We simply cannot continue to have one government Department making decisions which affect the industry of tourism so adversely.

I will give you another example, Mr. Speaker. For years preceding 1982, Prince Edward Island was advertising and promoting itself as the world centre for the giant bluefin tuna. We were getting to the point where people were recognizing us as the world centre for giant bluefin tuna. We were catching bluefin tuna as big as 1,500 pounds. We had a quota of 673 bluefin tuna in the Gulf, I believe. However, there was no specific quota set for the sports fishery. Whenever the 673 tuna had been caught the season was closed. The very day that someone got off an airplane in Charlottetown from South Africa, the quota was reached and the season was closed.

Can you imagine, Mr. Speaker, what that did to the hundreds and thousands of people whom we were trying to influence to come to P.E.I. to catch tuna? Can you imagine what that person told his friends when he went back home after spending thousands of dollars to come to P.E.I. to catch the big bluefin tuna and arriving on the day that the season was closed? The Department of Fisheries unilaterally cut off the season. There goes another sector of the industry of tourism on P.E.I.

I will give you another prime example of how a Department of the federal Government can adversely affect a sector of the industry. In 1975 CN Marine decided to raise the price for recreation vehicles. It raised the price to 44 cents a foot. That price, compared to the charge of 14 cents a foot for a commercial vehicle, is definite discrimination against the tourist industry. As a result, 25 per cent of the camping grounds in P.E.I. that were in business in 1975 are closed. No sensible person would pay three times the charge for a recreational vehicle as compared to that paid for a regular commercial vehicle. They would not do it simply as a matter of principle.

• (1620)

All of the camping grounds that are still operating in Prince Edward Island have reduced their staff and most have reduced the hours that the remaining staff works. Hundreds of jobs have gone down the drain because of an isolated decision made in one Department of Government without any consideration at all for the implications it would have on the tourist industry.

We must do something about the conditions in the federal Government and its Departments. There should be co-ordination between the Departments so that they know beforehand whether a decision by one Department will adversely affect the tourism industry.

Our Party believes that a co-ordinated effort of this kind is necessary if the tourist industry is to be brought back to where it should be. We advocate that there be someone in each federal government Department to scrutinize what is happening so that he can warn people who are making a decision that it may affect tourism and costs hundreds of thousands of jobs and therefore should be reconsidered. We believe very strongly in this approach and propose that the Government consider

this action. Hopefully we will form the Government after the next election and we will look at that matter very seriously.

Canada has become grossly over-priced as a tourist destination. As of last September first, the federal Government increased the federal excise tax on tobacco by 15.8 per cent and on alcoholic beverages by 13.3 per cent. These increases triggered a number of increases throughout the distribution system, such as provincial taxes and mark-ups, leading to a net increase in the case of alcoholic beverages of about 8 per cent at the retail level.

I am not advocating that the Government should not be taxing alcohol and tobacco or that people should be consuming more alcohol or tobacco, but we must realize that when a tourist is away on a vacation he or she wants to sit down, relax and have a glass of beer or a glass of wine. We must bear in mind that the ever increasing taxes on these items are affecting tourism adversely.

Those increases in the price of alcoholic beverages have also affected Canada's struggling hotel and restaurant business and made them even less competitive than they were. We know that they are not competitive with the same type of business in the United States. Before last September's increase in the excise tax on alcohol, the cost of liquor to restaurants in New York State was equal to only three-quarters of the cost to Ontario restaurants. This is another example of the ramifications that such thoughtless government decisions have on the tourist industry. It certainly proves that there is definitely a lack of attention given to the effect that a decision made in one government Department has on another sector of the industry in Canada.

Through these discussions in the House today we hope to raise the profile of tourism and help Canadians understand it, appreciate its value and demand that the Government pay more attention to tourism to help create the atmosphere in Canada that will allow Canadian businesses to become competitive with their closest neighbour to the south.

We have a gold mine on our southern border. There are 250 million Americans who would love to come to Canada and spend some time here in a relaxed atmosphere. They would like to come to some of our beaches in eastern Canada, do some salmon fishing and so on. I know why they are not coming here as I am sure you do also, Mr. Speaker. I believe you come from a part of New Brunswick where tourism is important. We both know that the underlying problem with tourism in Canada is the over-taxation of the industry. The industry is paying far too much of its revenue to the Government and there is not enough left to keep the industry up to date and competitive with the rest of North America.

I have much more to say but my time is almost up. Again, I want to make the point that the tourist industry in Canada is one of our most important industries. It is labour-intensive and employs millions of people. We must do everything we can on our part to make sure that it receives the attention it deserves.

Mr. Deputy Speaker: Questions, comments and answers? Debate.

Mr. Al MacBain (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, I would like to compliment the Member from the beautiful Province of Prince Edward Island on his remarks. I would invite all Canadians, as he did indirectly, to visit that province, especially in the spring, summer and fall.

I would like to thank the Hon. Member for Halton (Mr. Jelinek) for his motion. I am sure that he will understand that I cannot agree with the direct thrust of the motion, but it serves an important function in allowing us to bring to the forefront the importance of tourism to such places as the Niagara Falls, the Atlantic Provinces and the City of Toronto, which many Canadians do not realize is a great tourist city. I think the Hon. Member for Halton would agree that many of our American friends are more aware of the advantages of visiting Toronto as tourists than are some of us in Canada, unfortunately.

Of course, it is easy to blame the federal Government for the tourist deficit. As well, it is easy to blame the provincial Government indirectly for reasons that have been expressed by previous speakers. I am not here this afternoon to say that there is no blame to be placed on either the federal Government or the provincial Government of Ontario. I know that problems have arisen in the tourist industry as a result of government taxes on alcoholic beverages at the provincial and federal levels. I agree with many of the previous speakers that we cannot go on increasing the taxes, no matter which government does so, without realizing that it will have a detrimental effect on the tourist industry.

● (1630)

Of course, there is another problem when you come to the deficit in the tourist industry in Canada. We live in a free society, which we are pleased to do. This means that to a great extent we do what we want to do. Many of us are snowbirds, as they call us in North and South Carolina. Many of us like to go, and in fact to go to areas south of the border where the winters, to say the least, are less harsh. Perhaps there is not much that can be done about this situation in a country as affluent as Canada. I do not know whether we should try to do anything about that aspect and its detrimental effect on the tourist industry.

There are similar areas where we can do something. I do not want to go into them in detail. For example, many Canadians go outside of Canada to ski. This is not the same as the snowbirds. Perhaps I can say that because I have reached the age where it is a little difficult for me to go downhill skiing. We have in Canada, in Ontario, British Columbia and Quebec, some fine ski areas.

Mr. Lewycky: Even in Manitoba.

Mr. MacBain: I should have mentioned Manitoba. There are beautiful downhill ski areas in Canada. I must admit that many of us forget that when we see a beautiful coloured photograph of the Alps. We tend to say to our wives and our families that next winter we should possibly go to the Alps to

ski. It would be very helpful and just as enjoyable if we went to the world-famous ski areas within our own borders. This would help our tourist industry. I have not given the same caveat to those who, after 10 or 11 months of hard work, find it necessary to have some extra sun, sand and warm water.

Federal and provincial governments and our tourist organizations can and must do a better job of educating Canadians to vacation in Canada, not necessarily in the provinces in which they live. Some of our provinces are so large that one end may be completely different from the opposite end. That difference may be sufficient for most people to enjoy on a vacation.

What is wrong with someone from the Atlantic provinces deciding to visit the beautiful western provinces, or vice versa? Someone from Ontario may want to visit La Belle Province to see beautiful Quebec City, the Plains of Abraham, the St. Lawrence River and to enjoy the food for which Quebec is famous.

This is the kind of educating we have to do. We who have the honour and privilege of travelling from province to province and talking to the people can pass the word that there are many beautiful spots in Canada, most of which many of us have not yet seen. I have conceded that federal and provincial taxes on wines and other spirits have been a detriment to the tourist industry. As the Member of Parliament for Niagara Falls, one of the most famous tourist cities, I have nothing to say further on that other than that it does play a part. Hopefully our Governments will consider reducing taxes or not adding to them each year. You get the same net amount of tax if more tourists come to Canada and more Canadians vacation here.

Tourism is important to all Canadians. Someone who operates a motel in Niagara Falls understands the importance of the tourist industry. Someone whose job it is to get people to come to the theatre in Charlottetown, P.E.I. knows that you require more than a local audience. Therefore, you try to encourage tourists to visit, particularly Canadians. Canadians love to visit the Atlantic provinces.

Tourism is important to Canadians in general. It means one million jobs for the heads of households, wives, sons and daughters. Very often jobs in tourism help students get through college and university. Earnings in the tourist industry amount to $16.5 billion per year, or 5 per cent of our Gross National Product. More than 100,000 businesses, large and small, are involved in Canadian tourism. That is an important segment in a small country of 25 million, more or less.

Tourism has a great potential for growth. Before planning extravagant visits to Europe or portions of the United States far from home, Canadians should decide to see Canada first, something I strongly advise.

The side effects of tourism are extremely limited. It is a renewable resource. There is no, or very little, environmental damage caused by tourism. Unfortunately, tourism is an international industry. The Rockies of Alberta and British Columbia must compete with the mountain ranges of the world. The coastlines of Newfoundland, Nova Scotia, New Brunswick and P.E.I. must compete with other coastlines in the world for the tourist dollars.

Niagara Falls must compete with the beautiful Victoria Falls in Africa. The tender fruitlands of Niagara-on-the-Lake in my riding must compete with the tender fruitlands of Penticton, Georgia and California, just to mention the North American continent. We can see that tourist attractions of the world are under great pressure to be competitive. We must continue to be competitive if we are to increase our share of this world-wide industry. As I suggested in my opening remarks, the motion of the Hon. Member for Halton gives us an opportunity to explain to our fellow Canadians the importance of the tourist industry.

● (1640)

In the Niagara Falls area we have the beautiful falls and 32,000 acres of parklands maintained by the Niagara Parks Commission. Niagara-on-the-Lake is the home of the first capital of Upper Canada. It is there for Canadians to enjoy. Americans by the thousands are discovering the City of Niagara Falls and Niagara-on-the-Lake. Approximately 12 million visitors or a number equal to about half the population of Canada visit my riding each year. Many of those tourists are Canadians and many are world-wide travellers. When visiting Niagara-on-the-Lake, not only can they enjoy the beauty of this quaint town, but they have the Shaw Theatre which offers productions of world-wide quality.

As I said, this motion gives us an opportunity to reflect upon the importance of tourism even though we are not directly involved in it. What is the use of the federal Government, various provincial governments and tourist associations, spending hundreds of thousands of dollars promoting tourism if Canadians in general are not supporting the industry? I am speaking in support of the hospitality aspect. Whether serving a beverage in a hotel or motel, whether driving a bus, whether clerking in a giftshop or running one of the many amusements which tourists love to visit, such as guiding at Marineland in Niagara Falls, hospitality is very important.

I invite all Canadians to realize the importance of hospitality and friendliness to tourists. We must realize how important they are to Canada. When I was preparing to speak in this debate, I read a small pamphlet published by the Government of Canada. It raised the importance of hospitality, as it should, in the tourist industry directly and on the part of Canadians generally. One suggestion in the pamphlet was for us to reach out a friendly hand to tourists. This is what I have been trying to say this afternoon. This is what the Hon. Member for Halton permitted by his motion.

In closing I should like to say that tourism is good for all Canadians, and I invite all Canadians to see Canada first.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Ron Stewart (Simcoe South): Mr. Speaker, I find it quite disturbing that in 1984, the so-called year of tourism, we have to debate a resolution condemning the Government for its

approach to one of the most vital sectors of our economy. I congratulate the Hon. Member for Halton (Mr. Jelinek) for bringing forward his motion. However, after thinking about what we have been through in the last 16 years, it is not surprising that the motion is one of condemnation.

We have heard many statistics today, and I am sure we will hear many more. However, the most important and telling one is that the country's largest industry, tourism, has not turned a profit since 1967, the year we celebrated Expo '67 of which we were all so proud. Then began the decline under the present Government. In the last seven years tourism's balance of payments has shown a deficit of nearly $10 billion. In the past decade our share of world tourist trade has withered from 4.9 per cent to 2.7 per cent, almost a 100 per cent decline. We will lose more than $11 billion over the next five years, according to the Government's own estimates. By 1987, the yearly financial drain will have risen to more than $3.5 billion. We are a nation of 25 million people sitting next door to a country with ten times our population, and we have a travel deficit! It is ludicrous. It just does not make sense. It is a pure marketing problem which the Government seems not to have acknowledged, let alone made an effort to address.

Since 1968, our annual deficit has steadily increased, except in 1979 when under a Conservative Government the travel deficit fell from $1.7 billion to slightly over $1 billion. That is an indication that real progress can be made if there is a determination and a willingness on the part of government to do so. We had the commitment, but the present Government does not. The record speaks for itself.

On a global basis, total receipts in 1982 from both domestic and international travel were roughly $1 trillion—that is a figure one with 12 zeroes behind it. The World Tourist Organization estimates that some three billion tourist arrivals were recorded world-wide last year, but fewer and fewer of those arrivals were in Canada. Since 1981, the number of Canadians travelling outside Canada has increased while the number of visitors to Canada has decreased. The daily outflow of Canadians increased from 32,655 in 1982 to 37,610 in 1983, an increase of 4,955 per day, but the daily inflow increased from 34,871 to 35,216, for a daily increase of only 345. The result is a net outflow of a staggering 4,610 per day. Not only are we having trouble attracting tourists to Canada, we are having difficulty encouraging Canadians to travel in their own country. Most Canadians have not seen the various regions of Canada.

It is time to ask why this has happened. It is very simple to stand here and criticize, but we want to suggest ways of addressing the problem. Hopefully this resolution will give the problem the exposure it needs and will prompt the Government to recognize the important role tourism plays in our economy. To put it simply, the policies of the Government have priced the tourism market in Canada out of the reach of an increasing number of travellers, most notably Canadians themselves. Purely and simply, we are non-competitive. The high cost of gas, liquor, accommodation and food top the list.

The Tourism Industry Association of Canada, in a submission to the task force on alcohol and tobacco on February 2, 1984, listed the price of alcoholic beverages as a "key and very upfront critical price perception factor" influencing tourism travel. I could not agree more. This is not a moral issue about which we are talking. It is a fact of life, as was pointed out by the Hon. Member for Malpeque (Mr. Gass). TIAC went on to point out that this came about because of astronomical increases in tax levels by both provincial and federal Governments, but added that these increases were led by "the unbelievable system of calculating and applying federal excise duties".

A tax on tax is indeed unbelievable. It is called an add-on tax or an *ad valorem*. I raised this matter in the House with the Minister of Finance (Mr. Lalonde) on a couple of occasions. Liquor, beer and wine have always cost more in Canada than in the United States as a result of the Canadian practice of monopolizing the distribution and sale of these beverages through government outlets—state control—and because Governments see liquor sales as an inexhaustible source of tax revenue, as something we taxpayers will tolerate because of the moral issues at stake. That is not true. Canadians are beginning to balk, particularly shareholders. Tax increases and mark-ups by one level of government prompts more by another level of government, but the federal Government leads the price increase spiral.

● (1650)

When the Minister of State for Tourism (Mr. Smith) spoke a few moments ago, he tried to blame it all on the provinces. That simply does not wash. *Ad valorem* taxation starts with the federal Government and then provincial taxes are added.

Last September, the firm of Peat, Marwick pointed out these implications in a study which stated:

> Over the next four years, the "ripple" effect of the 1983 index change will increase the price of that $11.45 bottle of liquor another $1.95 to $13.40. The 13.3 per cent increase in excise duties thus ends up raising the retail price in Ontario by approximately 17 per cent . . . It is an illustration of how any increase in tax may take three or four years to work out of the system.

In other words, Mr. Speaker, the increases continue even if the price is not raised at the manufacturer's level. This is because the *ad valorem* increases to the excise taxes are based on rises in the consumer price index. The increases come into effect automatically, regardless of current conditions.

Since the excise duty leads the retail price, the index begins to feed on itself and actually causes inflation. The effect has been a decline in consumption, which has resulted in the lay-offs of 2,500 distillery workers, not to mention many tobacco workers, at a direct cost to the Government of an estimated $40 million in UIC payments and lost income taxes. Lost sales mean reduced revenues from which to draw tax dollars. By trying to increase its take in this way, the Government is actually putting itself into a losing position. I point out to the Minister of Finance that these revenues will start to decline by next year. What we in effect are doing is killing the goose that lays the golden egg. The same situation exists in the tobacco industry. More important is the impact this has had

on the tourism industry and the Canadian economy as a whole. When $17 billion and 1.1 million jobs are at stake, one would expect a little more concern than has been shown by the Government.

A 26-ounce bottle of Canadian whisky, which now costs $13.50 in Ontario, retails for an equivalent of $8.23 in the United States. A hotel operator in Ontario purchases the same bottle for $12.83 after a 5 per cent discount. However, a hotel operator in New York State is able to negotiate a much larger bulk discount depending on the size of his order. That discount is often as high as 20 per cent. The purchaser in New York State pays $6.08 U.S. or 33 cents per shot compared with the 64 cents per shot paid by the Ontario operator. The Ontario operator is at a 100 per cent disadvantage before any profit is made. How can the tourist industry operator compete? How can the convention facility operator compete? It is like coming out of the starting gate after the other horses have completed the first lap.

In the United States, about 40 per cent of all alcoholic beverages are retailed through licensed establishments. Let us think about that for a moment. These licensed establishments are small business concerns in many cases. In Canada, that figure is about 15 per cent, one-third of the American figure. Americans believe in small business, in the free enterprise system and in tourism.

The Canadian Restaurant and Food Association points out that food and beverage sales in accommodation establishments continued to drop in 1983 in tandem with falling occupancy levels. This has made it difficult to invest in upgrading or expansion of facilities to attract more tourists. Such expansion activity would create immediate construction jobs followed by an increase in tourists, thereby generating tourism-related employment.

On August 17, TIAC stated that beer, wine and liquor are already so over-taxed and the impact on tourism so serious that common sense would dictate there be no federal excise tax increase at all this year. Common sense did not prevail, Mr. Speaker, and the increases went ahead as scheduled. I am sorry to say that common sense is in short supply on the far side of the House. The Hon. Member for Niagara Falls (Mr. MacBain) agreed that liquor was over-taxed, but then proceeded to tell us about all the ways of getting tourists to Canada without addressing the problem.

We are over-priced. When I confronted the Minister of Finance with the hard facts, he applauded the present state of the distilling industry and stated that Canadians had decided to moderate their drinking habits. He said that in any case, the provinces were to blame for all the trouble. He did not investigate *ad valorem* taxation. The Minister of State for Small Businesses and Tourism (Mr. Smith) said the same thing earlier today.

We have brought this resolution forward for debate today on behalf of thousands of shareholders, the 2,500 distillery workers who have lost their jobs and the 1.1 million Canadians who are employed in the tourism industry and whose jobs are at stake if the decline is allowed to continue. We on this side of the House recognize the importance of tourism and we know what the problems are and how they have come about.

Rather than addressing the problems, the Government reacts in its characteristic way by throwing money at the problem. This time it is throwing money in the form of advertising. Another $7.5 million has been added to this year's tourism advertising budget, bringing it to a total of $31.9 million. However, no amount of advertising will work until the basic underlying problems are addressed.

Let me give you an example of this, Mr. Speaker. If McDonald's spends $1 million advertising its "Big Mac" for $1 and Burger King spends $1 million promoting the "Whopper" for 50 cents, which hamburger do you think that your children and mine will buy? Our children know when they can get two for the price of one. We are trying to advertise something that is over-priced. No amount of advertising will convince people to spend twice as much money as they need to spend on a comparable product.

Ottawa and the provinces spend $80 million a year promoting tourism in Canada, and then siphon off $8 billion in taxes. This is a typical Liberal philosophy. Why should an American travel in Canada when air fares are so steep, when gas is seen as liquid gold and when a drink and a meal are a major item of expenditure? No amount of advertising will convince an American that he should spend from $3.50 to $4.50 for a martini in Toronto when he can get the same thing for $1.75 in Chicago. Those are actual figures, Mr. Speaker. We may get him to do it once but he will not come back again.

We have a major problem in terms of bilateral tourist flow between Canada and the United States. On average, 74,000 more Canadians are in the United States every night of the year than there are Americans in Canada. As a result, the deficit on the travel account grows by $1.7 million per day. In light of these figures, the recent increase in the advertising budget of Tourism Canada is the proverbial "too little, too late".

Major action is required before the beleaguered industry sinks any further. The first thing required is a simple recognition by the Government that about 11 per cent of the Canadian labour force works in various areas of the tourist industry and that the potential for new jobs would be excellent if the federal and provincial Governments would work together to develop a national tourism strategy. That is what we on this side of the House advocate. This has not been possible under the present Prime Minister (Mr. Trudeau) who has let it be known very publicly that co-operative federalism is dead. To my knowledge, no one on the other side of the House ever rose to deny what the Prime Minister said.

The value of co-operative federalism could be demonstrated in no better way than in the tourism industry. We should get rid of that *ad valorem* taxation. When I say co-operation, I mean consultation with the industry and the provinces before implementing programs or regulations that affect tourism so adversely. For example, the Via Rail cutbacks, the decision to restrict tuna fishing on the East Coast and the implementation of the *ad valorem* taxation system on liquor and tobacco have

affected the tourist industry. Believe me, I know what I am talking about when I refer to tobacco because I have spent my whole life working in the tobacco industry and saw a product cut to ribbons.

Sam Hughes of the Canadian Chamber of Commerce summed up the present state of affairs by saying:

> Governments are a silent partner of almost all businesses. But in the world of tourism, they are virtually a controlling shareholder. They tell you what services you can offer, and often, the time and locations in which you can offer them. They tell you, in general, the scale of the bottom end of the wages you must pay. They tell you often who should, and who should not, be employed and then . . . when all is said and done . . . they claim a share of your profits.

This is called state control, and it must change. The Government should not be siphoning profits into government coffers only to have those profits mismanaged by the Members on the other side of the House. We will never attract Americans into our country when they have to fill up at our gas pumps and pay taxes to help bail out Dome Petroleum and pay double the market price for a boondoggle called Petrofina. This idiocy surely is ours.

Instead of taxing Canadians out of the country, why not give them tax rebates for travelling within Canada? This would be a simple income tax change. The cost to the Government in forgone revenues would be more than compensated by the increased tourist travel. Instead of spending money advertising in the United States, let us look at the reasons why tourists choose the United States rather than Canada. It is not only the weather, and even the people in Florida will admit that. Florida's approach to tourism begins at the basic level. Its university system develops tourism as do its elementary and high schools. Florida's motto is "Be good to tourists, they are very good to you". Money spent on projects such as these would be much better spent. I am not saying that advertising is ineffective, but its maximum impact will come only when we have something to advertise. We have to get the visitor to Canada first, then to a specific area or region. That is sound advice, Mr. Speaker.

• (1700)

We should get together and offer package tours to visitors to this country at discount rates, not at rates inflated by unnecessary, excessive and inequitable taxation, making us non-competitive.

Why not consider discounts for tourists travelling and spending money in Canada instead of delaying them at our borders? Why not consider a Lotto tourist scheme in conjunction with the provinces by which lottery tickets would be given to those who purchase travel packages in Canada? Money spent on such a scheme would attract many U.S. visitors.

We should offer package tours. From Niagara Falls we could offer a package tour to the Maritimes, for example, or to fly up to see the midnight sun. Why are there no trips on the St. Lawrence or the Great Lakes anymore?

Imagine what American tourists could do if they were told they could fish our Arctic char and see the land of the midnight sun. They should be told about the Agawa Canyon in the fall, Churchill Falls and the Polar Bear Express. These things have hardly been tapped.

Ski resorts just below the border from Banff, Alberta, are now offering "Canada Week" specials to bring Canadians to their slopes for a week of spring skiing for less than $200 and are offering discounts on almost all purchases. Do we have a U.S. week for skiing in Canada? I have not heard about it. Do we have the right air fares that would entice them to come? No, we do not because we have a state controlled airline.

Almost three-quarters of the tourists travelling in Canada are Canadians, but there are fewer and fewer of them every year. Why come to Ottawa and stay at the Holiday Inn for $59 for a weekend when the same hotel in Lake Placid offers a room, dinner and breakfast for $29, or when the Hilton Hotel in Syracuse offers a room for two days for $29.90? These are hard, cold facts that should be explained to the Minister of Finance. Why fly to Vancouver for $349 on Wardair when for an extra $50 you could fly to Britain? These are facts, Mr. Speaker, and nothing is being done about the situation.

We are sitting next door to a potential gold mine in tourist dollars and we are not even tapping it. The problem has wide implications.

People are crossing the border to go south in ever increasing numbers. On the weekend of February 24 to 26, 3,834 vehicles crossed the border into Ogdensburg, New York. All 48 rooms of a local hotel there were filled with Canadians on package deals. While there they bought shampoo for 88 cents a bottle that would have cost them $3 in Canada. They bought bed sheets for one-third of the price they would have paid in Canada, bath towels for less than half the price and designer jeans for a quarter of the Canadian price. Advertising will not bring them back. They have to be offered something good.

At night when they were not shopping, they were enjoying a drink at a reasonable price in a fashionable, licensed establishment. The parking lots in Ogdensburg were filled with cars bearing licence plates proclaiming "Ontario—Yours to Discover". Mr. Speaker, tourists have discovered that they cannot afford a Canadian holiday.

In Ontario, tourism is the second largest industry, and we must do something about the loss of over 100,000 jobs in 1983 and a $2.1 billion outstanding tourist deficit. Tourism can no longer be singled out as a lucrative source of easy tax revenues.

I recognize that this may be the best the Government can come up with at this time. That is all the more reason why it should make room for a government with fresh ideas and a determination to solve the problems.

The Acting Speaker (Mr. Guilbault): The Chair regrets to interrupt the hon. gentleman but his time is up. Questions, comments? Debate.

Mr. Douglas Fisher (Mississauga North): Mr. Speaker, tourism is our topic today and I shall spend only five minutes promoting what I think is a great idea for Canadian tourism. I speak of the prospects of building a dome and sports facility in Mississauga. I believe this kind of facility would bring tourists

into southwestern Ontario by the thousands. I am happy to say that in my city and across metro the concept of a domed stadium has received trilateral support from representatives of all political groups.

In Mississauga the domed statium proposal enjoys community support. It has the endorsement and financial backing of the city council and is sparkplugged by the local business community. You will have seen recent newspaper advertising to the effect that the Trillium domed facility offers the kind of sports facility that we need in the metro area without putting a heavy burden on the back of the taxpayer.

Anyone considering a domed stadium has to ask the questions—why, where and who pays? Let me take those questions in order and ask Hon. Members to consider our proposal and also, please, to compare it with the more widely advertised proposals for de Havilland and the Canadian National Exhibition. I believe that the Mississauga proposal comes out way ahead of those.

To deal with the first question of why we need a domed stadium, in the Toronto region apart from the sports services that would be offered, a domed stadium would represent thousands of jobs in its construction and operation. It would represent a major attraction far beyond the sports level. Conventions and trade shows would be drawn to the facility. It would be a major spark-plug for massive development in transportation, service industries and hotel industries. Perhaps it is for that reason that the Metropolitan Toronto Labour Council has said that the Toronto region needs this kind of facility. It recognizes that it is an investment in the future, not just for business or a few sportsmen, but for ordinary working Canadians.

The next question is where such a facility should be built. I say it should be put in a place that services the whole province, a place that is easy to get at. I ask you to compare what we are offering in Mississauga to the facilities in the more crowded centre of the city. We propose to build it at the corner of Highway 10 and Highway 401. To the east, Scarborough is only half an hour away, to the west Hamilton is only half an hour away, and in between there are Toronto, Etobicoke, Brampton, Burlington and Oakville. Millions of people live within that radius of half an hour. If the radius were extended to one hour you would begin to encompass people from Welland, Niagara Falls, St. Catharines, Barrie, Orillia, Kitchener, Guelph, Cambridge and Waterloo. All of these communities would see that domed stadium as part of their area, not as part of the narrow Toronto area.

A domed stadium in the Mississauga area would be a domed stadium for all Ontario and not just for Toronto. We have great highways and we have facilities to handle commuters coming by car. When the Woodbine race track was built, Mr. Speaker, it was thought to be way out in the country and inaccessible. Urban sprawl caught up to it and soon it was seen as a central facility. I predict the same thing will happen with the Mississauga domed stadium site.

Then there is the question of who pays for this. I do not believe taxpayers should pay for it. The taxpayers can help to build it, but they should get the money back. The taxpayer should not be stuck with a permanent debt. In my opinion the Mississauga proposal is a four star project. The user of the stadium would help to pay for it along with private industry which would build and manage it. These people have assembled 2,000 acres of prime land on the corner of Highway 10 and Highway 401. They need about 150 acres for the stadium. The rest of the land would belong to the stadium, and as it increased in value, it would be sold. The presence of the stadium would attract hotels which would buy the land and the proceeds of that sale would bring a return to the Government and to private lenders who helped put it up in the first place.

It would be a long-term repayment plan rather than a long-term burden on the public Treasury. I must say that this would be an ideal partnership between governments and private enterprise. It would use the initiative, the imagination and the profit motive of private enterprise and the short-term financial support of the Government. If the Hon. Members agree with me, I would ask them to look into the proposal a little further. The real key to the success of this proposal is the Government of Ontario. We are asking Premier William Davis to consider the Mississauga site, along with the others which have been proposed. We are asking him to look into the self-financing aspect of it, to look into the private enterprise aspects, the regional service rather than just service to one city. If Hon. Members agree with these principles, we are asking them to contact Premier William Davis and ask him to put us into the running. Just let us have a chance to sell our ideas.

• (1710)

We do not believe that the Ontario Government has to pick us arbitrarily. We believe that if the Ontario Government compares the Mississauga proposal to the Downsview or CNE proposal, then our proposal will win flat out every time. We offer the taxpayer the opportunity to have this facility on a self-financing basis. We offer it to the people of the whole province, not just to the people of one city, and we offer it with all the excitement and imagination of a good private enterprise project.

The Acting Speaker (Mr. Guilbault): Questions, or comments? Debate.

Mr. Girve Fretz (Erie): Mr. Speaker, it has indeed been interesting to hear the comments of the previous speaker. I appreciate his comments on what is a very interesting proposition and we wish him and his riding well. It was also interesting, Mr. Speaker, to hear the comments of my colleagues on the various aspects of the tourist industry in Canada and as it relates to Hon. Members in the various regions and ridings from which they come.

I would like to address a comment which was made by the Minister this morning, which I believe illustrates the insensitivity of this Government and, indeed, the hypocrisy. The Minister said that the Government is seeking the Asian tourist market of Japan, Taiwan, and Korea. That is fine. I appreciate

the fact that he is doing that. The hypocrisy is this, however, Mr. Speaker, that the Liberal Minister of Transport (Mr. Axworthy) removed the VIA train from Edmonton through Jasper to Vancouver. Other Hon. Members have alluded to this in the debate here today, but I want to mention it because my wife and I had the privilege of riding on that train. We flew to Edmonton, stayed there all night, got the train the next morning at seven o'clock, had breakfast on the train and took that beautiful trip up to Jasper. The train stopped there for perhaps an hour. We were able to get out and look at the mountains and do a bit of shopping. We then proceeded on to Vancouver. I acknowledge that the rolling stock was old, and is old, and should be replaced. Perhaps that is part of the reason that the trains are running at a deficit. However, the hypocrisy is that the Minister did that unilaterally without any consultation with the tourist industry. He did it without going to Jasper, sitting down with those people and talking about his plans for the removal of that train. That is why I say that the Liberal Government is insensitive and demonstrates a large degree of hypocrisy.

I would like to discuss the subject with emphasis on some of the environmental problems facing our tourist industry today as it relates to my riding of Erie, and also as it relates to the riding of the Hon. Member for Niagara Falls (Mr. MacBain), who spoke so eloquently here this afternoon. Incidentally, it was in his riding in 1980 that the future Prime Minister of Canada made the statement that he was going to clean up the Niagara Falls problem, the Niagara River situation. He was going to do that, and we would elect a Liberal Member. Sure enough, the Liberal Member was elected, but I want to tell you, Mr. Speaker, that he will be phased out in the next election.

As you are aware, Mr. Speaker, Canada's reputation as a tourist attraction rests with its beautiful scenery, its sparkling lakes and clean air, but it is becoming increasingly difficult to protect these resources. We have, on the one hand, a gigantic urban sprawl which threatens to destroy much of the picturesque farmland and orchards which attract people to the Niagara Peninsula where I make my home. On the other hand, we have the great industries of the industrial northeastern United States and, indeed, the Golden Triangle, which are contaminating the air which we Canadians have boasted about for many years. It is to the advantage of all Canadians, I feel, to guard our precious heritage.

As I speak, the selection process is being carried out to find a location for an industrial waste disposal facility to serve the industries of southern Ontario. That is a difficult problem, I must confess, which the provincial Government has. No one wants such a facility at his back door. I do not want it in my riding. The Hon. Member for Niagara Falls does not want it in his riding. Yet our ridings are proposed as locations for this facility. Some community will have to bear the ecological consequences of locating this facility in its area. Some day we will have to pay a terrible price for our actions today. In fact, we are paying some of that price right now. The Hon. Member for Parry Sound-Muskoka (Mr. Darling) will tell us in a few minutes, I am sure, about the acid rain problem. The problem has to be solved at its source, which is the industries which make the waste. Is the technology not available to deal with industrial waste and recycle it into useful products, Mr. Speaker? I am not an expert on the subject, but surely we cannot go on in this manner. We certainly do not wish to develop the reputation in the eyes of potential tourists as a country which is polluting itself to death. It goes without saying that environmental questions are very much linked to the tourist industry. Tourism is the largest single employer in our country. It provides jobs for over one million people, and those jobs are on the line if our clean air and water are lost.

The sports fisherman is deeply concerned about acid rain and the polluting of our streams. When the fish die, a whole chapter of Canadian history dies with them. There are many avid sports fishermen in our country and, indeed, in my riding, who have spoken to me about this many times. Fishermen elsewhere have expressed concern about this lake or that lake and what a shame it is. Whatever we do about this very serious question, we cannot lay the whole blame on the United States. We as well are guilty parties. We have our part to play in eliminating or controlling this very serious problem.

Sports fishing is a subject which deserves, in my opinion, much more attention on the national level. In fact, there are individuals and groups in this country who are lobbying very strongly for more positive ways of enhancing this very important sport. I say, more power to them. I appreciate the work they are doing and I will co-operate with them in every way I can. I am a fisherman myself. I have three sons, all of whom are grown and married. I have enjoyed, and still enjoy, fishing with them. It is a sport which takes us out of doors and into nature. It is a fine sport for a father to enjoy with his sons and daughters. I feel there are certainly many more ways to go about enhancing our sports fishing in this country, thereby directly and indirectly improving our potential for attracting those very elusive tourist dollars which are slipping away into the United States because of the high costs of vacationing in our country. Food prices are much higher, as are hotel rooms. We heard about this from the Hon. Member for Simcoe South (Mr. Stewart) as he spoke so eloquently just a few minutes ago. Gasoline is substantially higher, in some places twice as high, in Canada than it is in the U.S. Our fishing will have to be pretty good to offset that.

• (1720)

We must make a concerted effort to understand the fact that the Lake Ontario and Lake Erie sport fishery is a resource representing excellent recreational opportunities. We must make sure that appropriate expansion of both onshore and offshore components is undertaken. As to the onshore, provision must be made to accommodate boats, trailers and recreational vehicles in areas close to lakes and rivers with good sports fishing potential. This industry is labour-intensive. There is a high multiplier effect in the sports fishing sector. There are marinas, the fuel being sold, bait suppliers, the sale and rental of boats and motors, the sale of tackle, some of which is made in my riding by William Gold in my town of

Fort Erie. They make the famous William's wobbler which is used for catching trout in our northern lakes and streams. Think of the accommodation, the rooms, food and beverages, sightseeing buses, taxis, shops, all of which mean jobs, jobs, jobs to the young people and many of the older people as well. I guess I am amazed, as many Members are, at the middle-aged people who come into my office and who are without jobs. They do not know where to turn and these facilities would provide jobs for many of those people. It is a tremendous industry.

Harbours and breakwaters must be built to protect marinas, and appropriate markings placed for navigation, all of which comes under the purview of the federal Government. Think of the potential for job creation if a serious effort were made to improve the fishery in this province, especially in the Great Lakes; and indeed in the whole of Canada. These onshore facilities are all for nought, however, if a varied and healthy fishery is not present to attract anglers to the improved and expanded facilities I have described. This should include hatchery facilities, equipment and manpower to undertake comprehensive stocking and restocking of our lakes. All this takes money and committed people at all levels of Government. However, the political will to do so is paramount. But that is lacking.

Members will be aware that just last week I posed a question to the Minister of Fisheries and Oceans (Mr. De Bané), requesting that he identify any new programs which would enhance sports fishing on the Great Lakes. I have as yet to receive an answer. Apparently tourism is not important to the Minister. However, I trust he is giving the idea serious thought. I hope he is, given that we are dealing with a resource of tremendous potential if it is wisely used.

I touched briefly on the environmental aspects of tourism and now I would like to probe the issue from the point of view of the sports fisherman. Have you ever seen the beautiful fish they are pulling from the Great Lakes these days? You probably have not, and I want to tell you they are fun to catch. Many of them are good to eat, but it may be dangerous to eat some of the large ones taken from Lake Ontario because of pollution in the lower Niagara River. This is genuinely sad. It is said that when the white man first came to Canada, he could place a bent needle in a stream and catch a fish almost immediately. Now we find that in some cases we cannot even eat them. The tourism industry and the Minister responsible for tourism must work closely with the environmental Ministry at both federal and provincial levels to ensure that the situation is correctred for my children, my grandchildren and yours. Otherwise, we will be leaving them a sad legacy indeed.

The Niagara River is a case in point. How many honeymooners watching the romantic vista of Niagara Falls have any idea what witches' brew is mixed up in the water beneath the Falls in that great gorge? The trouble is, chemicals from various Love Canal style dumps along the river flow into our precious Great Lakes and end up in the innards of some unsuspecting marine life way downstream. Dioxin, PCBs and a host of other delicacies are finding their way on to people's plates. This indeed must stop. I call upon the Minister responsible for tourism to exhort the Minister of the Environment (Mr. Caccia) whom I find to be a caring individual, one who takes his job seriously, to continue his efforts, indeed step them up, to clean up this mess. He should be aware that he has the support of all politicians. There is not a Member in this House who would not agree that we have to clean up that mess.

How can improved sport fishing enhance the tourist industry? It can provide the incentive for American tourists to set their compasses to due north and put an end to the current trend we have been seeing of fewer and fewer non-residents travelling to our country. In 1980, over 40 million non-residents visited Canada. This dropped to 34 million in 1983. In 1983, 1,201 hotels, motels, restaurants and caterers went under. Is it the recession? The Government blames just about everything on that, and undoubtedly some of it is due to the recession. Is it the dollar? We cannot blame it on that because Americans should be coming up here in droves because of the exchange rate. No, I believe our Government is being just plain inhospitable. Our taxes on many items are preposterous.

Therefore I call upon the Government to consider seriously means to improve the situation for visiting fishermen. Briefly, such measures should include, first, the monitoring and preserving of the quality of our air and water; and Second, tax cuts to ensure prices are reasonable. There should be joint federal-provincial meetings to ensure there are solutions to these problems. The third point is improved conservation and enhancement of our fisheries resource. Again, the Government should work hand in hand with the province on restocking to make sure that our lakes have a good supply of fish.

I believe that by pursuing these goals actively we can improve the quality of life not only for visitors, but for those of us who are fortunate to live in this beautiful country with so much potential. We want to sustain that potential and improve it.

The Acting Speaker (Mr. Guilbault): Questions or comments? Debate.

Mr. Riis: I rise on a point of order, Mr. Speaker. During the flow of debate we have a tradition that Members are allocated 20 minutes with a ten minute question period. There is also some effort to balance the speakers to represent equally the Parties' representation in the House of Commons. It now being 5.30, it seems clear to me that as you turn to the Government benches and recognize a government Member, we are going to end this debate with the NDP having spoken once and with Liberals and Conservatives having spoken five or six times each. Using basic mathematics, that seems to me to be rather unfair.

• (1730)

The Acting Speaker (Mr. Guilbault): The Chair has to recognize Members as they stand up. I have to agree that the Hon. Member's Party has not put up a speaker for a little while. It is very difficult for the Chair to intervene in such a

situation because the Chair tries to recognize Members as they stand.

Mr. Garnet M. Bloomfield (London-Middlesex): Mr. Speaker, this has been a long but encouraging day. It has been encouraging in that so many Members of all Parties have participated in this debate on tourism. Having listened to the remarks of Members today one thing stands out clearly to me. The Government and the Opposition firmly agree on at least one item, that is, the importance of tourism in Canada to Canadians.

Many people outside this House are not aware that Canada, with its exciting cities, beautiful wilderness, heritage and cultural diversity, is host to so many Canadian, American and overseas visitors each year. It is host to many people from various parts of the world, and we would certainly welcome many more if that were encouraged. Few are aware that this industry accounts for 5 per cent of our GNP, the amount of $18 billion in our economy, and that it has contributed some $32 billion in personal income to Canadians from coast to coast in 1982. The 100,000 businesses which make up the tourist industry are primarily Canadian-owned, many of them small family enterprises. These Canadian businesses employ 1,140,000 Canadians. This includes youth, native people, women and immigrants, many of whom would be without jobs today if it were not for tourism.

Throughout the recession of 1980-82 the tourist industry continued to grow, unlike many other sectors of our economy. According to Statistics Canada figures, as an employer of Canadians, tourism has registered consistent growth in levels of employment over the past several years, outperforming forestry, manufacturing, construction and trade. Wherever you go in Canada, Mr. Speaker, tourism is important and the Government has recognized its importance in regional economic development. It ranks first, second and third as an industry in every province of Canada. Canadians invest in this industry and benefit from it, not only from its employment and profits but, perhaps more important, in having the opportunity to meet each other, experience the diversity of their country and share it with the world.

The Minister of State for Small Businesses and Tourism (Mr. Smith) spoke eloquently this morning about the industry and the record of the Government in supporting its development over the past decade. As well, he outlined the Government's commitment to the further growth of tourism in Canada. Everything is not rosy. There are problems, but also there are solutions to those problems. The Minister mentioned the efforts of some government Departments in support of the tourist industry. I would like to add to that list for the edification of Hon. Members of the House.

First I would like to commend the role played by the Federal Business Development Bank which has branches across our vast country. Its largest client is the tourist industry. Twenty-nine per cent of its loans are made to tourist businesses in all areas of Canada. Surely this demonstrates a commitment to tourism. Not only does FBDB act as a major lender to the industry, it also counsels entrepreneurs and acts as an equity partner in some major tourism developments.

I would also like to mention Employment and Immigration Canada. I noted earlier that more than one million Canadians are employed in the tourist industry. CEIC plays a major role in ensuring that training programs are available for those looking for jobs in tourism. Recognizing the need for qualified chefs, CEIC has included them in the priority training list under the National Training Act. Recently the Government announced a $3.5 million grant for the expansion of the George Brown College facilities in Toronto to ensure increased training of chefs for the hospitality industry. After all, the tourist, like an army, travels on her or his stomach. I might add that the better the food, the easier they travel, and the quicker they return.

Among our most important domestic tourists are the youth. They should be able to see their country from coast to coast and experience the greatness and diversity of the land. The elderly should be able to use their well-earned free time to see their country and visit friends and relatives. To this end the Minister of Transport (Mr. Axworthy) recently announced major reductions of VIA Rail fares for youth and senior citizens in order to stimulate domestic tourism and support the aspirations of these Canadians to visit Canada.

This morning the Hon. Member for Vegreville (Mr. Mazankowski) raised the question of the VIA Rail service from Edmonton to Vancouver. Perhaps the Hon. Member was not aware of the recent actions taken by the Minister of Transport to establish a task force on rail passenger service in northwestern Alberta and British Columbia. Included in the task force are representatives of both provincial Governments, the cities of Edmonton and Vancouver, Transport Canada, VIA Rail, Tourism Canada, the Jasper Chamber of Commerce, and other interested parties. The task force will look at the viability of the passenger rail service between Edmonton, Jasper and Vancouver and report to the Minister of Transport and other Governments involved in the review of its findings. The Government is aware of the problem and is taking action, Mr. Speaker.

The comment was made this morning that one important component of the tourist industry is the attitude toward the visitors. Tourism Canada has worked with provincial Governments, communities and the private sector for several years on an attitude and awareness program designed to impress upon Canadians the importance of tourism, the importance of the visitor, and the importance of a friendly face and a friendly smile. If the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet) wants to carry this message to the tourism industry and the constituents in his riding. I am sure that appropriate information can be made available to him.

This is a people-intensive industry. Not only does it make work for many of our people, but we are all involved. Each one of us has the responsibility of making visitors welcome. This applies to the customs officers at the gateway to our country, to the hotel-motel operators, to the courtesy of the waitresses,

to the person pumping gas at the local garage, and to each of us as we make visitors feel welcome and want to return with their friends time after time. This is a great, big, beautiful country that each of us needs to promote at every opportunity.

The Opposition has shown unusual wisdom in selecting tourism as a topic for debate in the House today. This is the "year of tourism" in Canada. This was declared by the Tourism Industry Association of Canada and supported by the federal, provincial and territorial Governments as well as the private sector. The year of 1984 is filled with events from coast to coast designed not only to attract visitors from the United States and abroad, but also to encourage Canadians to visit the length and breadth of this great country. The 450th anniversary of the arrival of one of Canada's first tourists, Jacques Cartier, provides the venue for celebrations throughout Quebec. If I remember my history correctly, Jacques Cartier must have enjoyed his visit because he returned in 1535 and again in 1541. I am sure the spectacle of the tall ships sailing through Atlantic Canada and up the St. Lawrence River will be appreciated.

The 200 years of New Brunswick's Loyalist heritage will be celebrated. The 150th anniversary of Toronto will be celebrated with an international festival. Also celebrated will be the 50th anniversary of Yellowknife, the 75th anniversary of the first powered flight in Canada at Baddeck, the Fredericton bicentennial, the 350th anniversary of Trois-Rivières with numerous celebrations, the 150th anniversary of Prescott, the centennial of Calgary, and the international air show in Abbotsford. These are but a couple of the many events taking place in 1984.

Of particular note, and highlighting the anniversary festivities taking place in some centres of Canada, will be the visit of Her Majesty Queen Elizabeth and Prince Philip. As some Members have already noted, 1984 also marks the first visit of a Pope to Canada. If Opposition Members doubt the Government's commitment to tourism, 1984 also signals 50 years of federal involvement in tourism promotion and development.

Canada is a big country, Mr. Speaker. I will try to explain just how big it is. I recently had the privilege of travelling to one of our far western points to represent the Government at the opening of a new customs port at Beaver Creek. We who live in central Canada think that Edmonton is in the west, but I was 1,500 miles north and west of Edmonton in the Yukon. I really enjoyed seeing for myself a part of Canada which I had only seen through the eyes of Jack London, the famous writer who wrote so eloquently of our north.

• (1740)

If there ever was a time for the Leaders of this country on both sides of the House to join together to tell Canadians and the world with one voice to see Canada, explore and enjoy it, it is 1984. What better way is there to convey the message than by example? Let each of us in the House commit ourselves today to spend our holidays in Canada. Nineteen eighty-four is here.

The Acting Speaker (Mr. Guilbault): Questions or comments? Debate.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I am delighted that at least I have five minutes to speak in this debate. As the Member of Parliament for one of the great tourist paradises in the entire country, Parry Sound-Muskoka, let me emphasize how important I think, and in fact know, the tourist industry is.

I want to thank our critic for tourism for introducing his motion today. As the Member for Parry Sound-Muskoka, I have grave concerns about the present condition of the tourist industry, despite the fact that it is the second most important industry for bringing dollars into the Dominion of Canada. It is also a labour-intensive industry that employs over 1,135,000 people. I would also point out that many of those people do not have too many skills and therefore depend on this very important industry.

My colleague for Erie (Mr. Fretz) touched on the sport fishing industry and how important it is to the tourist industry. He is quite right. In Ontario alone, it is estimated that $600 million is generated by sport fishermen and women who are certainly interested in seeing that there is good fishing and will go to where that good fishing exists.

This brings up another grave concern that I have. My riding is one of the most seriously affected by the acid rain problem. It is a serious problem which I know is important to both sides of the House. I commend the Minister of the Environment (Mr. Caccia) for his grave concern and for bringing it to the attention of the Cabinet. However, it is important that we do much more than talk about this issue.

The Minister has stated that the Government is proposing to reduce acid rain by 50 per cent by the year 1984. While I commend that, we certainly must begin sooner in order to start reducing acid rain. My riding is in the unfortunate position of having 70 per cent of all the acid rain that falls in Parry Sound-Muskoka coming from the United States. Regardless of what the federal or provincial Governments do to reduce acid rain, it will certainly not make any great impact until the U.S. Government follows suit. I hope continual pressure will be put on that administration. I also anticipated that the acid rain problem would be a higher priority in the forthcoming U.S. elections, but perhaps it will heat up before November so that the present Government there will take meaningful action on it.

There is no question that it will cost a lot of money to address this problem. Ontario is greatly blessed with over 250,000 lakes, but over 4,000 of those lakes are now seriously damaged by acid rain. Some 140 or more are dead. The fish population and the vegetation in those lakes have gone. While we have beautiful crystal-clear lakes, it takes more than that to attract tourists.

We are fortunate in Ontario and in my riding particularly that we are within a one day's drive for over 100 million Americans. It is a market with tremendous potential. The Minister of Small Businesses and tourism (Mr. Smith) stated

today that the Government is spending a considerable amount of money to attract tourists. While I commend the Government for doing that, let me point out that because it spends a lot of money for advertising it must be able to deliver the goods.

We want to be able to have a viable, strong tourist industry. We want to have beautiful lakes and we want to have fish in those lakes. These are all important considerations at the present time. While good fishing still exists in certain lakes, it has diminished considerably in many of them.

I see that you are indicating that my time is up, Mr. Speaker. But I just want to point out that we must do something to protect our environment because it will also help the tourist industry.

[*Translation*]

The Acting Speaker (Mr. Guilbault): Order. It being 5.45 p.m. it is my duty, pursuant to Standing Order 62(10), to interrupt the proceedings and put forthwith every question necessary to dispose of Supplementary Estimates (C) and Interim Supply, and of all stages of the bills based thereon.

* * *

SUPPLY

MOTION FOR CONCURRENCE IN VOTE 1C, DEPARTMENT OF FINANCE

Hon. Herb Gray (President of the Treasury Board) moved:

That Vote 1c, in the amount of $4,782,000 under the Department of Finance—Financial and Economic Policies—Program Expenditures, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, be concurred in.

● (1750)

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Guilbault): All those opposed to the motion please say nay.

Some Hon. Members: Nay.

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

Some Hon. Members: On division.

The Acting Speaker (Mr. Guilbault): On division.

Motion agreed to on division.

[*English*]

MOTION FOR CONCURRENCE IN VOTE 1C, DEPARTMENT OF JUSTICE

Hon. Herb Gray (President of the Treasury Board) moved:

Motion No. 2

That Vote 1c, in the amount of $1,670,300 under the Department of Justice—Administration of Justice, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

● (1800)

And the division bells having been rung:

Mr. Nielsen: Mr. Speaker, we have several potential votes with which to deal tonight. I have discussed it with my colleagues, the Government House Leader and the House Leader for the New Democratic Party. It will be noted that the division on Motion No. 1 slipped by just prior to 5.45 p.m. We have agreed that when the Chair puts the question on the second motion, that is Vote 1c, in the name of the President of the Treasury Board (Mr. Gray), that recorded division will apply to item No. 1 and items Nos. 3, 4 and 5, with the recording of the vote appearing in *Hansard* as though it had been taken. All the remaining items we have agreed will go on division.

Mr. Speaker: Is it unanimously agreed?

[*Translation*]

Mr. Pinard: Mr. Speaker, it is true that we held consultations and that is why I did not object to the point of order while a vote is going on, knowing that there was unanimous consent.

We did agree that the vote on item No. 2 should also apply to items Nos. 3, 4, and 5. We would also be ready to allow that vote to dispose of item No. 1. We easily won that vote because the Liberals were in the House.

[*English*]

Mr. Deans: Mr. Speaker, we agree as well.

MOTION FOR CONCURRENCE IN VOTE 1C, DEPARTMENT OF FINANCE

Hon. Herb Gray (President of the Treasury Board) moved:

Motion No. 1

That Vote 1c, in the amount of $4,782,000 under the Department of Finance—Financial and Economic Policies—Program Expenditures, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, be concurred in.

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

(*Division No. 23*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—135.

NAYS

Messrs.

Benjamin
Blaikie
Blenkarn
Carney (Miss)
Clark (Yellowhead)
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Coates
Cook
Corbett
Cossitt (Mrs.)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Elzinga
Epp
Fennell
Forrestall
Fretz
Fulton
Gamble
Gass
Gustafson
Halliday
Hees
Howie
Jarvis
Jelinek
Jewett (Ms.)
Kilgour
Knowles
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McMillan
Miller
Mitchell (Ms.)
Munro (Esquimalt-Saanich)
Murphy
Nielsen
Nowlan
Nystrom
Oberle
Paproski
Patterson
Riis
Sargeant
Schellenberger
Siddon
Stevens
Stewart
Thacker
Thomson
Vankoughnet
Waddell
Wenman
Wise
Wright
Young—76.

Mr. Speaker: The question is on Motion No. 2 in the name of the President of the Treasury Board (Mr. Gray).

MOTION FOR CONCURRENCE IN VOTE 1C, DEPARTMENT OF JUSTICE

Hon. Herb Gray (President of the Treasury Board) moved:

Motion No. 2

That Vote 1c, in the amount of $1,670,300 under the Department of Justice—Administration of Justice, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Supply

(Division No. 24)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—135.

NAYS

Messrs.

Benjamin
Blaikie
Blenkarn
Carney (Miss)
Clark (Yellowhead)
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Coates
Cook
Corbett
Cossitt (Mrs.)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Elzinga
Epp
Fennell
Forrestall
Fretz
Fulton
Gamble
Gass
Gustafson
Halliday
Hees
Howie
Jarvis
Jelinek
Jewett (Ms.)
Kilgour
Knowles
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss) (Kingston and the Islands)
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.) (Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McMillan
Miller
Mitchell (Ms.)
Munro (Esquimalt-Saanich)
Murphy
Nielsen
Nowlan
Nystrom
Oberle
Paproski
Patterson
Riis
Sargeant
Schellenberger
Siddon
Stevens
Stewart
Thacker
Thomson
Vankoughnet
Waddell
Wenman
Wise
Wright
Young—76.

Mr. Speaker: I declare the motion carried.

MOTION FOR CONCURRENCE IN VOTE 10C, DEPARTMENT OF PUBLIC WORKS

Hon. Herb Gray (President of the Treasury Board) moved:

Motion No. 3

That Vote 10c, in the amount of $3,740,588 under the Department of Public Works—Accommodation, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, be concurred in.

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

(Division No. 25)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet (Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss) (South West Nova)
Campbell (LaSalle)
Campbell (Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne (Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd (Argenteuil-Papineau)
Gourde (Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette (Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe (Charlevoix)
Lapointe (Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid (Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—135.

NAYS

Messrs.

Benjamin
Blaikie
Blenkarn
Carney (Miss)
Clark (Yellowhead)
Clark (Brandon-Souris)
Clarke (Vancouver Quadra)
Coates
Cook
Corbett
Cossitt (Mrs.)
Crosby (Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Elzinga
Epp
Fennell
Forrestall
Fretz
Fulton
Gamble
Gass
Gustafson
Halliday
Hees
Howie
Jarvis
Jelinek
Jewett (Ms.)
Kilgour

Messrs.

Knowles
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McMillan
Miller
Mitchell (Ms.)
Munro
(Esquimalt-Saanich)
Murphy
Nielsen
Nowlan
Nystrom
Oberle
Paproski
Patterson
Riis
Sargeant
Schellenberger
Siddon
Stevens
Stewart
Thacker
Thomson
Vankoughnet
Waddell
Wenman
Wise
Wright
Young—76.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 2C, MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

Hon. Herb Gray (President of the Treasury Board) moved:

Motion No. 4

That Vote 2c, in the amount of $310,000,000, under the Ministry of State for Social Development—Canadair Limited, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, be councurred in.

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

(*Division No. 26*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen
Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-
Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—135.

NAYS

Messrs.

Benjamin
Blaikie
Blenkarn
Carney (Miss)
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clarke
(Vancouver Quadra)
Coates
Cook
Corbett
Cossitt (Mrs.)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Elzinga
Epp
Fennell
Forrestall
Fretz
Fulton
Gamble
Gass
Gustafson
Halliday
Hees
Howie
Jarvis
Jelinek
Jewett (Ms.)
Kilgour
Knowles
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McMillan
Miller
Mitchell (Ms.)
Munro
(Esquimalt-Saanich)
Murphy
Nielsen
Nowlan
Nystrom
Oberle
Paproski
Patterson
Riis
Sargeant
Schellenberger
Siddon
Stevens
Stewart
Thacker
Thomson
Vankoughnet
Waddell
Wenman
Wise
Wright
Young—76.

Motion agreed to.

MOTION FOR CONCURRENCE IN VOTE 3C, MINISTRY OF STATE FOR SOCIAL DEVELOPMENT

Hon. Herb Gray (President of the Treasury Board) moved:

Motion No. 5

That Vote 3c, in the amount of $240,000,000, under the Ministry of State for Social Development—de Havilland Aircraft of Canada Limited, in the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, be concurred in.

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

(*Division No. 27*)

YEAS

Messrs.

Allmand
Appolloni (Mrs.)
Axworthy
Bachand
Baker
Beauchamp-Niquet
(Mrs.)
Bégin (Miss)
Berger
Blais
Blaker
Bloomfield
Bockstael
Bossy
Breau
Bujold
Burghardt
Bussières
Caccia
Campbell (Miss)
(South West Nova)
Campbell
(LaSalle)
Campbell
(Cardigan)
Chénier
Chrétien
Collenette
Comtois
Corbin
Corriveau
Cosgrove
Côté (Mrs.)
Cousineau
Cullen

Messrs.

Cyr
Daudlin
Dawson
De Bané
de Corneille
Demers
Deniger
Desmarais
Dingwall
Dion
Dionne
(Northumberland-Miramichi)
Dubois
Duclos
Dupont
Dupras
Duquet
Erola (Mrs.)
Ethier
Evans
Ferguson
Fisher
Fleming
Flis
Foster
Fox
Frith
Garant
Gauthier
Gendron
Gimaïel
Gingras
Gourd
(Argenteuil-Papineau)
Gourde
(Lévis)
Gray
Guilbault
Harquail
Henderson
Herbert
Hervieux-Payette
(Mrs.)
Hopkins
Hudecki
Irwin
Isabelle
Johnston
Joyal
Kaplan
Kelly
Killens (Mrs.)
Lajoie
Lalonde
Landers
Lang
Laniel
Lapierre
Lapointe
(Charlevoix)
Lapointe
(Beauce)
Leduc
Lefebvre
Loiselle
Lumley
MacBain
MacEachen
MacGuigan
Mackasey
MacLaren
MacLellan
Malépart
Maltais
Marceau
Massé
Masters
McCauley
McRae
Nicholson (Miss)
Olivier
Ostiguy
Ouellet
Pelletier
Penner
Pepin
Peterson
Pinard
Portelance
Prud'homme
Reid
(Kenora-Rainy River)
Roberts
Rompkey
Rooney
Rossi
Roy
Savard
Schroder
Smith
Tardif
Tessier
Tobin
Tousignant
Trudeau
Turner
Veillette
Watson
Weatherhead
Whelan
Yanakis—135.

NAYS

Messrs.

Benjamin
Blaikie
Blenkarn
Carney (Miss)
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clarke
(Vancouver Quadra)
Coates
Cook
Corbett
Cossitt (Mrs.)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Deans
de Jong
Dick
Domm
Elzinga
Epp
Fennell
Forrestall
Fretz
Fulton
Gamble
Gass
Gustafson
Halliday
Hees
Howie
Jarvis
Jelinek
Jewett (Ms.)
Kilgour
Knowles
Kristiansen
Lambert
Lawrence
Lewis
Lewycky
MacDonald (Miss)
(Kingston and the Islands)
Manly
Mayer
Mazankowski
McCain
McDermid
McDonald (Ms.)
(Broadview-Greenwood)
McGrath
McKenzie
McKinnon
McMillan
Miller
Mitchell (Ms.)
Munro
(Esquimalt-Saanich)
Murphy
Nielsen
Nowlan
Nystrom
Oberle
Paproski
Patterson
Riis
Sargeant
Schellenberger
Siddon
Stevens
Stewart
Thacker
Thomson
Vankoughnet
Waddell
Wenman
Wise
Wright
Young—76.

Motion agreed to.

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (C)

Hon. Herb Gray (President of the Treasury Board) moved:

That the Supplementary Estimates (C) for the fiscal year ending March 31, 1984, laid upon the Table, Monday, March 5, 1984, except those items disposed of earlier this day and that portion of item 1c under the Department of National Revenue—Customs and Excise—Program expenditures ruled out by Mr. Speaker, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried on division.

Motion agreed to.

Mr. Gray thereupon moved that Bill C-27, and Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1984, be read the first time and be printed.

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

Some Hon. Members: On division.

Mr. Speaker: I declare the motion carried on division.

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

Mr. Gray thereupon moved that Bill C-27, an Act granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1984, be read the second time and referred to the Committee of the Whole.

Motion agreed to on division, Bill read the second time and the House went into committee thereon, Mr. Corbin in the chair.

● (1820)

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 6 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall Clause 7 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the Schedule carry?

Some Hon. Members: On division.

Schedule agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry?

Some Hon. Members: On division.

Title agreed to.

The Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

Mr. Gray moved that the bill be concurred in.

Some Hon. Members: On division.

Motion agreed to.

Mr. Gray moved that the Bill be read the third time and passed.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

* * *

INTERIM SUPPLY

Hon. Herb Gray (President of the Treasury Board) moved:

That a sum not exceeding $10,358,774,745.49 being the aggregate of:

(*a*) three-twelfths of the total of the amounts of the Items set forth in the Estimates for the fiscal year ending March 31, 1985, laid before the House of Commons on Tuesday, February 21, 1984, $9,287,918,349.75;

(*b*) an additional eight-twelfths of the total amount of Communications Item 35, Public Works Items 65 and 75, Transport Item 25 and Treasury Board Item 10 (Schedule A) of the said Estimates $12,272,733.33;

(*c*) an additional six-twelfths of the total amount of Treasury Board Item 5 (Schedule B) of the said Estimates $157,500,000;

(*d*) an additional three-twelfths of the total amount of Indian Affairs and Northern Development Item 15, Transport Items 20, 35, L60 and L115 (Schedule C) of the said Estimates $226,445,000;

(*e*) an additional two-twelfths of the total amount of Communications Item 5, Environment Items 15 and 30, Public Works Items 20, 30, 70 and 80, Regional Industrial Expansion Item 35, Secretary of State Item 30 and Transport Item 90 (Schedule D) of the said Estimates $118,331,748.83;

(*f*) an additional one-twelfth of the total amount of Agriculture Item 15, Communications Item 45, Consumer and Corporate Affairs Items 1 and 5, Employment and Immigration Item 15, Energy, Mines and Resources Item 1, Environment Items 1 and 20, External Affairs Items 5 and 40, Indian Affairs and Northern Development Items 30, 35 and 40, Labour Item 5, National Health and Welfare Items 10 and 45, Public Works Item 10, Secretary of State Item 10, Solicitor General Item 1, Supply and Services Item 1, Transport Items 65 and 100, Veterans Affairs Items 25 and 30 (Schedule E) of the said Estimates $555,806,877.58;

be granted to Her Majesty on account of the fiscal year ending March 31, 1985.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. Gray moved that Bill C-28, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1985 be read the first time and printed.

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

Mr. Gray thereupon moved that Bill C-28, for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1985, be now read a second time and referred to the Committee of the Whole.

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

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Corbin in the chair.

[*Translation*]

The Chairman: Shall Clause 2 carry?

Some Hon. Members: On division.

Clause 2 agreed to.

The Chairman: Shall Clause 3 carry?

Some Hon. Members: On division.

Clause 3 agreed to.

The Chairman: Shall Clause 4 carry?

Some Hon. Members: On division.

Clause 4 agreed to.

The Chairman: Shall Clause 5 carry?

Some Hon. Members: On division.

Clause 5 agreed to.

The Chairman: Shall Schedule A carry?

Some Hon. Members: On division.

Schedule A agreed to.

The Chairman: Shall Schedule B carry?

Some Hon. Members: On division.

Schedule B agreed to.

The Chairman: Shall Schedule C carry?

Some Hon. Members: On division.

Schedule C agreed to.

The Chairman: Shall Schedule D carry?

Some Hon. Members: On division.

Schedule D agreed to.

The Chairman: Shall Schedule E carry?

Some Hon. Members: On division.

Schedule E agreed to.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: On division.

Clause 1 agreed to.

The Chairman: Shall the preamble carry?

Some Hon. Members: On division.

Preamble agreed to.

The Chairman: Shall the title carry.

Some Hon. Members: On division.

Title agreed to.

The Chairman: Shall the Bill carry?

Some Hon. Members: On division.

Bill agreed to.

The Chairman: Shall I rise and report the Bill?

Some Hon. Members: Agreed.

Bill reported.

[*English*]

Mr. Gray moved that the Bill be concurred in.

Some Hon. Members: On division.

Motion agreed to.

Mr. Gray moved that the Bill be read the third time and do pass.

Some Hon. Members: On division.

Motion agreed to and Bill read the third time and passed.

Mr. Speaker: It being 6.27 p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 2.

At 6.27 p.m. the House adjourned, without question put, pursuant to Standing Order.

END OF VOLUME II